

Western Power Trading Forum Comments on CAISO Final Draft proposal

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WPTF appreciates the opportunity to comment on the ISO's Final Draft Imbalance Market (EIM) straw proposal dated September 23, 2013 and the discussion at the September 30 EIM meeting.

WPTF has previously commented on these issues but offers a synopsis and any clarifications on our positions below.

Access and Potential Distortions

WPTF appreciates the ISO's clarity about its ability to support EIM participation at the EIM Entities' interties with other BAAs. We ask the ISO to continue to encourage PacifiCorp to accommodate broad participation. WPTF continues to object to the PacifiCorp proposal that long-term firm transmission service is required even to place bids into the EIM, and we ask the ISO to encourage PacifiCorp to offer an alternative whereby an EIM participant could pay the EIM Entity the non-firm hourly rate for any EIM scheduled energy.

WPTF remains concerned about an extended period whereby EIM participants are not charged TAC fees. We encourage the ISO to consider ways to shorten the timeline for implementation of an alternative transmission fee arrangement.

Lastly, WPTF finds credible some of the stakeholder concerns about treatment of firm and non-firm rights and their concerns about the reserves conveyed with various types of transmission service. We encourage the ISO to continue to work through these issues.

The Asymmetric Allocation of Costs to Convergence Bidders Warrants Revision

WPTF has commented extensively on this issue. (Please refer to our previous comments.) The ISO's draft final proposal fails to offer a rationale that warrants the proposed asymmetric cost allocation to convergence bidders. We hope the ISO's recognition that there is no strong basis for such an allocation regime will cause the ISO to revisit the proposed treatment. The ISO staff at the September 30 meeting suggested it would be unfair to the EIM Participants for the ISO to return congestion imbalance credits to convergence bidders when convergence bidders were harmed by the lack of a DA EIM settlement. To the extent the ISO continues to rely on the possibility of scenarios that would result in EIM participants being harmed by this outcome, WPTF asks for more explanation from the ISO on how this situation would come to pass and what leads the ISO to believe that the EIM Participants would incur greater harm under a symmetrical cost allocation policy than will Convergence Bidders under the ISO's proposed asymmetric design.

CAISO's Proposed Tariff Design Process Seems Workable

WPTF finds the ISO's proposed tariff development process for the EIM reasonable and offers no additional input on this aspect of the proposal.

Thank you for your ongoing consideration.