

Stakeholder Comments

Day Ahead Market Enhancements

April 11, 2018 Revised Straw Proposal

Submitted by	Company	Date Submitted
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The Sacramento Municipal Utility District (SMUD) appreciates the opportunity to comment on the Day Ahead Market Enhancements Revised Straw Proposal, dated April 11, 2018 (Revised Proposal), and the subsequent stakeholder meeting on April 18, 2018.

SMUD submitted comments last round on the Day Ahead Market Enhancements Issue Paper/Straw Proposal, dated February 28, 2018. In those comments, we identified a few issues/questions to help us determine the full scope of the proposal and its impact on current intertie practices and our Energy Imbalance Market (EIM) implementation and launch efforts planned for April 2019. The CAISO did not address our issues/questions in the Revised Proposal, and therefore we restate a few of the same comments below in addition to new comments. SMUD is open to a separate dialogue with the CAISO if this is the CAISO's preference; however, some of the issues we raise may be beneficial for all stakeholders to know.

1. Block Scheduling

It is not clear from the Revised Proposal whether the current intertie block scheduling capability will be maintained. Page 15 (third bullet) states that the block hourly scheduling option will keep the schedule at the same MW value for the duration of the hour or for multiple contiguous hours. In the current intertie Day Ahead Market, the CAISO awards a block schedule for contiguous hours if the *average* hourly price during the full block period meets the bid price. Under the Revised Proposal, is the CAISO proposing to use the 15-minute price to determine the average price during the block period? SMUD requests the CAISO provide a sample settlement scenario in the next proposal to demonstrate how the new block scheduling will work, for both a single hourly block schedule and a contiguous hourly block schedule.

2. Supporting Resources

SMUD schedules against supporting resources (i.e., internal CAISO supply resources not already committed to support Resource Adequacy obligations inside the CAISO BA) in the CAISO to prioritize and firm our exports. These supporting resources are usually offered by the resource owner in the day ahead market timeframe and are matched against SMUD's self scheduled export for a particular hour. SMUD assumes the Revised Proposal will not affect our ability to continue this practice or in any way diminish SMUD's ability to ensure the firmness of certain self-scheduled exports, but we seek confirmation from the CAISO that this is the case.

3. Implementation Timeline

There could be significant SMUD staff and resource commitments associated with implementing the proposed day ahead market enhancements. With SMUD ramping up its EIM implementation activities for a Spring 2019 entry, we will need to coordinate and prioritize efforts internally. Accordingly, with the CAISO Board scheduled to approve the enhancements in early September 2018, and the subsequent Tariff filing and software upgrades required, we assume the CAISO would launch the enhancements no earlier than Fall of 2019.

4. EIM Governing Body

SMUD supports CAISO's re-classification of this matter to "hybrid non-EIM specific" for EIM Governing Body consideration given the change required to align the EIM base schedules with 15-minute granularity.