

Western Power Trading Forum Comments on 2015 Stakeholder Catalog Process

Ellen Wolfe, Resero Consulting for WPTF, 916 791-4533, ewolfe@resero.com

October 24, 2014

WPTF provides the limited comments below on the stakeholder catalog process. We note that WPTF continues to see limited value in the CAISO stakeholder catalog process. This is because although we have participated diligently in the past; items that end up being ranked high do not get CAISO attention and CAISO attention often goes to items that weren't ranked at all. We encourage the CAISO to continue to revisit how the catalog process can either become more legitimate or be streamlined such that stakeholders' efforts in participation that produce no results of value are minimized.

WPTF offers the following questions and input on a subset of the stakeholder items.

2.5 Full Network Model Expansion – Phase 2 (D) – Would the CAISO plan to await some significant period of operational experience and data from the FNM operations prior to initiating any Phase 2 activities, and if so is it realistic that this initiative will be timely to be pursued in 2015?

3.3 Energy Imbalance Market Year 1 Enhancements (D) – Are all of these items actually discretionary? Some seem to have already been committed to at FERC by the CAISO. Please consider dividing this into discretionary and non-discretionary subcategories.

3.5 Extended Pricing Mechanisms (D) – This has been ranked high in the past two years. That it continues to require year-after-year high ranking is unreasonable.

6.1 Congestion Revenue Rights Enhancements to address Revenue Inadequacy (D) – WPTF supports improvements to CRR efficiency. However, this item as introduced and further detailed in the DMM paper seems to cover too broad of a set of activities and too narrow of a set of solutions (given the “fixes” already specified in the DMM paper) to provide an initiative that is feasible to rank. WPTF is not at this time in support of ranking DMM “fix” because it seems entirely premature. WPTF strongly encourages the CAISO to further divide this initiative into two or more initiatives: one that provides more detail on the sources of inadequacy and the other perceived deficiencies of the CRR modeling, allocation and auction processes; and one or more separate initiatives for specific “fixes” should the CAISO feel so compelled to put specific fixes in its catalog.

10.7 Maximum Import Capability – WPTF encourages the CAISO to clarify whether it views the items as discretionary or otherwise at this time. WPTF also encourages the CAISO to incorporate within one of these initiatives, or to create a separate sub initiative for, (1) the study of possible enhancements to the MIC approach, in particular for delivery when delivery may not need to occur simultaneous with bulk energy delivery (e.g., when delivery of RA is anticipated to be needed only when renewables ramp

down and not simultaneous with full output renewable delivery), and (2) to address multi-year allocation of MIC – an issue the CAISO has raised previously but not yet resolved.

FERC Mandated Items that are not getting priority at the CAISO - The CAISO lists several initiatives on which it has not yet begun work as “FERC-mandated”:

- 3.9 Stepped Transmission Constraint
- 5.4 Frequency Response Requirements
- 5.7 Voltage Support Procurement

Will these FERC-mandated initiatives be given priority in the list of 2015 initiatives? If not, why not?

Items proposed for deletion –

WPTF opposes deleting items the CAISO has categorized as process improvements without some other means by which the CAISO will capture, prioritize and track these initiatives. Such initiatives include 13.3 - Develop a Process for Enforcement/Un-enforcement of Constraints, and 13.15 - Improve Transparency.

Other items for which WPTF opposes deletion include the following:

- 13.8 Modify Resource Adequacy Replacement Rules. WPTF is concerned that while the CAISO initially proposed to modify rules to eliminate this distortion, the CAISO subsequently has decided not to modify the current replacement rule that requires suppliers to replace system capacity within a local area with local capacity, effectively turning an inferior product into a superior product. WPTF continues to advocate for resolution of this and thereby wishes the CAISO to retain this item.
- 13.1 30 Minute Operating Reserve (I, N), and 13.17 Eliminate Unpriced Constraints (D) – WPTF requests retention of these items through 2015 – until such time as the CAISO has finalized and filed its contingency modeling enhancement proposal.
- 13.14 Greenhouse Gas Rules (N) – The CAISO has proposed to encompass this through the bidding rule initiative or otherwise through its BPM process. WPTF asks that the CAISO explicitly references this item under its bidding rule initiative stakeholder catalog item to ensure that it is not forgotten.
- 13.16 Protocol(s) for Simulation and Testing of New Models, Design Changes, or Products (D) – for reasons stated above WPTF objects to simply deleting process improvements without an alternative formal process for process improvements.

Thank you for your consideration.