



## Stakeholder Comments Template

### Day-Ahead Market Enhancements

This template has been created for submission of comments on proposed market design options discussed with stakeholders during the June 20, 2019 Day-Ahead Market Enhancements workshop. Information related to this initiative is available on the initiative webpage at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/Day-AheadMarketEnhancements.aspx>.

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on July 11, 2019.

Submitted by	Organization	Date Submitted
<i>Grant McDaniel 530-300-3562</i>	<i>Wellhead</i>	<i>07/11/19</i>

Please provide comments on the proposed formulation options described below. In your comments, please explain your rationale and include examples if applicable. Also, recommend any analysis and data that your organization believes would be helpful to review on these options. Include details and explain your reasoning for the type of analysis and data that you suggest.

- At this time, does your organization support moving forward with **Option 1: Sequential Integrated Forward Market followed by an after-market Reliability and Deliverability Assessment (Sequential IFM-RDA)**, **Option 2: Integrated IFM and Residual Unit Commitment (Integrated IFM-RUC)**, or **undecided**. Provide supportive comments (in favor of, or in opposition to) below.

**Please double click on check box below to select your position:**

<p><b><u>Option 1:</u></b></p> <p><input type="checkbox"/> Support</p> <p><input type="checkbox"/> Support with caveats</p> <p><input type="checkbox"/> Oppose</p> <p><input checked="" type="checkbox"/> Undecided</p>	<p><b><u>Option 2:</u></b></p> <p><input type="checkbox"/> Support</p> <p><input checked="" type="checkbox"/> Support with caveats</p> <p><input type="checkbox"/> Oppose</p> <p><input type="checkbox"/> Undecided</p>
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Wellhead strongly supports the implementation of an Imbalance Reserve Product and understands that the role of this product is vital to the CAISO's ability to control the tertiary flexibility requirements on an economic basis. Due to the significant unintended consequences that could result from the implementation of either Option 1 or Option 2, Wellhead advocates that, if possible, the CAISO first implement an Imbalance Reserve Product within the current market construct. Wellhead believes that an initial role out of the Product without any other significant market changes would better inform the CAISO and market participants on the need for further optimization through the substantial market re-designs offered in Option 1 and 2.

*Option 1: Sequential IFM-RDA*

**Please provide comments to explain your position on Option 1:**

Wellhead is still undecided on the Sequential IFM-RDA. This option clearly does not provide the level of efficient dispatch that option 2 can provide. Given that the RUC process is replaced by an exceptional dispatch process, which is seems inefficient in nature, its advantages over the current IFM-RUC appear to be minimal at best. A deeper discussion of the RDA process is warranted at this time.

*Option 2: Integrated IFM-RUC*

**Please provide comments to explain your position on Option 2:**

Wellhead finds that Option 2 does provide for a much more efficient dispatch than Option 1, or the current market construct, but we are very concerned about the ramifications of shifting away from a financial day-ahead market construct. A physical DA reliability market will significantly alter LMPs which may perfect or distort the price signals necessary for grid planning and impact existing bilateral contracts and virtual trades. Wellhead would appreciate the CAISO providing dedicated time to discuss the implications of this type of change with stakeholders. If it is determined through this stakeholder process that a DA reliability market can provide the right price signals and transparency to market participants, then Wellhead would most likely support this option.

2. Please identify any specific data analysis that your organization recommends. Indicate the data request(s), the purpose of the request(s), and how the request(s) will advise the determination of the day-ahead market formulation or will assist with determining the procurement target for the new day-ahead product.

**Comments:**

3. Please offer any other feedback your organization would like to provide on presentation materials and discussion for the June 20, 2019 Day-Ahead Market Enhancements stakeholder workshop.

**Comments:**

Wellhead appreciates both the complexity and importance of the changes being proposed. The CAISO team has done an excellent job to date of providing information (and tools by way of the solver spreadsheets) as well as facilitating a robust discussion. Wellhead looks forward to working to continuing this dialog with CAISO and the rest of the stakeholders.