

Comments of Seattle City Light on CAISO Intertie Deviations Settlement Issue Paper

Submitted by	Company	Date Submitted
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ABOUT SEATTLE CITY LIGHT

Seattle City Light (Seattle) is the tenth largest consumer owned electric utility in the nation, providing electrical service to more than 415,000 residential, commercial, and industrial customers in the City of Seattle, Washington and six adjacent cities. Seattle owns and operates hydroelectric resources with approximately 2,000 MW of flexible, fast-ramping capacity. We regularly transact in the wholesale energy and transmission markets. Seattle executed an Implementation Agreement with the California Independent System Operator (CAISO) and intends to begin participating in the Energy Imbalance Market (EIM) in April 2020.

SUMMARY

Seattle appreciates the opportunity to submit comments on CAISO's Intertie Deviations Settlement Issue Paper. Seattle is very supportive of CAISO commencing work on this initiative. The core operational issues of undelivered intertie awards effects numerous aspects of CAISO's market (EIM, Resource Sufficiency, Resource Adequacy, FRACMOO, etc.). Solving this problem is especially important to EIM entities because intertie awards count towards the CAISO BAA's resource sufficiency test requirement.

These comments encourage CAISO to analyze undelivered intertie awards in critical periods and use this initiative to explore changes, including a day-ahead tagging requirement, to ensure that intertie bids perform according to their award.

COMMENTS

Seattle City Light encourages CAISO to use this initiative to examine the root cause of undelivered intertie awards and their impacts on the market. SCL reiterates its request for CAISO to study and provide stakeholders more information regarding undelivered intertie awards during critical periods, including June 19-22, 2017, and September 1-2, 2017. Such a study would allow CAISO and stakeholders to understand the magnitude and impact of undelivered intertie awards on the market. Seattle supports scoping the study to answer the questions posed in the Public Generating Pool's comments.

Seattle encourages CAISO to use this initiative to explore changes that will ensure that intertie bids perform according to their award. Seattle suggests that CAISO explore day-ahead visibility requirements, *e.g.*, a day-ahead tagging or resource identification requirement, for intertie awards.

If CAISO chooses not to implement a day-ahead tagging or visibility requirement, the consequences of the scheduling coordinator's failure to perform should be commensurate with the failure's impact on the market. For example, in scarcity conditions CAISO's policies should ensure that scheduling coordinators take every possible action to ensure that intertie awards are delivered. In addition, the application of penalties should consider if the failure to deliver was a result of a discretionary action by the seller, or reliability action taken by a transmission operator outside the control of the seller.

We look forward to seeing CAISO's Straw Proposal for this initiative. The issues that CAISO plans to address herein are of the utmost importance, and Seattle strongly encourages CAISO to see this process through to completion.