



Stakeholder Comments Template

Day-Ahead Market Enhancements Phase 1 Initiative

Submitted by	Organization	Date Submitted
<i>Dan Bedbury (360) 992-3136 dbedbury@clarkpud.com</i>	<i>Clark Public Utilities</i>	<i>March 26, 2020</i>

Please provide your organization’s overall position on the DAME straw proposal:

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

Please provide written comments on each of the straw proposal topics listed below:

Clark Public Utilities would like to thank the CAISO for the opportunity to provide written comments in support of the changes proposed in CAISO’s Day-Ahead Market Enhancements Straw Proposal dated February 7, 2020. Clark Public Utilities is a load serving entity (LSE) within the Bonneville Power Administration (BPA) Balancing Authority Area (BAA) and procures the majority (~70%) of its annual energy needs from BPA as a preference customer; entitled to a statutory preference and priority in the purchase of available federal power. Additionally, Clark Public Utilities owns and operates a General Electric 250MW combined cycle natural gas generating resource, the River Road Generating Plant. We believe the proposed enhancements are necessary not only for the CAISO BAA, but to also ensure that reliable and efficient market outcomes transition to BAA’s outside of the CAISO as the Western energy landscape evolves.

This evolution is leading to a changing resource mix within the Western grid and changing demands that ultimately will require new market solutions to meet. These solutions must send the proper price signals for the attributes needed to maintain reliability and ensure that sufficient resources are ready for dispatch during the times they are needed most. The increasing forecasted energy and capacity needs for the CAISO footprint combined with the existing reliance on out-of-market actions to support reliability present real reliability challenges and market inefficiencies in the CAISO BAA. We believe the proposed day ahead market enhancements provide a practical solution to these energy market challenges.

1. New day-ahead market products, including reliability energy, reliability capacity, and imbalance reserves.

Clark Public Utilities supports the development of the proposed new day-ahead market products:

- a. Reliability Energy/Capacity: The reliability energy and capacity product as proposed is reasonable and appropriate.
- b. Imbalance Reserves: We believe the addition of imbalance reserves ensures CAISO will have the sufficient and appropriate flexibility needed on a day-ahead basis to meet uncertainties and ramping needs.

We believe the new day-ahead market products should and must play a role in defining the parameters of the Day-Ahead Market as the needs of the grid continue to evolve.

Settlement and cost allocations.

Clark Public Utilities supports the proposed settlement calculations for the new day-ahead products and supports price differentiation between physical and virtual supply. We have no specific comments on the proposed cost allocations.

2. Bidding rules and offer obligations.

Clark Public Utilities supports the proposed bidding rules and offer obligations. Reliability Capacity up and down and Imbalance reserves should be economically bid into real-time. RA resources should have the same real-time must offer obligations if awarded these products through the day-ahead market.

3. Scheduling rules for variable energy resources.

No comment.

4. Deliverability approach for reliability capacity and imbalance reserves.

Clark Public Utilities finds that both the nodal deliverability approach using deployment scenarios and the backup plan of zonal imbalance reserves procurement appear reasonable.

5. Approach for congestion revenue rights.

No comment.

6. Approach for local market power mitigation.

Clark Public Utilities understands the desire to calculate capacity default bids and requests that the CAISO draw from its experience working with hydro owners in the Northwest on an appropriate default capacity bids that takes into account the unique circumstances of hydro resources.

7. Regression approach to determine the imbalance reserve requirement.

No comment.

8. Additional comments:

Clark Public Utilities would like to thank the CAISO for the steps taken and work performed in effort to advance the energy landscape in the West and looks forward to continuing to work with the CAISO on these very important issues.