



November 17, 2016

Avangrid Renewables, LLC comments on CAISO Draft – 2017 Policy Initiatives Roadmap – Initial Rankings

Avangrid Renewables appreciates the opportunity to provide comments on CAISO's Draft – 2017 Policy Initiatives Roadmap, dated November 4, 2016. The CAISO has asked for comments that indicate agreement or disagreement with the ISO's high level rankings for discretionary initiatives and to also provide justification for rankings stakeholders would like to see changed.

Three specific initiatives that Avangrid Renewables would like to support and to indicate a desire to see the CAISO elevate in ranking are: EIM - Enhancing Participation of External Resources, Examination of NQC Values for ELCC Methodology and FMM Settlements of Non-Participating Resources. All three initiatives have been given 3's in the Desired by Stakeholders category, however these initiatives are strongly desired by Avangrid Renewables and we would like to see the scores for these initiatives promoted to at least a "Desired by a Majority of Stakeholders". In addition, EIM – Enhancing Participation of External Resources has been given a 3 in the ISO Implementation category, however the details regarding the implementation of this initiative are unknown. Avangrid Renewables believes that through stakeholder discussion, many unanswered questions could be addressed, such that the complexity and time involved in implementation would likely promote the ISO Implementation score to at least a "Minimal Impact".

EIM - Enhancing Participation of External Resources

It is clear from the number of EIM initiatives outlined in the catalog, that stakeholders are interested in seeing the CAISO invest time and resources in further enhancing and refining the Energy Imbalance Market. Considering that the ISO can only focus on a handful of discretionary initiatives in addition to those already planned or in progress for 2017, Avangrid Renewables would like to see this particular EIM initiative rise to the top for consideration. Avangrid Renewables owns and operates generation resources that are located outside of the current and contemplated EIM Entity service territories. Avangrid Renewables is interested in exploring options that would allow us to offer all or a portion of our generation resources directly into the EIM, both providing an additional source of balancing to the EIM, and taking advantage of a more efficient market structure as a participating resource.

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Examination of NQC Values for ELCC Methodology

The ISO has committed to the development of an ELCC methodology to determine uniform counting rules for wind and solar resources as stated during the Regional Resource Adequacy stakeholder process. However, the ISO has also stated that the exceedance methodology would continue to be used until an ELCC methodology is developed. Avangrid Renewables believes that an ELCC methodology is a superior methodology that more appropriately accounts for the capacity contribution of wind and solar resources and should therefore be promoted in ranking in the initiative prioritization process.

FMM Settlements of Non-Participating Resources

Avangrid Renewables concurs with PacifiCorp that this initiative is important. Avangrid Renewables has experience as a non-participating generator in the EIM since 2014. The settlement process has been challenging and has produced unexpected outcomes that have not been adequately addressed in the dispute process. We would like to see a comprehensive stakeholder process to provide a transparent platform that will allow stakeholders in existing, new and potential EIM entities to share experiences, bring common issues to light, and improve the overall performance of EIM settlements.

Avangrid Renewables recognizes that time and resource constraints are important considerations for the CAISO and its stakeholders to consider when determining where to focus in the upcoming year.

Due to these constraints, Avangrid Renewables limited its highest priority initiatives to the three listed above. Avangrid Renewables also recognizes that many of the highest ranked discretionary initiatives in the November 4, 2016 publication of the 2017 Draft Policy Initiative Roadmap have an ISO Implementation score of “Moderate Impact”, with the highest priority, Real-Time Market Enhancements, likely on the threshold of being a “Significant Impact” initiative. As such, these initiatives will likely consume a significant amount of ISO resources, limiting the bandwidth to work on other initiatives. Avangrid Renewables would like to see the prioritization process result in the selection of not just highly complex and time-intensive initiatives, but rather, a combination of both time and resource intensive initiatives and less complex (i.e., low hanging fruit) initiatives.

We also believe that there are initiatives that continue to be important, yet may be appropriate to revisit at a later time. Please see the list of initiatives below that Avangrid Renewables would like the CAISO to keep in the queue as areas we are interested seeing addressed in future.

EIM Initiatives and Enhancements

- Potential EIM-Wide Transmission Rate
- Donation by Third Party for Transmission Capacity Available for EIM Transfers
- Compensation for Third Parties Making Capacity Available for EIM Transfers
- Bidding Rules on External EIM Interties
- Management of EIM Imbalance Settlement for Bilateral Schedule Changes

Real Time Market

- Inter-Scheduling Coordinator Trade Adjustment Symmetry
- Extending the submission deadline for Real-Time Inter-SC trades

General Market Design Enhancements

- Export Charges

Resource Adequacy

- Review of Maximum Import Capability

Thank you for the opportunity to provide comments and feedback on this process.

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