Portland General Electric Comments: Imbalance Conformance Enhancements Revised Draft Final Proposal

Submitted by Dan Williams, dan.williams@pgn.com and Johnny Useldinger, johnny.useldinger@pgn.com

PGE appreciates the opportunity to provide feedback on the ISO's Imbalance Conformance Enhancements Revised Draft Final Proposal (Proposal)¹.

As stated in previous comments², PGE fully supports the ISO's goals outlined in the Proposal.

PGE appreciates the ISO's addressing EIM Operator's authority to conform in the real time market in this revised Proposal. PGE supports the ISO's decision to place this narrow issue under the EIM Governing Body's primary authority.

While the ISO's Proposal has neither outlined which of the planned conformance improvements will be made available to EIM Operators, nor described which associated market enhancements will reduce drivers for load conformance in the EIM areas, PGE is confident the ISO will be able to address these issues with EIM Entities going forward. Further, while PGE shares the concerns of other stakeholders that leaving the price limiter in place could have more adverse market impacts than removing it immediately³, PGE trusts the ISO will continue to perform data analysis on the pricing impacts of the limiter and will pull forward its removal if warranted.

PGE therefore does not believe either of these two issues should delay the initiative, and supports the ISO moving forward with seeking EIM Governing Body and ISO Board of Governors approval on the proposal as drafted.

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¹ http://www.caiso.com/Documents/RevisedDraftFinalProposal-ImbalanceConformanceEnhancements redline.pdf

² http://www.caiso.com/Documents/PGEComments-ImbalanceConformanceEnhancements-IssuePaper-StrawProposal.pdf

It is possible that inadvertent suppression of market clearing prices may more negatively impact the health of the market than inadvertent triggering of penalty pricing, especially given the ISO's near-term challenges drawing sufficient flexible capacity into the real time market.