



Stakeholder Comments Template

Day-Ahead Market Enhancements

This template has been created for submission of comments on proposed market design options discussed with stakeholders during the June 20, 2019 Day-Ahead Market Enhancements workshop. Information related to this initiative is available 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 July 11, 2019.

Submitted by	Organization	Date Submitted
<i>Matthew A. Schroettnig 541-685-7496</i>	<i>Eugene Water & Electric Board (EWEB)</i>	<i>July 11, 2019</i>

The Eugene Water & Electric Board (EWEB) appreciates the opportunity to provide comment and perspective on the Day-Ahead Market Enhancement process. EWEB is the largest publicly-owned electric and water utility in Oregon, and is located within the Bonneville Power Administration Balancing Area Authority. EWEB's electric system supplies service to 93,000 residential, commercial, and industrial customers in and around the city of Eugene. In addition to our Bonneville entitlement, EWEB generates roughly 20% of our community's power needs using four EWEB-owned hydroelectric projects throughout the McKenzie River basin, in addition to a portfolio of owned, co-owned, and contracted-for resources.

EWEB has a strong interest in the Day-Ahead Market Enhancements initiative and how proposed changes will impact the price of firm energy. It is EWEB's understanding that CAISO's day-ahead market enhancements are foundational to any extension of the day-ahead market to EIM Entities, which we anticipate will have a material impact on day-ahead and potentially forward bilateral trading in the Pacific Northwest. As such, we believe it is important that the solutions proposed for DAME are workable for a broader regional day-ahead market, not just the CAISO BAA.

Please provide comments on the proposed formulation options described below. In your comments, please explain your rationale and include examples if applicable. Also, recommend any analysis and data that your organization believes would be helpful to review on these option. Include details and explain your reasoning for the type of analysis and data that you suggest.

1. At this time, does your organization support moving forward with **Option 1: Sequential Integrated Forward Market followed by an after-market Reliability and Deliverability Assessment (Sequential IFM-RDA)**, **Option 2: Integrated IFM and Residual Unit Commitment (Integrated IFM-RUC)**, or **undecided**. Provide supportive comments (in favor of, or in opposition to) below.

Please double click on check box below to select your position:

<u>Option 1:</u>	<u>Option 2:</u>
<input type="checkbox"/> Support	<input type="checkbox"/> Support
<input type="checkbox"/> Support with caveats	<input checked="" type="checkbox"/> Support with caveats
<input checked="" type="checkbox"/> Oppose	<input type="checkbox"/> Oppose
<input type="checkbox"/> Undecided	<input type="checkbox"/> Undecided

Option 1: Sequential IFM-RDA

EWEB strongly opposes a day-ahead market design that involves the sequential procurement of energy, capacity, or flexibility.

Further, we would like to highlight our support for previous comments submitted by the Public Generating Pool (PGP) detailing the problems with sequential procurement, and the fact that operating in such a manner results in unfair and inefficient outcomes.

Finally, it is our opinion that sequential procurement is unacceptable for any day-ahead organized market intended to operate regionally.

Option 2: Integrated IFM-RUC

EWEB supports pursuing development of an integrated IFM-RUC, including a single market optimization, with caveats.

EWEB is very pleased with the progress evidenced by Option 2, and looks forward to working with the CAISO to help improve upon the foundation that this latest IFM-RUC proposal represents.

However, we believe it is essential for any regional day-ahead market to recognize, value, and compensate for the specific attributes of capacity resources.

A market solution that provides identical capacity compensation for resources with very different capabilities (e.g., variable energy resources and dispatchable hydro, or firm imports and non-firm imports), is per se inefficient and fails to appropriately differentiate between the many forms of regional supply available. We believe it is essential that any regional day-ahead organized market distinguishes between supply attributes in a meaningful manner, and that any market solution provides adequate and just compensation for those attributes in accordance with their value.

2. Please identify any specific data analysis that your organization recommends. Indicate the data request(s), the purpose of the request(s), and how the request(s) will advise the determination of the day-ahead market formulation, or will assist with determining the procurement target for the new day-ahead product.

No comments.

3. Please offer any other feedback your organization would like to provide on presentation materials and discussion for the June 20, 2019 Day-Ahead Market Enhancements stakeholder workshop.

No comments.