

Comments of Powerex Corp. on Revised Draft Policy Initiatives Catalog

Submitted by	Company	Date Submitted
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Powerex appreciates the opportunity to submit comments on the CAISO’s 2020 Draft Policy Initiatives Catalog (the “Catalog”). Powerex submits these limited comments with respect to the real-time market neutrality settlement initiative (Item 5.6); and those items in the Catalog touching efforts to design and implement an extended day-ahead market (“EDAM”) (Item 6.7).

Item 5.6 – Real-Time Market Neutrality Settlement (D, 1)

Powerex notes that Item 5.6 - Real-Time Market Neutrality Settlement is listed as a discretionary item and as recently completed in the Catalog. However, the CAISO has committed to stakeholders, as well in the CAISO’s tariff amendment filing to the Federal Energy Regulatory Commission, that it will “engage stakeholders to discuss a more comprehensive review of neutrality offsets, and to ensure market confidence in CAISO settlement processes.”¹ Therefore, Powerex suggests the CAISO reconsider the discretionary categorization of this initiative and to remove it from the completed section of the Catalog.

Item 6.7 -- Extended Day Ahead Market

Powerex notes that the CAISO and the EIM Entities are engaged in an EDAM feasibility assessment to evaluate the benefits and feasibility of a broader regional EDAM. In order to be successful, the design and development of an EDAM must be a broad regional collaborative effort. As a practical matter, this will require taking a fresh look at market design in order to balance and take into account the diverse interests of all of the potential EDAM participants across the West. The EDAM cannot, and should not, be simply an extension of the existing Energy Imbalance Market or the CAISO’s existing Integrated Forward Market. Instead, any effort to pursue the development of an EDAM will necessarily encompass a range of market design issues (e.g. day-ahead market enhancements, resource adequacy and sufficiency, governance etc...). As such, depending on the outcome of the EDAM feasibility assessment, and in the event there is sufficient stakeholder support to move forward with a formal EDAM stakeholder process, Powerex believes that the Catalog and the CAISO’s Policy Initiatives Annual Plan will need to be substantially reconsidered and reevaluated with respect to implementing an EDAM policy design framework.

¹ *Cal. Indep. Sys. Operator Corp.*, Tariff Amendment To Address Real-Time Market Settlement Neutrality, Docket No. ER19-2497-000, Transmittal Letter at 19 (filed July 30, 2019).