

Stakeholder Comments

Submitted by	Company	Date Submitted
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Seattle City Light (Seattle) is the tenth largest consumer-owned electric utility in the nation, providing electrical service to more than 415,000 residential, commercial, and industrial customers in the City of Seattle, Washington and six adjacent cities. Seattle owns and operates resources with approximately 2,000 MW of flexible, fast-ramping, hydroelectric capacity. We regularly transact in the wholesale energy and transmission markets. Seattle executed an Implementation Agreement with the California Independent System Operator (CAISO) and intends to begin participating in the Energy Imbalance Market (EIM) in April 2020.

Seattle is pleased to submit these comments on CAISO's Imbalance Conformance Enhancements (ICE) Revised Draft Final Proposal, dated March 14, 2018.

General Comments:

Seattle supports CAISO adding language to its proposed tariff revisions that clarifies the authority of EIM operators to conform in the real-time market. EIM operators as well as CAISO conform in real-time, so it follows that load conformance authority in tariff should cover both. City Light agrees with PGE's January 30 comments that it would be useful to better understand how CAISO's planned load conformance enhancements would apply to EIM operators.

Seattle also supports CAISO's proposal to modify the decisional classification of this initiative. The draft final published on January 18 designated this initiative as fully advisory for the EIM Governing Body. The revision in this draft breaks the initiative into two parts for classification purposes. The part of the initiative that clarifies EIM operators' authority to conform for imbalance is under the EIM Governing Body's primary authority. This classification agrees with the "Guidance for Handling Policy Initiatives" document.

As stated in our February 20 comments, Seattle supports CAISO phasing out the imbalance conformance limiter, due to concerns that it may at times suppress valid penalty prices. In response to other stakeholder comments submitted, CAISO is now proposing to complete data analysis to support removal of the limiter: "...the data analysis used for this paper will be

completed again to ensure removal of the limiter will not have any adverse impacts to the market or market pricing. At that time, the limiter will be removed from the real-time market.”¹

Seattle believes any additional analysis and future decision to remove the limiter should be based on ensuring penalty pricing is accurately triggered in scarcity conditions, rather than the *impacts* of accurate penalty pricing in the market. However, we understand the value that market participants may gain in better understanding impacts to the market of removing the limiter and believe it is reasonable for the CAISO to explore this. We urge that any additional analysis not unduly delay a decision to remove the limiter.

¹ http://www.caiso.com/Documents/RevisedDraftFinalProposal-ImbalanceConformanceEnhancements_redline.pdf, Page 23.