

**Comments of Powerex Corp. on
Day Ahead Market Enhancements Phase 1: Fifteen-Minute Granularity
Second Revised Straw Proposal**

Submitted by	Company	Date Submitted
Mike Benn 604.891.6074	Powerex Corp.	September 18, 2018

Powerex appreciates the opportunity to submit comments on CAISO’s August 27, 2018 *Day-Ahead Market Enhancements Phase 1: Fifteen-Minute Granularity Second Revised Straw Proposal* (“Second Revised Straw Proposal”). The Second Revised Straw Proposal reflects CAISO’s decision to pursue enhancements to the day-ahead market in separate phases, of which the first phase “proposes changing the day-ahead scheduling granularity from hourly to four fifteen-minute intervals.”¹ Potential changes that would combine the Integrated Forward Market with the Residual Unit Commitment process, and that would add a day-ahead flexible ramping product, would be considered in a later phase.

Powerex is supportive of CAISO’s decision to consider potential day-ahead market enhancements in phases. Powerex is also generally supportive of transitioning the day-ahead market, under its existing design, from hourly granularity to 15-minute granularity (provided that, as proposed, market participants will continue to be able to submit hourly block schedules).

Powerex is concerned, however, that the Phase 1 elements contained in the Second Revised Straw Proposal extend beyond merely adopting a more granular time step in the day-ahead market. Specifically, the Second Revised Straw Proposal contemplates changes to the EIM resource sufficiency tests and to the granularity of EIM base schedules. While the Second Revised Straw Proposal cites a desire for “alignment between the CAISO and the EIM,”² it does not explain why the day-ahead granularity enhancements would be rendered unworkable without the proposed EIM-specific changes. To the contrary, the Second Revised Straw Proposal recognizes that hourly EIM base schedules can be readily accommodated “by submitting the same value base schedule for all four intervals of the operating hour.”³ It therefore appears that, while the

¹ Second Revised Straw Proposal at 4.

² *Id.* at 23.

³ *Id.* at 20.

proposed EIM-specific changes may be viewed by CAISO as *desirable*, they are not *required* in order for 15-minute day-ahead market granularity.

Powerex believes these EIM-specific proposals are misplaced in a stakeholder process focused on potential enhancements to CAISO's day-ahead market, which is both temporally and geographically separate from the EIM. As CAISO is aware, numerous EIM entities and stakeholders expressed strong support for a stakeholder process specifically to consider comprehensive changes to the EIM resource sufficiency evaluation. These changes would have sought to make that evaluation more workable, accurate, and more equitably applied to all entities. CAISO declined to initiate a stakeholder process on this topic at this time, however, and several key areas of concern to EIM entities and stakeholders remain unaddressed. Powerex believes that a comprehensive stakeholder process on improving the EIM resource sufficiency evaluation would be the appropriate forum to consider the EIM-related changes contained in the Second Revised Straw Proposal; Powerex strongly recommends against pursuing those changes in a piecemeal fashion in this initiative. Moreover, any EIM-specific enhancements adopted here are likely to become obsolete, wasting limited resources, if and when more comprehensive changes to the EIM resource sufficiency framework are evaluated and pursued.

To be clear, these comments should not be misinterpreted as Powerex opposing (or supporting) a change to the granularity of certain EIM processes. But such changes should be explored as part of a stakeholder process that considers comprehensive improvements to the EIM resource sufficiency evaluation. Powerex remains supportive of CAISO initiating such a stakeholder process.