

## Western Power Trading Forum comments on Local Market Power Mitigation Enhancements Straw Proposal

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WPTF appreciates the opportunity to provide these comments on the ISO's LMPM Enhancements Straw Proposal posted on November 25, 2015 and call held on December 8, 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. We echo PG&E's concerns on the December 8 call regarding the increased potential for a DC solution; however, believe that the RTPD run likely has sufficient time to accommodate the additional process. It would be helpful for the ISO to provide information on the current "LMPM time outs" that cause a DC solution in the advisory run to gain a better understanding of the likely impact of moving the LMPM process to the RTPD binding interval.

WPTF does not support moving forward with the proposal to introduce an RTD LMPM process until the effects of the first enhancement can be assessed. The ISO proposal to include the LMPM process in the RTD process in addition to the RTPD process is reasonable; however, this is a major process change to the 5-minute market and it is unclear whether this change would result in any significant improvements to the congestion prediction. Under the current proposal it is WPTF's understanding that there is only the potential for the RTD LMPM process to reduce under-mitigation because the RTPD mitigation would still be applied to RTD.

Because the RTPD enhancement will likely reduce RTD under-mitigation, at this time it is unclear whether there will be significant benefits to creating an RTD LMPM process. For example, it looks like from the ISO's charts on slides 7 and 8 that June had the highest level of MWs that were under-mitigated- at about 800 MW. If all RTPD under-mitigation was resolved and these instances affected these 800 MW, potentially about half of these under-mitigation MWs would not have occurred. A maximum of 400 MW under-mitigated out of a typical June minimum load of 21,000 MW and peak load of 48,000 MW doesn't seem like it would produce benefits commensurate with the costs of adding an additional mitigation process. WPTF supports the ISO implementing the RTPD enhancements in Spring 2015 and then assessing how well these enhancements resolved RTD under-mitigation before moving forward with the RTD enhancements.