

Comments of the Western Power Trading Forum on the CAISO's Order 764 Draft Final Proposal

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WPTF appreciates the opportunity to submit comments on the CAISO's Order 764 Revised Straw Proposal of March 26, 2013. WPTF offers feedback in a few areas as indicated below.

WPTF Remains Concerned that neighboring balancing authorities will not be able to support a robust 15-minute market

WPTF is concerned, especially following the discussions at the April 2, 2013 stakeholder meeting, that many neighboring balancing area authorities (BAAs) will not be in a position to support a robust 15-minute market. In particular there are a number of BAAs that are not subject to FERC's Order 764 provisions where resources are located that are important to the CAISO's market. Such resources will likely have no ability to schedule other than hourly into the ISO.

A sudden removal of all BCR for hourly schedules is unreasonable and may have adverse impacts on the market and on liquidity; WPTF advocates for an 18-month delay in the removal of BCR on hourly block schedules

A number of neighboring BAAs will likely have no mechanism through which Scheduling Coordinators can participate in the 15-minute market. Similarly contractual arrangements in the west may limit parties' ability to change energy schedules within the hour outside of the ISO. As a result, the ISO's proposal to eliminate bid cost recovery for block hourly schedules on "day-1" with the implementation of the 15-minute market is unreasonable and provides an insufficient opportunity for parties to (1) lobby for non-jurisdictional BAAs to implement such provisions, or to (2) find other means to participate in the ISO's new 15-minute market without enduring undo risks. WPTF thereby requests an interim period when BCR would remain in effect for intertie block schedules, in particular an 18-month delay in the elimination of hourly-block-scheduled BCR. This would allow some limited amount of time for non-jurisdictional BAAs to consider supporting 15-minute schedule changes and would otherwise provide an interim period for parties to find alternative means for participation.

WPTF requests additional information about risks to hourly block schedules

WPTF understands that the CAISO has recently examined data regarding the historical relationship between hour-ahead and 15-minute prices. We request that such information be posted for all market participants to take advantage of to further aid discussions about the potential risks to hourly block schedules of different BCR policies.

WPTF supports date-certain schedules for increasing intertie convergence bidding

WPTF wishes to reinforce the importance of a firm timeline for establishing full convergence bidding at the interties and supports a date-certain schedule that allows the continual increase in intertie

convergence bidding, absent a demonstration by the CAISO of any unexpected significant flaws in its Order 764 market design resulting in severe distortions to pricing.

WPTF supports not apply HASP tagging rule to untagged schedules resulting for dual constraint enforcement

WPTF supports the ISO proposal to not administer the etagging consequences when schedules are able to be tagged as a result of the dual constraint enforcement by the ISO.