

**COMMENTS OF IDAHO POWER COMPANY  
ON CAISO'S 2018 POLICY INITIATIVE CATALOG**

<b>Submitted By</b>	<b>Company</b>	<b>Date Submitted</b>
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Idaho Power Company (“Idaho Power”) appreciates the California Independent System Operator’s (“CAISO”) efforts to identify priorities for market enhancements and welcomes the opportunity to provide these comments on this initiative for CAISO’s consideration. Idaho Power hereby submits the following comments on CAISO’s 2018 Policy Initiatives Draft Roadmap (“Draft Roadmap”) presented at the December 14, 2017, stakeholder meeting.

Idaho Power appreciates CAISO’s efforts to continually improve upon its market offerings through its stakeholder processes and the policy initiatives catalog. Idaho Power also recognizes and appreciates that the pursuit of market improvements is limited by the availability of time and resources for both CAISO and stakeholders. Because of the resource limitations, Idaho Power recognizes the importance and necessity of prioritizing the numerous initiatives under consideration.

Idaho Power is in support of the prioritizations reflected with one exception. Upon Idaho Power’s review, it noticed the exclusion of a fourth Default Energy Bid (“DEB”) option from the Draft Roadmap. As noted in Idaho Power’s comments submitted on November 29, 2017, Idaho Power strongly supported including and highly prioritizing the fourth DEB option. Idaho Power is unsure whether this exclusion was an omission simply by oversight or an intentional exclusion based on a decision by CAISO staff. If it is the

later, Idaho Power requests that CAISO staff reconsider this prioritization given the support expressed previously by current, planned, and potential Energy Imbalance Market (“EIM”) participants.

Idaho Power believes that current DEB options do not provide a sustainable, workable framework for setting a cost for energy-limited resources located outside the CAISO Balancing Authority Area (“BAA”) and believes that a common methodology should be developed for energy-limited resources outside of the CAISO BAA with opportunity costs, such as hydroelectric generation resources. The creation of a common methodology for setting a DEB for such resources with opportunity costs will ensure fair and equitable application of principles to all similarly situated market participants. This becomes even more important with the addition of the proposed Extended Day-Ahead Markets to EIM Entities initiative, which due to the voluntary nature of the expanded market is yet another opportunity for entities outside the CAISO BAA to consider for participation of their resources.

Idaho Power also notes that comments supporting a stakeholder initiative to develop a fourth DEB option were supported by virtually every major entity that engages in wholesale sales sourced from energy-limited storage hydro systems in the Northwest. In the comments, it is clear there is a need expressed by these entities for the development of a new DEB option that is more appropriate to their situation. The Draft Roadmap’s failure to include this initiative is a noticeable exclusion.

For the reasons noted above and in previously submitted comments and discussions, Idaho Power requests CAISO include the initiative 6.1.1 (EIM Default Energy Bid Option) from the Policy Initiatives Catalog in the 2018 Draft Roadmap.

Idaho Power again appreciates the opportunity to submit these comments and is looking forward to continued collaboration with CAISO as it works toward joining the Western EIM in April 2018.