

**COMMENTS OF IDAHO POWER COMPANY
ON CAISO'S 2018 *EXTENDED SHORT-TERM UNIT COMMITMENT*
ISSUE PAPER AND STRAW PROPOSAL**

Submitted By	Company	Date Submitted
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Idaho Power Company (“Idaho Power”) appreciates the opportunity to comment on the California Independent System Operator’s (“CAISO”) *Extended Short-Term Unit Commitment* Issue Paper and Straw Proposal (“Proposal”). Idaho Power appreciates CAISO staff’s explanation of the proposal and the discussion at the May 22, 2018 stakeholder meeting.

Idaho Power understands the CAISO’s reasoning for extending the timeframe for the short-term unit commitment (“STUC”) horizon is to achieve better visibility of upcoming peaks throughout the day. While in general this is a reasonable goal, Idaho Power has concerns about the proposal to require Energy Imbalance Market (“EIM”) entities to submit base schedules and bids for 20 hours, rather than the current six-hour requirement.

First, Idaho Power questions whether the increase in the time horizon for EIM base schedules and bid submissions is necessary or appropriate. The changes to the STUC horizon appear to be aimed at providing better visibility of and ability to meet the peaks in the “duck curve”—that is, the CAISO Balancing Authority Area’s (“BAA”), not EIM entities’, load. Idaho Power questions whether it is appropriate to require EIM entities to submit longer-time-horizon base schedule and bid submissions in order to help solve a challenge solely related to the CAISO BAA’s load shape, particularly when the purpose of the EIM

is to serve real-time customer demand across the EIM footprint. If the STUC process relies on or considers the availability of EIM transmission or EIM Transfer System Resources, that would present concerns as well. Idaho Power is interested in further discussion of these issues to aid its understanding.

Second, Idaho Power often makes purchases in the bilateral market to meet demand. This often is more economical than running Idaho Power's gas peaking units. Therefore, Idaho Power may appear short in some hours in the future because it has not started its gas peaking units and instead is planning to rely on future bilateral market purchases to meet its needs. (Idaho Power often waits to make those purchases until it has a better idea of wind and other generation levels, load levels, and market prices in those hours—typically less than five hours out.) In this scenario, even today with the shorter look-ahead, the STUC process often commits units that Idaho Power does not intend to run. As a result, Idaho Power has to watch for and block these start commitments when they occur. This could occur even more frequently or to a greater magnitude with the longer look-ahead, resulting in inefficient unit commitment instructions and increased workload.

Further, Idaho Power has substantial penetration of variable energy resources ("VER") in its Balancing Authority Area (BAA), greater than many EIM participants. The significant amount of VERs, coupled with diverse weather patterns and topography, make accurately forecasting even the next few hours extremely difficult. Even with improvements in VER forecasting, base schedules for the time period further out—ten hours out and beyond—would hardly represent intended operation. (Idaho Power also has questions about the accuracy of other forecasts, such as CAISO's load forecast—to which Idaho Power balances—that far out.) Unit commitments based on those schedules would frequently result in too much or too little generation committed. Similarly,

accurately maintaining 18 hours of base schedules during times of high VER volatility may adversely impact other workload and resources.

Finally, if the proposal is adopted, there may be software changes that are required to be implemented by software vendors. In the initial stakeholder meeting for this initiative, EIM stakeholders raised concerns about the ability of software vendors to make the changes on the timeframe envisioned by CAISO, which we understand to be that tariff changes will be implemented by the fall of 2018. Idaho Power shares these concerns.

Idaho Power again appreciates the opportunity to submit these comments and is looking forward to continued collaboration with CAISO on these and other issues.