

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Avangrid Renewables, LLC. )**

**Docket No. ER16-1250-014 et al.**

**COMMENTS OF THE DEPARTMENT OF MARKET MONITORING  
OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. §§385.212, the Department of Market Monitoring (“DMM”), acting in its capacity as the Independent Market Monitor for the California Independent System Operator Corporation (“CAISO”), submits these comments in the above-captioned proceeding.

**I. COMMENTS**

On November 8, 2022, Avangrid Renewables, LLC (“Avangrid”) submitted a request to participate in the CAISO’s Western Energy Imbalance Market (“WEIM”) at market-based rates. Avangrid’s November 2022 request included e-filed attachments providing various analyses demonstrating a lack of market power in the WEIM based on modified screens consistent with those utilized by other WEIM entities which have been approved by the Commission. However, as explained in another filing by Avangrid on February 18, 2023, the uniqueness of the CAISO’s WEIM requires modifications to the Commission’s standard screens which cannot currently be submitted through the Commission’s MBR Portal due to a design limitation of the portal. Avangrid has been working with Commission staff to resolve this issue, but requires a Commission order no later than March 2 to begin participating in the WEIM as scheduled on April 5, 2023.

Therefore, Avangrid is requesting a one-time waiver of the Commission's requirement for the screens to be submitted through the MBR Portal.

DMM supports Avangrid's request for this one-time waiver and encourages the Commission to provide an order on Avangrid's request for market based rate authority in the WEIM by March 2, 2023. In addition to providing a market power analysis based on the Commission's screens, Avangrid's filings note that a report by DMM published in October 2022 also supports the finding that Avangrid will lack market power in the WEIM.<sup>1</sup>

As summarized in DMM's October 2022 report:

The [DMM] analysis uses data provided by Avangrid from July 2020 to June 2022. The report assesses the potential competitiveness of the Avangrid area in the WEIM based on the expected amount of competitive supply that may be transferred into the Avangrid area from the broader WEIM footprint, compared to an approximation of imbalance demand that is expected to be served by the WEIM in the [Avangrid] BAA. This analysis indicates that the Avangrid area will likely be structurally competitive in most intervals in the WEIM when WEIM transfer capacity is available in the range of the estimated levels provided by Avangrid. The analysis further indicates that during the likely limited number of intervals when the Avangrid area may be structurally non-competitive, the CAISO's market power mitigation processes provide highly effective mitigation of the potential to exercise market power.

As explained in Avangrid's February 18 request for waiver, the ability of Avangrid to receive approval from FERC to begin participating in the WEIM as scheduled on April 5, 2023 is in jeopardy. Any such delay would delay realization of the benefits to the entire WEIM stemming from the additional generation made available to the WEIM from the Avangrid balancing area. Therefore, DMM supports Avangrid's request for this one time

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<sup>1</sup> *Assessment of potential competitiveness in the energy imbalance market: Avangrid Renewables Balancing Area*, Department of Market Monitoring, October 12, 2022. <http://www.caiso.com/Documents/Assessment-of-Potential-Competitiveness-WEIM-Avangrid-Renewables-BA-2022-10-12.pdf>

waiver and encourages to Commission to render an order on Avangrid's request for market based rate authority in the WEIM by March 2, 2023.

Respectfully submitted,

**By: /s/ Eric Hildebrandt**

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Independent Market Monitor for the  
California Independent System Operator

Dated: February 22, 2023

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the above-referenced proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 22<sup>nd</sup> day of February, 2023.

**/s/ Jacqueline Meredith**  
Jacqueline Meredith