



Stakeholder Comments Template

Day-Ahead Market Enhancements Phase 1 Initiative

This template has been created for submission of stakeholder comments on the straw proposal that was published on February 7, 2020. The proposal, February 10, 2020 Stakeholder meeting presentation, March 5, 2020 Stakeholder call presentation, and other information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/StakeholderProcesses/Day-ahead-market-enhancements>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on March 26, 2019.

Submitted by	Organization	Date Submitted
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Please provide your organization’s overall position on the DAME straw proposal:

- Support
- Support w/ caveats
- Oppose
- Oppose w/ caveats
- No position

Chelan PUD, a consumer-owned utility in Washington, is an active participant in the bilateral, wholesale power markets in the West and a NERC-registered Balancing Authority. Chelan operates three FERC-licensed hydropower projects generating approximately 10 million megawatt hours of clean, renewable, low-cost electricity annually. Chelan is a member of the Public Generating Pool and Public Power Council and supports their detailed comments on each of the straw proposal topics. Chelan offers these brief supplementary comments to express its individual support for CAISO’s straw proposal.

Chelan continues to believe that equitably compensating all resources for the services they provide to the electric grid should be a foundational objective for any organized energy market. Achieving this objective results in the market sending appropriate investment signals to resource owners and operators, thus ensuring that in the long run, the right resource mix is in place to provide consumers with a reliable, affordable modern electric grid. Chelan agrees with CAISO that the straw proposal’s new day-ahead imbalance reserve product should “enable the market to more appropriately compensate resources that provide flexible capacity to meet net load uncertainty, and will result in more accurate price formation by taking out-of-market

actions that system operators currently use and incorporating them into the market.” Further, Chelan supports the straw proposal’s replacement of the existing residual unit commitment process with new reliability energy and capacity products, thus recognizing the capacity contribution provided by physical supply and the additional capacity that’s needed to support virtual supply.

Chelan also agrees with the many stakeholders that consider the straw proposal’s changes to CAISO’s day-ahead market foundational prerequisites for the success of the proposed CAISO extended day-ahead market. To untap the full benefits of any regional day-ahead market, Balancing Authorities must feel sufficiently confident in the reliability of that market solution to be willing to make unit commitment decisions based on that solution. As a Balancing Authority itself, Chelan understands the EIM Entities’ need for a day-ahead market that ensures sufficient physical energy, capacity and flexibility is committed in the day-ahead to meet real-time conditions with a high degree of confidence, resulting in imports from the CAISO Balancing Authority that are reliably backed by physical supply.

Chelan encourages CAISO to move forward with its straw proposal and looks forward to additional regional conversation on this important topic.