

Import Bid Cost Verification Straw Proposal - Stakeholder Comments

Submitted by	Company	Date Submitted
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Southern California Edison (SCE) offers the following comments on the California Independent System Operator (CAISO) Import Bid Cost Verification (IBCV) Straw Proposal¹.

SCE supports the CAISO proposing to make a section 205 filing at the FERC. The FERC has stated that it will consider additional mitigation proposals if filed under section 205². To have an entire class of resources be exempt from any form of bid cost verification can be inappropriately preferential and biased against internal resources. In this regard, SCE supports that resource-specific imports will be subject to the same rules as internal resources³. Ideally, non-resource specific imports bidding above \$1,000/MWh should be cost verified prior to the market run in order to set market clearing prices, contingent upon a reasonably developed cost verification methodology⁴. This would reduce instances of potential price distortion that market participants may not have control over but would be exposed to.

¹ <http://www.caiso.com/Documents/IssuePaper-StrawProposal-ImportBidCostVerification.pdf>

² Paragraph 197. <https://www.ferc.gov/whats-new/comm-meet/2016/111716/E-2.pdf>

³ Footnote 4. Ibid.

⁴ The resource bidding above \$1,000/MWh can still have its cost recovered if it can verify the cost *after* the market run.