



5/15/2023

Board of Governors and WEIM Governing Body Members
250 Outcropping Way
Folsom, CA 95630

Subject: Day Ahead Market Enhancements Initiative

Dear ISO Board of Governors and WEIM Governing Body Members,

The Day-Ahead Market Enhancements (DAME) initiative proposes new market products that are a key component of the EDAM. PacifiCorp is committed to collaborating with the CAISO and stakeholders to continuously improve the imbalance reserve and reliability capacity products, so they provide what is needed in the EDAM. The EDAM and DAME initiatives provide an opportunity for Western entities to create a day-ahead market that gives reliable and efficient market outcomes. PacifiCorp believes the DAME initiative furthers these goals and recommends that the WEIM Governing Body pass the initiative as is.

One of the purposes of the DAME initiative is to decrease the frequency of load biasing by CAISO operators. PacifiCorp acknowledges that this is a difficult task as the jobs of operators are not always aligned with organized electricity markets. PacifiCorp expects and understands that exceptional actions by CAISO operators will happen in the EDAM. However, PacifiCorp does not want the EDAM to be continuously impacted by CAISO operator actions. Out-of-market actions by CAISO operators will have wide-ranging and non-transparent impacts on EDAM entities. PacifiCorp believes that the market products being proposed in the DAME initiative will help increase operator confidence that there is sufficient supply cleared by the market for system reliability. However, the products will require continuous improvement as more data becomes available and experience is gained. It is reasonable to expect that there may be a high frequency of CAISO operator load biasing for some time after EDAM go-live until CAISO operators have familiarity with the mechanics of the new market. PacifiCorp acknowledges this but also asks that the CAISO commit to working with stakeholders on solutions so that the EDAM becomes a more efficient electricity market over time.

The stakeholder process for the DAME initiative was comprehensive and robust. It is PacifiCorp's belief that the process allowed all entities to share their perspectives and concerns, and the CAISO reasonably considered all opinions when finalizing the design. When the DAME initiative was first extended, there



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were major design questions that stakeholders felt had not been adequately discussed. After the past three months of workshops, meetings, and proposals, the DAME initiative is now a market design that is an acceptable compromise and lays the foundation for an imbalance reserve and reliability capacity product that will benefit all market participants and the future needs of the market. The imbalance reserve product design has the needed flexibility to improve after extensive testing and data collection within the implementation phase of the EDAM. It will be paramount that stakeholders continue to be included in the development of the imbalance reserve product before EDAM go-live. Specifically, PacifiCorp would like to see collaboration with respect to the constraints enforced in the deployment scenarios and adjustments of the modeling of net load uncertainty. Furthermore, PacifiCorp asks the CAISO to clearly define: (1) the process for how changes to the imbalance reserve product will be proposed, considered, and as needed, made); (2) the frequency for which this review process will occur; and (3) the criteria that would cause the CAISO to make changes to the imbalance reserve product after EDAM go-live. PacifiCorp advocates for a review process that is open, transparent and allows for stakeholder input.

PacifiCorp appreciates the opportunity to comment on the DAME initiative before it goes in front of the WEIM Governing Body. The DAME initiative is of great importance to PacifiCorp as it will be used to improve system reliability and market efficiency in the EDAM. PacifiCorp commends CAISO staff and stakeholders for their hard work in moving this initiative to a Final Proposal that reflects many different viewpoints and recommends the WEIM Governing Body pass the DAME initiative.

Sincerely,

Kerstin Rock

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