

January 4, 2018

CAISO  
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CAISO:

Western Grid Group, Islands Energy Coalition, Natural Resources Defense Council, Northwest Energy Coalition, Vote Solar submit the following comments on CAISO's 2018 [Final Policy Initiatives Catalog and 2018 Draft Policy Initiatives Roadmap](#).

As Non- Governmental Organizations engaged in the evolution of the electric grid and its ability to support an increasing amount of clean energy resources and technology we:

- **Support the high priority proposed to be given to day-ahead market (DAM) enhancements and extending those enhancements to EIM participants.** In the near-term, many non-CAISO utilities and their regulators and governing bodies will need to make decisions on participation in the growing number of market options available in parts of the West.<sup>1</sup> Developing and vetting DAM enhancements and making those enhancements available to EIM participants will enable all parties to make more informed decisions on their participation on regional markets.
- **Urge acceleration of work to define and vet issues associated with participation of EIM entities in the day-ahead market.** The schedule outlined by CAISO during its December 14 stakeholder meeting (<http://www.caiso.com/Documents/Agenda-Presentation-2018DraftPolicyInitiativesRoadmap.pdf> - slides 17-18) shows work on policies to extend the day-ahead market to EIM entities concluding in the first quarter of 2019 with implementation in 2020. In order to make informed decisions in non-CAISO venues, EIM entities and their regulators need to have the basic elements of an extended day-ahead market defined and vetted earlier than the first quarter of 2019.
- **Recommend that CAISO begin outreach to EIM stakeholders in January 2018** so that those stakeholders will have a sound understanding of the issues embedded in DAM enhancement effort which is the central building block for vetting issues related to extending the DAM to EIM entities. There is a steeper learning curve on DAM enhancements among non-CAISO parties that needs to be accommodated so that timely decisions can be made by those parties about extension of the DAM to EIM participants.
- **Recommend that CAISO identify appropriate analytical methods by which the benefits (and costs) of participating in the extended day-ahead market can be evaluated by individual EIM**

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<sup>1</sup> For example, the New Mexico Public Regulation Commission has an open docket on whether Public Service Company of New Mexico should join the EIM, the Southwest Power Pool or another market. The Nevada Public Utilities Commission has opened a docket to examine what regional markets might be needed to support retail choice, an issue that will be on the November 2018 ballot. The Colorado Public Utilities Commission has an open docket on its jurisdictional utilities joining SPP. It is likely the Wyoming Public Service Commission will open a similar docket to evaluate utility applications expected in 2018.

**entities.** In the past few years, much work has been done to develop analyses to estimate the benefits of participation in the EIM and in a full RTO.<sup>2</sup> The proposed extension of DAM to EIM participants may require tweaking of the methodologies used in EIM and RTO analyses. EIM stakeholders will need a roadmap on the best methodology for evaluating the benefits of EIM participants joining the day-ahead market. Because of pending decisions in non-CAISO venues, it is important that study methodologies be defined to enable analysis of benefits to be completed expeditiously to be useful in those non-CAISO venues.

- **Support proposed CAISO initiatives that would enable a full vetting of core issues related to extending the day-ahead market to EIM entities.** These proposed initiatives include but should not be limited to:
  - Align Transmission Access Charge (TAC) Paradigms;
  - Day-Ahead Resource Sufficiency Evaluation;
  - Transferring Bid Range;
  - Greenhouse Gas Attribution Approach for Day-Ahead; and
  - Congestion Revenue Rights Extended Footprint.

Thank you for the opportunity to submit comments on the catalog and roadmap.

Regards,

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<sup>2</sup> For example: CAISO's SB 350 study; EIM participation studies by PacifiCorp, NV Energy, Arizona Public Service, Portland General Electric, Idaho Power, and Puget Sound Energy; Mountain West Transmission Group (Brattle; Glarus); and the ongoing study of joining SPP by the Southwest Market Assessments Group.