



Comments of Pacific Gas & Electric Company Intertie Deviation Settlement – Issue Paper

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) respectfully offers the following comments on the California Independent System Operator’s (CAISO) Intertie Deviation Settlement Issue Paper published on August 15, 2018.

PG&E welcomes the CAISO’s initiative on intertie deviation settlement and supports the CAISO in its efforts to provide more accurate estimates of the net scheduled interchange, increased grid reliability, and accurate market pricing.

At this stage of the process, PG&E believes the CAISO should clarify the scope of the issue and its cost and reliability impacts to better assess the magnitude of the problem to be addressed. In this respect, PG&E would welcome CAISO providing more background on intertie deviations as well as more analysis on the cost impacts of such intertie deviations.

1- Provision of data clarifying the scope of the issue:

PG&E requests the CAISO clarify the scope of the issue. For instance, PG&E would welcome CAISO providing further analysis on the following:

- More background analysis/historical data on the undelivered intertie resources due to the absence of E-Tag submission as opposed to the undelivered intertie resources due to a decline or adjustment in the automated dispatch: number of occurrences of the deviation due to decline and due to absence of E-Tag and the quantity of the undelivered intertie resources (in MWh and as a percentage of HASP schedule on intertie) on a yearly basis due to decline and due to absence of E-Tag. Is there any systematic pattern to the declines or the lack of E-Tags, either by system condition, time or location?
- More background analysis on the curtailments on interties: PG&E would welcome any further data analysis on the deviations caused by intertie curtailments: number of occurrences and energy not delivered in MWh because of intertie curtailments.
- Location of the intertie creating the issue: PG&E would welcome any further analysis of the occurrences of deviation per intertie.

2- Provision of costs impact analysis to clarify the magnitude of the problem:

In addition to the clarification of the scope of the issue, PG&E would like more clarity on the costs impact or reliability risk created by intertie deviation to better assess the magnitude of the problem. PG&E would welcome more clarity on the following:

- PG&E appreciates the different intertie declines examples provided in the issue paper and respective impact on the different time intervals of an hour. PG&E would welcome more elaboration on these examples with a monetization (economic value) of the effects.
- More generally, PG&E would like more clarity on the costs impact coming from intertie deviation. More clarity on how the intertie deviation impacts the LMP, the BCR, the commitment costs of resources and/or any other costs components should be provided by the CAISO.
- The issue paper stressed that the decline charge is more severe when a scheduling coordinator declines an award in advance as opposed to no submitting an E-Tag. PG&E would welcome more information on the penalties currently in place.