

Submitted by	Company	Date Submitted
Lauren Tenney Denison Senior Policy Analyst tenney@ppcpx.org (503) 595-9777	Public Power Council	July 11, 2019

RE: CAISO’s Day Ahead Market Enhancements Technical Workshop

The Public Power Council (PPC) thanks the CAISO for the opportunity to comment on the options presented at the Day Ahead Market Enhancements (DAME) Technical Workshop. With the possibility of the creation of an Extended Day Ahead Market, PPC members have significant interest in ensuring that the design of that market is one that they could support BPA participating in, and that they would possibly choose to participate in themselves. PPC looks forward to further discussions on the Day Ahead Market Enhancements Initiative to continue to improve the market design included in CAISO’s current proposal.

Day Ahead Market Design Options

PPC appreciates the work that CAISO staff has done to produce the two options presented at the its Technical Workshop on June 20. Of the two options, PPC prefers the second option which integrates the Integrated Forward Market (IFM) and the Residual Unit Commitment (RUC) process. As CAISO staff notes in their presentation and analysis, this approach will allow for the most efficient dispatch of resources in the market. This option better achieves the objectives of proper price formation and maintaining a reliable system.

While this option may require more effort to implement, it is important to undergo this effort given the shortcomings of CAISO’s current Day Ahead Market structure, which are not sufficiently addressed in Option 1. Selecting Option 2, the integrated option, is a step in the right direction to ensure that CAISO is offering the right products and properly compensates providers for stand ready services and flexible capacity.

Further Considerations

PPC would like to emphasize some areas for additional consideration as the DAME initiative moves forward. In its presentation CAISO identified three operational needs that the new Day Ahead Market design should address: ramping needs, net load uncertainty, and deliverability. We agree that these areas should continue to be a focus of the DAME initiative.

As stated above PPC supports a market design that integrates the Integrated Forward Market (IFM) and Residual Unit Commitment (RUC) and believes this approach will allow the CAISO to best address the operational needs it has identified. While the specific proposal developed by

the CAISO is a great starting point, PPC would like to work with the CAISO and other stakeholders to explore whether there are other adjustments to the proposal that would help better address these needs. This additional review is appropriate and imperative, particularly given the potential for the Day Ahead Market to extend to the EIM.

Also, considering this potential extension of the market, PPC would also like to better understand how the proposed Day Ahead Market Enhancements provide for sufficient resource procurement to maintain system reliability. Customers in BPA's Balancing Area currently receive a very high level of service and seek to maintain or enhance that level of service going forward.

Thank you for the opportunity to comment.