

PUGET SOUND ENERGY COMMENTS
DRAFT 2017 STAKEHOLDER INITIATIVES CATALOG
November 17, 2016

Puget Sound Energy (PSE) appreciates the opportunity to provide comments for consideration by the California Independent System Operator (ISO). These comments are based on the draft 2017 Stakeholder Initiatives Catalog, 2017 Draft Policy Initiatives Roadmap, and the November 3 web conference slide deck. PSE generally supports the high-level prioritization of discretionary policy initiatives in the ISO's 2017 Ranking Table,¹ and we provide additional comments below.

A. COMMENTS

1. PSE Supports Initiatives that Address Issues Raised at the October 28 FERC Technical Conference

PSE supports the priority rankings of the two highest ranked discretionary initiatives – “Real-Time Market Enhancements” (6.3.1) and “Management of EIM Imbalance Settlement for Bilateral Schedule Changes” (6.4.7). These two initiatives can address issues raised by stakeholders during the October 28 Federal Energy Regulatory Commission (FERC) Technical Conference on intertie bidding, including the improvement of the intra-hour scheduling window to allow for schedule adjustments after T-57.5 and the reform of wheel-throughs in Energy Imbalance Market (EIM) Balancing Authority Areas (BAAs) to avoid congestion. We believe that the proposed initiatives provide a timely and cost effective means to develop and implement market changes. PSE would be supportive of a future CAISO initiative that could address remaining issues from the FERC technical conference (such as finding ways to make EIM entry economical for smaller BAAs) after these market changes are implemented and market performance has been evaluated. PSE also believes that these changes should be able to improve the functioning of the EIM without disrupting current market operations, and without placing new burdens upon EIM Entities.

2. PSE Supports “Donation by Third Party for Transmission Capacity Available for EIM Transfers” and “Compensation for Third Parties Making Capacity Available for EIM Transfers”

PSE also supports the two initiatives titled “Donation by Third Party for Transmission Capacity Available for EIM Transfers” (6.4.5) and “Compensation for Third Parties Making Capacity Available for EIM Transfers” (6.4.4). These initiatives would further liquidity in the EIM with added transfer capacity, which would benefit EIM stakeholders and the ISO.

¹ 2017 Draft Policy Initiatives Roadmap, pp. 4-9.

3. Enhancing Participation of External Resources.

PSE would support a CAISO initiative stakeholder process that would begin to define the necessary criteria and information needs to enable resource-specific participation by external resources in a way that enhances the existing EIM market structure without major re-design or cost burdens to EIM BAAs. This process could be completed within the currently proposed initiative “Enhancing Participation of External Resources.” An appropriate focus of such an initiative would be information and modeling obligations of the external resource, obligations of the external resource’s BAA, the external resource’s transmission purchase and modeling obligations, appropriate cost assignments, and the interface and reliability costs and obligations of CAISO, the border BAA, the host BAA, and the external resource.

Establishing a well-defined set of criteria, akin to the well-established criteria necessary for a pseudo tie, will facilitate effective integration of external resources in a non-disruptive manner.

4. Proposed Modification to “Desired by Stakeholders” Criteria for EIM Initiatives

PSE believes that adjustments to the methodology for determining the “desired by stakeholders” category are needed with respect to initiatives that are within the primary authority of the EIM Governing Body. Because the number of EIM stakeholders is small relative to the total number of ISO stakeholders, this category will seldom if ever get a score over three for EIM initiatives. PSE requests that the ISO consider weighing stakeholder desire for EIM initiatives by measuring the number of stakeholders who desire high priority against only the total number of stakeholders affected by the EIM, instead of all ISO stakeholders. For example, if all EIM-affected stakeholders desire an EIM initiative, the result would be 100 percent in favor, and the EIM initiative would be given a 10 in that category.

B. CONCLUSION

PSE is grateful for the opportunity to submit these comments and appreciates the ISO’s consideration.