

Western EIM Base Schedule Submission Deadline Draft Final Proposal

Comments by Department of Market Monitoring

November 24, 2020

I. Comments

DMM supports the proposed changes in the *Western EIM Base Schedule Submission Deadline Draft Final Proposal*.¹ The ISO proposes two main changes. The ISO proposes moving the base schedule submission deadline closer to the beginning of the fifteen-minute market run. The ISO also proposes allowing base schedules from start-up energy to be included in base schedules so that this energy can count towards meeting the resource sufficiency evaluation.

Moving the submission deadline will allow greater flexibility for Western EIM participants to take actions to pass the sufficiency tests—and thereby avoid the resulting restrictions on Western EIM transfers. Including start-up energy in base schedules will increase the accuracy of the resource sufficiency tests and could reduce uninstructed imbalance settlements.

A potential bid cost recovery issue could arise because the ISO will include start-up energy in base schedules but is not going to model this start-up energy in its real-time market dispatches. In the absence of special settlement provisions, the bid cost recovery calculation would treat the difference between this startup energy base schedule and its real-time energy dispatch as an energy buyback (with negative market revenue) in the fifteen-minute market without a corresponding bid cost decrease. This could inflate bid cost recovery payments.

It is DMM's understanding that the ISO's policy intent is for bid cost recovery calculations to not include these negative market revenues. The ISO's implementation and policy teams have confirmed that settlements will not calculate any Expected Energy for the difference between the start-up energy in base schedules and real-time market dispatches. This special provision should prevent base schedule start-up energy from inflating bid cost recovery payments. The ISO will also calculate uninstructed energy for these start up periods as the difference between the base schedule energy and metered output. This should prevent a generator from getting paid imbalance energy for output up to its base schedule.

¹ *Western EIM Base Schedule Submission Deadline Draft Final Proposal*, October 30, 2020:
<http://www.caiso.com/InitiativeDocuments/DraftFinalProposal-WesternEIMBaseScheduleSubmissionDeadline.pdf>