



Submitted by	Organization	Date Submitted
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SCE offers the following comments on the CAISO's Revised Final Proposal¹.

Please provide your organization's comments on the following issues and questions.

1. Power Balance Constraint Relaxation Pricing and Constraint Penalty Prices

Please state your organization's position on the Power Balance Constraint Relaxation Pricing and Constraint Penalty Prices as described in section 4.1: (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

In addition to reiterating its prior comments², SCE supports the CAISO's threshold proposal for when the \$2000/MWh constraint is in place. SCE supports a threshold no lower than 150 MW in order for the proposal to be meaningful so that a small infeasible amount (such as those due to data or modeling issues and limitation) will not trigger the \$2000/MWh price cap. SCE recommends the CAISO also consider the magnitude of procured Regulation in estimating an appropriate threshold since procured Regulation should be capable of filling the gap in case there is a Power Balance Constraint with the amount of infeasibility lower than the magnitude of procured Regulation.

2. Screening import and virtual bids greater than \$1,000/MWh

Please state your organization's position on screening import and virtual bids greater than \$1,000/MWh as described in section 4.2: (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

As stated in prior comments, SCE supports the element of the proposal that it will only accept import bids or virtual bids greater than \$1,000/MWh when the CAISO-calculated

¹ <http://www.aiso.com/InitiativeDocuments/RevisedDraftFinalProposal-FERCOrder831-ImportBidding-MarketParameters.pdf>

² <http://www.aiso.com/InitiativeDocuments/SCEComments-FERCOrder831-ImportBidding-MarketParameters-DraftFinalProposal.pdf>

maximum import bid price is greater than \$1,000/MWh or when the CAISO has cost-verified a resource-specific resource bid greater than \$1,000/MWh.

3. Application of screen to Resource Adequacy Imports

Please state your organization's position on the application of screening import and virtual bids greater than \$1,000/MWh to Resource Adequacy Imports as described in section 4.2.1: (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

SCE is unable to support this part of the CAISO's proposal. SCE notes that the CAISO proposes to change the RT MOO requirement in the DAME and RA Enhancements and to not require RA resources to participate in RT – any MOO will only be on resources awarded for the new DA products³. Due to the CAISO's initiated redefinition of the RA MOO paradigm, it is prudent to ensure that all resources work toward RT liquidity. Subjecting all import resources to the CAISO-calculated maximum import bid is necessary as the CAISO does not propose to mitigate imports under its System Market Power Mitigation Initiative.

4. Maximum Import Bid Price Calculation

Please state your organization's position on the Maximum Import Bid Price Calculation topic as described in section 4.2.2: (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

SCE thanks the MSC for their alternative analysis on Import Bid Index calculation. SCE believes that robustness is the key metric to gauge any alternatives, thus any alternative should show consistently superior predictive performance between various samples. If the assumption that high priced days are normally distributed is valid, SCE requests that goodness-of-fit measures be provided to the stakeholders. This should also include sample sizes, descriptive statistics, and any formulation details. Such information should be minimum prerequisites to compare alternatives.

³ E.g., at 35 of the CAISO RA Enhancements Third Revised Straw Proposal, dated December 20, 2019, available at <http://www.aiso.com/InitiativeDocuments/ThirdRevisedStrawProposal-ResourceAdequacyEnhancements.pdf>