

**COMMENTS OF IDAHO POWER COMPANY  
ON CAISO’S REAL-TIME MARKET NEUTRALITY  
SETTLEMENT WORKSHOP**

| <b>Submitted By</b>  | <b>Company</b>      | <b>Date Submitted</b> |
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Idaho Power Company (“Idaho Power”) appreciates the opportunity to comment on the California Independent System Operator’s (“CAISO”) Real-Time Market Neutrality Settlement Workshop held on May 21, 2019.

Idaho Power thanks CAISO for holding the workshop; it was valuable and helpful in better understanding CAISO’s proposal. With these Comments, Idaho Power reiterates all of its prior comments on the straw proposal.<sup>1</sup> Idaho Power also agrees with Powerex’s comments at the workshop and believes that more examination and discussion is needed of the issues involved in this initiative and to fully vet potential solutions. Specifically, CAISO should provide additional documentation or hold a workshop to compare and contrast all the proposed solutions—both CAISO’s and stakeholders’. CAISO should provide Energy Imbalance Market (“EIM”) Entities data from an actual settlement interval, including calculations and formulas for each of the determinants used in the Real-Time Imbalance Energy Offset (“RTIEO”) charge code, and show how the settlement would change for that interval under CAISO’s proposal versus under various stakeholders’

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<sup>1</sup> Idaho Power Comments on CAISO’s Real-Time Market Neutrality Settlement Issue Paper and Straw Proposal (May 14, 2019), available at <http://www.caiso.com/Documents/IPCComments-Real-TimeMarketNeutralitySettlement-IssuePaper-StrawProposal.pdf>.

proposals. CAISO should also provide documentation to confirm that the proposed changes do not impact the settlement of that interval for any other charge code. Idaho Power agrees with CAISO staff on the need to correct these issues as quickly as possible but believes that more evaluation is needed to ensure that solutions are durable and do not create other problems.

Further, CAISO should acknowledge that real harm has occurred due to the current design, particularly the financial value transfer including a greenhouse gas (“GHG”) component and essentially clawing back GHG revenue that an EIM Entity properly received due to its generation being deemed delivered to California. Idaho Power appreciates that CAISO is proposing to correct for this going forward. However, CAISO must fully vet and consider all potential solutions with stakeholders. Further, CAISO should fully consider and implement mechanisms for correcting the inappropriate clawback of GHG revenue—the past harm—that has occurred for some EIM Entities under the current design.

Idaho Power remains very concerned that the current EIM benefit calculation is not properly valuing benefits due to the activity in the RTIEO charge code. Due to the inappropriate clawback of the GHG revenue via the RTIEO, the amount of GHG revenue an EIM Entity has received in charge code 491 that is used in the benefit calculation may have been nullified as part of RTIEO. In addition, the current EIM benefit methodology does not reflect transfers in and out of a Balancing Authority Area as part of the RTIEO offset calculation. Such transfers may effectively change the amount of benefit an EIM Entity receives. Idaho Power requests that CAISO consider the current design of the RTIEO calculation and review the current benefit methodology to ensure that benefits have properly accounted for the RTIEO activity. Idaho Power requests that CAISO review

the financial impacts and the EIM benefits over the past year to determine if an adjustment to the benefits is warranted.

Finally, Idaho Power requests that CAISO holistically re-evaluate its settlement policies as more entities join the EIM. Periodic review and re-evaluation would help ensure that policies are appropriately designed and working correctly.

Idaho Power thanks CAISO for commencing this initiative and holding a workshop and appreciates CAISO's and stakeholders' efforts in developing and considering the proposals. Idaho Power looks forward to continued collaboration on these issues.