



Stakeholder Comments Template

System Market Power Mitigation

This template has been created for submission of stakeholder comments on the Revised Straw Proposal for the System Market Power Mitigation. The paper, stakeholder meeting presentation, and all information related to this initiative is located on the [initiative webpage](#).

Upon completion of this template, please submit it to initiativecomments@caiso.com. **Submissions are requested by close of business May 4, 2020.**

Submitted by	Organization	Date Submitted
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Tacoma Power appreciates the opportunity to provide comments on CAISO's April 7, 2020, System Market Power Mitigation Revised Straw Proposal. We are a member of the Public Generating Pool (PGP) and fully support the comments submitted by PGP on this issue. We are a current CAISO market participant as well as an EIM Entity (currently in EIM Implementation phase). As such, we have joined in, and support, the comments on this issue submitted by a subset of the EIM Entities.

Our comments below are intended to emphasize/highlight some of the key points made in the PGP comments and in the subset of EIM Entities' comments from more of a policy perspective rather than from a technical perspective. Tacoma Power's expectation is to participate in an organized market (e.g., CAISO's real-time and/or day-ahead market) that provides fair and equitable market prices. We understand that CAISO shares this objective and has acknowledged that "system-level mitigation" can have broad adverse impacts. They have stated that their system-level mitigation design must 1) avoid inefficiencies resulting from inaccurate bid prices, and 2) not deter import supplier participation. Unfortunately, the Revised Straw Proposal has the potential for violating both of these design objectives.

Our understanding is that CAISO's proposal risks application of price mitigation at times when the market is in fact competitive. As a result, the outcome of this application appears to be price suppression, and not the protection of buyers from a limited set of sellers with actual market power, an objective that Tacoma Power would otherwise support. Such a result would be neither efficient from a market perspective nor support the participation of external resource suppliers, like Tacoma Power. Of particular concern would be the possibility of CAISO market prices being mitigated below the price levels of external regions.

Our fear is that the new proposal overuses a very blunt instrument to fix a problem that may or may not exist, and the impact is likely to result in unfairly depressed prices in the WECC.