



Stakeholder Comments Template

Day-Ahead Market Enhancements Phase 2 Initiative

This template has been created for submission of stakeholder comments on the issue paper and straw proposal that was published on February 28, 2019. The paper/proposal, Stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/Day-AheadMarketEnhancements.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on March 21, 2019.

Submitted by	Organization	Date Submitted
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Please provide your organization's comments on the following issues and questions.

1. Proposed Day-Ahead Market Structure

Please provide your organization's feedback on the proposed day-ahead market structure topic as described in section 3 of the proposal. Please explain your rationale and include examples if applicable.

Please provide your organization's position on the proposed day-ahead market structure topic as described in section 3 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

CDWR generally supports the proposed concepts and changes in this section. As the new day-ahead market structure is further refined, it would be helpful if CAISO provides examples to help analyze potential economic impacts.

2. Day-Ahead Flexible Ramping Product

Please provide your organization's feedback on the Day-Ahead Flexible Ramping Product as described in section 4 of the proposal. Please explain your rationale and include examples if applicable.

1. CDWR asks that CAISO please confirm there is no must-offer obligation for system or local RA to bid the day-ahead (DA) flexible ramping product (FRP).

It is not clear whether the DA FRP must offer applies to all types of RA capacities or just flexible RA capacities. If CAISO intends that system and local RA have a DA FRP must-offer obligation, CDWR is concerned that resources like Participating Load, will not meet CAISO's current proposed requirements for DA FRP (e.g. Participating Load cannot submit bids in the DA market to supply energy).

It is CDWR's understanding that the following three requirements must be met to be awarded and be dispatchable for the DA FRP:

- Must be at least 15-min dispatchable (selectable in Master File)¹
- Must submit an energy bid in the day-ahead market²
- Must submit an economic energy bid in the RTM to cover DA FRP award³

2. CDWR would like to see more data on the proposed cost allocation methodology.

CDWR currently supports combining day-ahead and real-time FRP requirements while maintaining the current real-time FRP allocation methodology and adding a cost bucket for virtuals. CDWR would like CAISO to provide cost allocation examples on the next proposal to allow for more detailed analysis on economics impacts.

Please provide your organization's position on the Day-Ahead Flexible Ramping Product as described in section 4 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

¹ CAISO DAME2 Issue Paper and Straw Proposal (2/28/19), Page 20. <http://www.aiso.com/Documents/IssuePaper-StrawProposal-Day-AheadMarketEnhancementsPhase2.pdf>

² Ib., Page 19

³ Ib., Page 20

3. Re-Optimization of Ancillary Services

Please provide your organization's feedback on the re-optimization of ancillary services as described in section 5 of the proposal. Please explain your rationale and include examples if applicable.

1. CDWR does not support elimination of the contingency flag for ancillary services.

CDWR asks CAISO to maintain some method to prioritize ancillary services. Due to its critical water pumping obligations for the State of California, CDWR believes its participating loads should be distinguished from other loads offering ancillary services and only be dispatched when necessary. The contingency flag allows CDWR to fulfil its primary water delivery obligations, while still providing non-spin ancillary services when needed by CAISO.

Please provide your organization's position on the re-optimization of ancillary services as described in section 5 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

4. Energy Imbalance Market Governing Body Classification

Please provide your organization's feedback on the EIM Governing Body classification as described in section 6 of the proposal. Please explain your rationale and include examples if applicable.

Please provide your organization's position on the EIM Governing Body classification as described in section 6 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

CDWR has not comments on this topic.

APPENDIX C: DRAFT TECHNICAL DESCRIPTION

5. Assumptions and Mathematical Formulations

Please provide your organization's feedback on the assumptions and mathematical formulations included in Appendix C. Please explain your rationale and include examples if applicable.

CDWR has not comments on this topic.

Additional comments

Please offer any other feedback your organization would like to provide on the Day-Ahead Market Enhancements Phase 1 initiative third revised straw proposal.