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PacifiCorp Comments on the System Market Power Mitigation Scoping Document

Introduction

PacifiCorp hereby submits the following comments to the California Independent System Operator Corporation (“CAISO”) on the System Market Power Mitigation Scoping Document published October 28, 2019, (“Scoping Document”). PacifiCorp appreciates the opportunity to provide comments for the CAISO’s consideration.

Comments on the Scoping Document

The CAISO’s Scoping Document sets forth proposed principles and scope for designing and implementing system-level market power mitigation for the CAISO balancing authority area, which would be the basis for a policy initiative if the CAISO determines it is appropriate to implement such a policy.

PacifiCorp agrees with other stakeholders that nothing in the CAISO’s system market power analysis indicates an urgent need for the CAISO to conduct a policy initiative to design and implement new price mitigation procedures to address system-level market power. The recent comments provided by the Market Surveillance Committee (MSC) indicate a similar sentiment, in that there is currently not an urgent need for the CAISO to address system-level market power. With regard to system market power, PacifiCorp believes that changes to the CAISO’s Resource Adequacy framework can be more impactful in ensuring supply to the CAISO market that would limit the ability to exercise market power. PacifiCorp supports the CAISO’s efforts to review its Resource Adequacy framework, which may mitigate the issues discussed in the Scoping Document, as well as the CAISO’s current policy for evaluating import-based Resource Adequacy.

PacifiCorp believes that the CAISO’s and stakeholder resources’ time and efforts should focus on other current and upcoming, and much more urgent initiatives, such as the day-ahead market enhancements and designing an extended day-ahead market (“EDAM”). In addition, the design choices that would need to be considered in the time frame contemplated in the Scoping Document



are likely to change with the upcoming EDAM stakeholder process. While PacifiCorp does not support pursuing expanded bid mitigation at this time, it does support engaging in a review of price formation practices as part of the EDAM stakeholder process. Lastly, although PacifiCorp does not support engaging in a system-level market power mitigation policy initiative, should the CAISO move forward with the initiative, PacifiCorp is supportive of the consensus that system-level market power mitigation should only apply to energy offers for resources within the CAISO balancing area.

Conclusion

PacifiCorp appreciates the CAISO's consideration of these comments.