

## Stakeholder Comments

### Subject: Day-Ahead Market Enhancements

| Submitted by                    | Company  | Date Submitted   |
|---------------------------------|--|------------------|
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Western Area Power Administration (WAPA) is a federal agency responsible for marketing hydropower generated by the federal Central Valley Project (CVP) to meet its statutory responsibilities to serve project-use energy pumping requirements and market available hydropower generation under its Power Marketing Plan to preference power allottees. In northern California, WAPA serves load in both the Balancing Authority of Northern California and the ISO. WAPA delivers its generation from many large and small hydro facilities of the CVP to its loads. WAPA owns, operates and maintains an extensive high voltage transmission network extending to the load center of Northern California.

WAPA appreciates the opportunity to provide comments on the ISO's Second Revised Straw Proposal on Day Ahead Market Enhancements. WAPA supports the ISO's revision in the second straw proposal to separate the initiative into two phases. As part of the next revision and upcoming stakeholder processes, WAPA requests the ISO address the following questions and comments:

1. WAPA supports the revision in the second straw proposal to allow fifteen-minute bid submission for interties and optional hourly block bidding of imports and exports.
2. WAPA has concerns about the ISO's proposal to change the bid submission deadline for the DA market from 10 am to 9 am. Many bilateral trades and other scheduling activities occur before the ISO's bid submission deadline. With the 10 am deadline, traders already start trading activities as early as 5 am and pre-schedulers start scheduling activities as early as 6 am. If the ISO moves the DA bid submission deadline to 9 am, the trading and pre-scheduling activities may have to start as early as 4 am and 5 am. This would be a great deal of practical inconvenience to the market participants. However, there are not many activities after the DA market results are published at 1 pm except some transmission providers require e-Tags for the DA schedules be submitted by 3 pm. WAPA suggests that the ISO consider the alternative of moving the market result publication time to 2 pm if the ISO needs more time to run IFM and RUC in 15-minute scheduling intervals.
3. The ISO's Operating Procedure 3640 Section 2.2 currently states:

*“Caution: Do not change the ETCC to de-rate or re-rate a path rating after 08:00 PPT of the day before the Operating Day. If path rating changes (due to an Outage on the ISO Controlled Grid) are submitted after 08:00 hours, they will only be entered into market systems on an exception basis and only if the following can be completed before 09:00 hours:*

- They can be fully coordinated with other affected Transmission Operators and Balancing Authority Areas, and*
- They are entered into all systems affected by the change.”*

WAPA would like to request the ISO clarify the deadline for Existing Transmission Contract Calculator (ETCC) updates in the day-ahead market. Should the ISO decide to change the bid submission deadline from 10 am to 9 am, WAPA requests the regular deadline for ETCC updates be changed from 8 am to 7 am, and the exceptional deadline from 9 am to 8 am within the Operating Procedure 3640.

4. WAPA would like to request the ISO clarify how existing transmission rights (ETC) and transmission ownership rights (TOR) will be treated when the ISO updates the path limits “based on operational needs with fifteen-minute granularity, if needed” per page 20 the 3<sup>rd</sup> bullet of the second revised proposal. When ETC/TOR owners submit self-schedules to the ISO by T-75 minutes, the ETC/TOR owners calculate the ETC/TOR entitlements sometime before T-75 based on the hourly transmission limits published on ISO’s OASIS. After the ETC/TOR owner submits the hourly block ETC/TOR self-schedules by T-75, who would change the ETC/TOR self-schedules based on ISO’s operational needs and by what process? It is not clear how the process and timing would work from the second revised proposal. WAPA would like to request that the ISO clarify the proposal including how the CAISO will continue to honor ETC/TORs in this initiative.
5. Regarding inter-scheduling coordinator trades, WAPA does not believe it is necessary or beneficial to the market to change the hourly settlement interval of inter-SC trade of energy at PNodes to 15-minute settlement intervals until such time when the bilateral trades of forward energy in the western US are settled in 15-minute intervals. Forward energy contracts in the ISO balancing authority area are means of price risk hedge and usually based on hourly or even peak/off peak load and resource forecast. The uncertainty associated with such load and resource forecast make it unnecessary to conduct forward energy trades at PNodes in 15-minute intervals.
6. On page 17 of the second revised proposal, it is stated that “For resources that are participating in the real-time market standard ramping energy and ramping energy deviation will not be calculated.” Is “participating” synonymous with “submitting price sensitive bid curves” in this context? Please clarify what resources are considered to be participating in the real-time market in this context.