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PacifiCorp’s Comments on the Local Market Power Mitigation Enhancements Draft Final Proposal

PacifiCorp hereby submits the following comments to the California Independent System Operator Corporation (“CAISO”) on the Local Market Power Mitigation (“LMPM”) Enhancements draft final proposal, updated and published January 31, 2019 (“Updated Draft Final Proposal”). PacifiCorp appreciates the opportunity to provide comments for the CAISO’s consideration.

Local Market Power Mitigation Proposals

PacifiCorp generally supports the CAISO’s LMPM enhancement proposals. PacifiCorp appreciates the CAISO’s continued work and analysis on the proposed default energy bid (“DEB”) calculation that includes opportunity costs for hydro resources with short and long-term storage capability. PacifiCorp generally agrees with stakeholder comments, that both the short and long-term hydro storage resources will seek to maximize their opportunities to sell at multiple geographic locations, and that this capability is not limited to only long-term hydro storage resources.

PacifiCorp also supports the CAISO’s proposal to include multiple trading hubs in the hydro DEB calculation. While PacifiCorp understands and supports the need to demonstrate firm transmission rights to a geographic trading hub, or one that is electrically similar, the CAISO should also include in that demonstration an ability to utilize resources across an entity’s system to access different trading hubs across the Western Interconnect. For example, PacifiCorp has the ability to schedule its Jim Bridger resource into the PacifiCorp East balancing area from the PacifiCorp West balancing area. This capability allows PacifiCorp to increase its PacifiCorp West hydro schedules to support a Jim Bridger resource schedule to the PacifiCorp East balancing area which should be valued at the relevant liquid market hub, Palo Verde. CAISO should not strictly require a demonstration of firm transmission directly to the market hub.

EIM Governing Body Classification

PacifiCorp continues to support the CAISO’s proposal to establish a separate EIM Governing Body classification for each component of the initiative. PacifiCorp agrees with the CAISO’s plans to present each proposal separately to the EIM Governing Body, and supports the CAISO’s EIM decisional classifications as set forth in the Updated Draft Final Proposal.

Conclusion

PacifiCorp appreciates the CAISO’s consideration of these comments and looks forward to continued collaboration.