

 California ISO	Market and Infrastructure Policy	Template Version:	1
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Policy Initiatives Catalog Submission Form		Date Created:	6/1/2017

California ISO Policy Initiatives Catalog Submission Form

This purpose of this form is to propose potential policy initiatives that require a stakeholder process and typically require tariff changes. Do not use this form to request or propose process improvements or administrative changes. Such requests should be made through your Customer Service Representative or Account Manager

Date: 3/19/2019

Submitter Information

Organization	Contact Name	E-mail	Phone
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Please provide a title for the issue.

Transfer Out Adjustment Amount in the charge code 64770 RT Imbalance Energy Offset needs to be enhanced to better take into account revenue neutrality in the Initial RTIEO.

Please provide a summary description of the issue (i.e. 500 words)

The transfer out percentage (RT Energy Quantity Pre-Calc BPM section 3.6.23) is equal to the volume of your EIM instructed exports divided by the gross UIE + gross UFE + EIM instructed exports. The more UIE and UFE you have the larger the denominator and therefore the less initial RTIEO you will transfer out with EIM Exports. The existing calculation of the Transfer Out Percentage has the proper incentives if what is being transferred out is a cost. The more UIE and UFE in your BAA the more neutrality costs that will stay in your BAA. However, many times EIM Entities have revenue neutrality amounts which they need to keep in their BAA to make it whole from a neutrality perspective. The only way to keep these is to either not have EIM Exports or have large amounts of UIE and UFE. In addition, with the current calculation the magnitude of neutrality amount per MWh of export can be disproportionately large.

Please provide any data/information available that would characterize the importance or magnitude of the issue.

The attached power point discusses the issue along with details of the magnitude by EIM entity for 2018 on slide #7. EIM Entities transferred out \$41.3m in 2018. PacifiCorp specifically had to transfer out \$27.6 million of revenues its BAA needed to be made whole. This issue has a significant impact on PacifiCorp's EIM benefits and we believe it is of high importance.

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