

## Western Power Trading Forum Comments on Bidding Rules Enhancements Draft Final Proposal

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WPTF appreciates the opportunity to provide these comments on the ISO's January 8, 2016 Bidding Rules Draft Final Proposal on correcting inefficient accounting of Minimum Load Costs (MLC) after a Pmin re-rate.

It is WPTF's understanding that the ISO currently inefficiently accounts for minimum load costs after a Pmin re-rate in both the market optimization and BCR calculations. In the event of an increase in a resource's Pmin (Pmin rerate), the ISO currently maintains the resource's original bid-in MLC per hour. This both understates the cost to maintain the resource at Pmin in the BCR calculations and in the market optimization. The ISO proposes to correct this by calculating MLC using the resource's Default Energy Bid (DEB) associated with the capacity range between the Master File Pmin and the re-rated Pmin. The ISO proposes to add the incremental integrated DEB costs associated with the Pmin rerate to the resource's MLC.

While WPTF would prefer the ISO to calculate the revised MLC using a resource's energy bid WPTF understands the current limitations of the market power mitigation process, which would not be able to determine whether the bid should be mitigated. WPTF also understands from the January 14, 2016 call that the ISO systems would not be able to use a resource's bid even if it were lower than the DEB. Therefore, given the constraints of the current market system, using the DEB seems reasonable at least as a short-term solution.

Finally, WPTF asks the ISO to fully evaluate the possible range of conditions under which resource scheduling coordinators should be able to use Pmin re-rates and assess whether more general language would be beneficial to all parties.

Thank you for your consideration.