

Background:

This document provides an opportunity for interested stakeholders to submit informal comments and perspectives on various topics discussed during the working group process. There is recognition that additional details are needed on these topics that will be developed throughout the initiative, and stakeholders will have opportunities to provide more comprehensive and formalized comments on these topics to the extent these become part of a formal proposal. Please be brief in any written responses to facilitate review, recognizing these represent informal reactions at this early stage.

Please submit your comments using this template to ISOStakeholderAffairs@caiso.com by end of day March 15th, 2022.

Question:

For each question please provide your perspectives on the concepts based on the information discussed in the working groups to date, recognizing that additional detail will be provided through the straw proposal that will allow you to consider the concepts in a more complete light. If desired, please provide additional context and/or identify additional aspects for consideration.

1. Please share your organizations perspective on the need for, and value of, a month ahead (45-day) advisory submission of a general resource plan by the EDAM Entity to provide some level of confidence in meeting day-ahead resource sufficiency throughout the month. (discussed 1.5 & 1.10)

Due to the varying and uncertain nature of wind, solar and hydro generation, PGP does not believe there is much value in a 45-day advisory submission of a general resource plan.

2. Please share your organizations perspective on the nature of the consequences for failing to pass the Day Ahead resource sufficiency evaluation. Should the consequence be physical freezing of transfers, or a form of financial consequence? (discussed 2.23)
PGP continues to believe that the consequences for failing a day-ahead resource sufficiency evaluation (DA-RSE) is necessary to prevent market participants from relying on short-term markets as an alternative to procuring long-term capacity. PGP believes that the most appropriate consequence for failing DA-RSE is the application of a hurdle rate or a scarcity price rather than limiting EDAM transfers.

However, PGP does not believe it is necessary to apply the same failure consequences to all hours of the day. Since existing and developing resource adequacy programs in WECC focus on net peak or capacity critical hours rather than energy, PGP believes that application of these strict failure consequences in only these hours is sufficient to demonstrate that market participants are not relying

on short-term markets as an alternative to procuring long-term capacity. Application of failure consequences in off-peak hours should be much less stringent or not applicable.

3. Please share your organizations perspective on whether there is merit to creating platform to facilitate intra-day, before the day-ahead market is run, trading of bid range and imbalance reserve capacity with between EDAM BAAs. (discussed 2.23)
PGP believes there is merit in developing a hosted platform where EDAM market participants could make available surplus supply for purchase by a deficient EDAM market participant.
4. Please share your organizations perspective on whether a penalty structure needs to be developed to incent performance of firm energy contracts supporting imports (i.e., WSPP Schedule C arrangements) utilized to demonstrate resource sufficiency and sources from non-EDAM BAAs. (discussed 2.23)
It is PGP's understanding that WSPP Schedule C firm energy contracts are very reliable, so there is no need to develop a penalty structure at this time. However, this issue should be revisited if it is found that the use of these firm energy contracts that support imports are not reliable.
5. Please share your organizations perspective on the Residual Unit Commitment (RUC) as an integral component of the EDAM framework based on the working group discussions to date. Should RUC be part of the EDAM? (discussed 2.25, 2.28)
PGP believes that as long as there is a potential for demand cleared by the market to be different than the demand forecast, a RUC-like process is necessary to ensure that there are sufficient resources to meet forecasted demand.
6. Please share your organizations perspectives on convergence bidding (virtual bidding) as a feature of the EDAM based on the working group discussions to date. Should convergence bidding be a feature of the market, Day 1, at the start of EDAM? (discussed 2.25, 2.28)
PGP believes that virtual bidding is necessary as part of a fully matured EDAM, but it is not necessary for Day 1.
7. Please share your organizations perspective on the topic of dependability of EDAM transfers. What is the level of confidence and/or priority that should be afforded to EDAM transfers relative to other transactions? (discussed in upcoming 3.9 meeting)
PGP believes that EDAM transfers must be given as high priority as other firm energy transactions, such as WSPP Schedule C contracts.