



Submitted by	Company	Date Submitted
Christine Kirsten christine.kirsten@pacificorp.com 916-207-4693	PacifiCorp	August 22, 2018

**PacifiCorp’s Comments on the ISO’s Draft Policy Initiatives
Catalog Published August 8, 2018**

PacifiCorp appreciates the opportunity to comment on the draft 2019 Policy Initiatives Catalog published by the California Independent System Operator (“ISO”) August 8, 2018, (“Catalog”). In general, the Catalog is well organized and comprehensive. However, PacifiCorp notes that the Catalog appears inconsistent in identifying categorization of the initiatives in Section 6. For example, many of the initiatives in Section 6 do not include a preliminary energy imbalance market (“EIM”) governing body classification, even though an EIM component exists. In addition, PacifiCorp notes that the initiative in Section 6.1.16 is categorized as “N” although the non-discretionary category no longer exists and Section 6 is for discretionary initiatives.

PacifiCorp provides comments on specific initiatives in the Catalog as follows.

4.8 EIM Offer Rules – EIM Resource Sufficiency Evaluation

Section 4 of the Catalog lists the initiatives completed since publication of the previous catalog, including initiatives that may be currently underway, but are anticipated to be approved by the ISO’s board by the end of 2018. The EIM Offer Rules – EIM Resource Sufficiency Evaluation initiative, listed as Section 4.8, should not be in Section 4 at all. PacifiCorp notes that the Catalog was published prior to the ISO’s review of the stakeholder comments received after the second workshop, many of which request that the ISO conduct a full policy stakeholder process on resource sufficiency test enhancements.

In the Catalog, the ISO states that it has determined that as a result of “two stakeholder workshops” and stakeholder comments, a separate policy initiative was not needed. The ISO also points to its response to stakeholder comments document for reference. However, the response document referred to addresses stakeholder comments on the “first” workshop. As stated in its comments on the “second” workshop, PacifiCorp urges the ISO to conduct a policy stakeholder process on this initiative, and therefore, the initiative should be placed in the Catalog under Section 6.



4.11 Day-Ahead Market Enhancements – 15-Minute Granularity

The ISO has recently split its Day-Ahead Market Enhancements initiative into two separate initiatives, the first of which is 15-Minute Granularity. The 15-Minute Granularity initiative will change day-ahead scheduling from hourly to 15-minutes, and will require EIM entities to submit real-time schedules with 15-minute granularity. Currently, the ISO has classified this initiative as E2 – EIM governing body advisory. PacifiCorp believes that the initial classification should be E4 – EIM governing body hybrid advisory, because the piece that requires EIM entities to submit real-time schedules with 15-minute granularity should require EIM governing body approval under its primary authority, since requirements in the EIM will be changed as a result. In addition, PacifiCorp requests that language be added to the description to clarify what impact the 15-minute granularity will have on the existing hourly resource sufficiency tests.

5.8 EIM Mitigation

Section 5 lists the initiatives that are currently underway and planned. The EIM Mitigation initiative in Section 5.8 will holistically review the need for additional EIM default energy bid options, reference level adjustment request changes, changes to the competitive LMP, and EIM mitigation issues. The initiative is classified as E4 – EIM governing body hybrid advisory, because the potential market design changes are not specific only to the EIM. PacifiCorp agrees with the E4 classification, but suggests that the ISO change the name of the initiative to remove “EIM” from the title. For example, the initiative could be titled Mitigation Enhancements or something similar that does not suggest the initiative should fall under the EIM governing body’s primary authority.

6.1.4 BAA Islanding of Internal Regions

The ISO states that this initiative will consider if a single balancing authority area could island specific regions and continue to operate the market optimization dispatch for each region separately. PacifiCorp requests further details and information regarding the problems or issues this initiative is intended to solve.

6.1.5 EIM Base Schedule Deadline

This initiative has been the subject of many EIM stakeholder discussions for quite some time. PacifiCorp notes that at one time, the ISO stated that it could make changes to the base schedule deadline without a full policy stakeholder process. Since the Catalog is limited to initiatives that require policy stakeholder processes, it appears the ISO has withdrawn its statement that a policy initiative stakeholder process is not needed for the deadline change. PacifiCorp believes that moving the base schedule deadline closer to the Western Electricity Coordinating Council’s (“WECC’s”) e-tag deadline of T-20 would be beneficial to all EIM participants. PacifiCorp



requests additional information and explanation regarding why the ISO has changed its position on whether or not a policy stakeholder process is required.

6.1.16 Full Network Model Expansion – Phase 2

First, as stated above, this initiative is categorized as “N” which no longer exists as a category and does not fit under the Section 6 discretionary items. More substantively, there has been some discussion in various meetings over the last year about the potential benefits of having EIM entities submit base transfers between two EIM entities only to reflect the ultimate source/sink import/export to those EIM entities, and not reflect intermediary point injections and withdrawals with non-EIM entities that might appear on an e-tag in between the two EIM entities. This could substantially change business rules and implementations that existing EIM entities have in place for their respective interchange forecasts. In light of the past discussions, is the ISO still planning to move forward with this initiative as it is currently described in the Catalog? PacifiCorp requests additional explanation regarding the scope, EIM classification, and implementation plans for this initiative, and clarification regarding its non-discretionary categorization.

Conclusion

PacifiCorp appreciates the ISO’s consideration of these comments and looks forward to working with the ISO and stakeholders on finalizing the 2019 Catalog.