

**Stakeholder Comments Template  
Day-Ahead Market Enhancements Initiative**

This template has been created for submission of comments on proposed market design options discussed with stakeholders during the August 13, 2019 Day-Ahead Market Enhancements working group meeting. 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 August 27, 2019.

Submitted by	Organization	Date Submitted
<i>Grant McDaniel</i>	<i>Wellhead</i>	<i>8/26/2019</i>

Please provide comments on the preferred market structures that were discussed during the August 13, 2019 working group meeting. Include the pros and cons for each option.

- At this time, does your organization support moving forward with **Option 1: Financial**, **Option 2: Financial + Forecast**, 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 checked="" type="checkbox"/> Oppose</p> <p><input type="checkbox"/> Undecided</p>	<p><b><u>Option 2:</u></b></p> <p><input checked="" type="checkbox"/> Support</p> <p><input type="checkbox"/> Support with caveats</p> <p><input type="checkbox"/> Oppose</p> <p><input type="checkbox"/> Undecided</p>
---	---

Wellhead now strongly supports the continued development of the Option 2, financial + forecast methodology. While the addition of the Imbalance Reserve product will provide most of the immediate operational benefits of the proposed enhancements and Wellhead would support an early parallel adoption of this product under the existing framework, Option 2 clearly provides for the optimal dispatch while continuing to provide load serving entities the freedom to meet their load in a manner that is consistent with their internal practices, but with superior incentives for the virtuals. Option 2 also provides much needed market incentives for generators to provide the CAISO with the operating attributes it will require to manage large quantities of intermittent generation resources. Provided that Option 2 can be run in an acceptable market timeframe, Wellhead encourages the CAISO to focus on the development of the remaining issues of Option 2 which include:

- Unbundling intermittent and non-intermittent energy in both the financial and reliability runs
- Ensuring that reliability energy has the appropriate real time obligation
- Offer price caps for Imbalance Reserves
- Imbalance reserve penalty price

Please offer any other feedback your organization would like to provide on presentation materials and discussion for August 13, 2019 Day-Ahead Market Enhancements stakeholder working group meeting.

**Comments:**

Wellhead greatly appreciates the additional presentations and data CAISO provided during the Aug 13 working group meeting.