



**COMMENTS OF NV ENERGY
SECOND REVISED STRAW PROPOSAL
DAY-AHEAD MARKET ENHANCEMENTS PHASE 1:
FIFTEEN-MINUTE GRANULARITY
DATED AUGUST 27, 2018
CAISO STAKEHOLDER PROCESS**

September 18, 2018

NV Energy appreciates the opportunity to comment on the CAISO's Second Revised Straw Proposal for the Day-Ahead Market Phase 1 Enhancements. Additionally, NV Energy is supportive of the CAISO's determination to split the Day-Ahead Market Enhancements into two separate stakeholder initiatives. NV Energy agrees that a 15 minute Base Schedule or Day-Ahead Market award should schedule resources to better handle large intra hour ramps that occur with net load changes. However, as stated in previous comments, NV Energy requests that CAISO continue to allow the submission of hourly base schedules for non-participating resources.

Hourly scheduling has been a longstanding scheduling practice under the NV Energy's Open Access Transmission Tariff (OATT) and transmission customers have existing supply contracts containing hourly scheduling provisions. Further, there may be cost impacts for modifying various software to accommodate sub-hourly data submissions that may be significant to smaller entities. CAISO has proposed to allow interties to hourly block schedule.¹ Similarly, the CAISO should extend this hourly block scheduling for non-participating resources. If needed, the CAISO should explore ways to transform hourly schedules into 15-minute intervals. For example, the CAISO could carry one base schedule submission into the other 3 fifteen minute intervals to lessen the impact to smaller entities.

NV Energy notes that the 15-minute Day Ahead Scheduling Granularity Revised Straw proposal will require modification of the Open Access Transmission Tariffs (OATTs) of the EIM Participating Entities. The tariffs now reference the existing 10:00 AM deadline for submission of schedules. If the CAISO moves to 9:00 AM as proposed, the OATTs will need to be amended. NV Energy requests that the EIM Entity OATT amendments be coordinated with the CAISO tariff amendment for this market enhancement.

NV Energy is appreciative that CAISO is planning to quickly implement enhancements to the Flexible Ramping Sufficiency Test. However, NV Energy is concerned that the proposed interim enhancements may exacerbate the reliability issues with this test. The Business Practice Manual process is not as robust as the stakeholder process, therefore it is concerning that CAISO will pursue these stated enhancements without a robust stakeholder discussion. Moreover, CAISO does not have a proposal to fix the reliability issues caused by the abrupt dynamic transfer locking. For instance, CAISO has not proposed any solution to step in the locked transfer to avoid abrupt dynamic transfer changes or a method to recognize the EIM BAA ramp capability to lock the transfer obeying this capability. Finally, the interim proposal does not specify the FMM interval that will be used to provide the value at which the transfers will lock.



NV Energy reiterates that the current market solution of “locking” transfers ignores ramping capability of EIM participating resources. As such, the current market solution creates large interchange transfers which at times exceed an EIM Entities’ ramping capability. In addition, the CAISO has not identified the support for its 1% tolerance band. That is a level of precision (for example missing a 100 MW after-the-fact target by less than a single MW) that should not be required of the flexible ramp test. The CAISO should consider a significantly broader tolerance band that would not trigger inconsequential failures.

¹California ISO. August 27, 2018. “Second Revised Straw Proposal Day-Ahead Market Enhancements Phase 1: Fifteen Minute Granularity”. <http://www.caiso.com/Documents/SecondRevisedStrawProposal-Day-AheadMarketEnhancementsPhase1-Fifteen-MinuteGranularity.pdf>. Page 11.