

Portland General Electric Comments on Commitment Costs and Default Energy Bid Enhancements June 30, 2017 Straw Proposal

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Portland General Electric

On October 1, 2017, Portland General Electric (PGE) will become the fifth entity to join the Western Energy Imbalance Market (Western EIM). At that time, PGE will begin managing its diverse generation and transmission assets according to the rules of the Western EIM, while also continuing to participate in the California Independent System Operator's (ISO) forward intertie markets. As such, PGE has a vested interest in the price-formation, reliability, and flexible ramping policies of the ISO's full market and of the Western EIM.

General Comments

PGE supports the ISO's proposal, and the comments submitted by the EIM Entities, as related to:

- Hourly minimum load offers;
- Market-based commitment costs;
- Efforts to improve commitment cost reference levels; and
- Full implementation of the changes in Fall 2018 (in an independent or regular release), with staff and budget resources allocated accordingly.

Notwithstanding this support, PGE is concerned the Commitment Cost and Default Energy Bid Enhancements (CCDEBE) initiative changes, once implemented, may still not in practice deliver sufficient bidding flexibility to EIM participants to ensure that they are able to maximize their interval-by-interval participation in the market without risking uneconomic operation of their assets. PGE is concerned that without further reform to the market bidding rules *as specifically applied to the EIM*, the market may over time struggle to deliver maximum value to participants and the ISO. PGE remains optimistic, however, that these issues can be addressed without modifying the core functionality of the EIM, delaying implementation of the proposed changes, or delaying other high-priority initiatives.

Comments on the Initiative Process

PGE appreciates the time and effort that ISO staff, Department of Market Monitoring (DMM) staff, and market participant stakeholders have put into the workshops and initial policy development meetings on this initiative. PGE strongly supports the use of workshops and exploratory meetings to draw out a diversity of views on how the ISO should move forward to solve the issues at play.

Conclusion

PGE appreciates the opportunity to submit these comments and looks forward to continuing to work with the ISO, DMM, EIM Entities, and other stakeholders to maximize the value of the Western EIM.