

Western Power Trading Forum comments on Local Market Power Mitigation Enhancements Draft Final Proposal

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WPTF appreciates the opportunity to provide these comments on the ISO's Local Market Power Mitigation (LMPM) Enhancements Draft Final Proposal posted on January 12, 2016 and call held on January 19, 2015.

WPTF supports the planned Spring 2016 enhancements to move the LMPM process from the RTPD advisory interval to the RTPD binding interval. This change should improve accuracy of congestion predictions and reduce both under- and over- predictions. WPTF believes this change will significantly improve the ISO's mitigation process.

WPTF does not strongly object to the proposal to introduce an RTD LMPM process in Fall 2016. However, in the event the ISO foresees that RTD LMPM implementation may impose a burden on ISO resources, WPTF asks the ISO to consider moving the RTD LMPM enhancement to Fall 2017 or later to focus on more important market enhancements.¹ The ISO proposal to include the LMPM process in the RTD process in addition to the RTPD process is reasonable; however, this is a process change to the 5-minute market and it is unclear whether this change would result in any significant improvements to the congestion prediction or affect market outcomes. There is only the potential for the RTD LMPM process to reduce under-mitigation and much of this under-mitigation may be improved due to enhancements to the RTPD.

WPTF appreciates DMM's clarification that the y-axis on their chart represented constraint intervals rather than MWs. However, even assuming DMM's prediction that the mitigation could impact 20,000 MWh a month, WPTF notes, (1) that this is less than 3% of the MWhs in the market of even an off-peak month, (2) that the RTPD enhancements may reduce a majority of this under-mitigation, and finally (3) as DMM stated in the January 19 call, they are implementing this because it is now technologically feasible, not because they have identified a market issue.

Therefore, WPTF only does not object to moving forward with the RTD enhancements in Fall, 2016 unless the RTD enhancements truly do not impose a burden on ISO resources.

¹ It is WPTF's understanding that the ISO plans to implement the Flexible Ramping Product in Fall 2016 and that this will take significant ISO resources. Additionally, Puget Sound and APS EIM participation implementation effort may also occur in Fall, 2016.