



**FERC Order 764 Compliance  
California ISO Draft Final Proposal**

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Iberdrola Renewables appreciates the opportunity to provide comments on the California ISO's FERC Order 764 Compliance 15-Minute Scheduling and Settlement Draft Final Proposal (Proposal).

Iberdrola Renewables supports the CAISO's movement to 15-minute scheduling. However, as CAISO acknowledged in its Proposal, FERC Order 764 requires a 15-minute scheduling *option* be available to all customers. Entities seeking to implement approaches inconsistent with the order must demonstrate their approach is superior to the requirements outlined by the FERC. The CAISO's Proposal, although superior with respect to resolving some market inefficiencies, may have significant consequences for participants seeking to import power from adjacent BAs that are not prepared or obligated to offer fifteen minute scheduling. The obligation to demonstrate superiority relative to the FERC order must balance the risks and benefits of all customers.

Iberdrola Renewables supports the CAISO's desire to promote a 15-minute market in the West and shares the concern that absent proper incentives this new market is unlikely to develop. Iberdrola Renewables remains concerned, however, that some adjacent Balancing Authorities will not make required changes to Business Practices and infrastructure to enable entities to fully participate in the CAISO's 15-minute market. Consideration should be given to importing entities that do not have an option to participate in the 15-minute market due to restrictions from their Host Balancing Authority. Iberdrola Renewables fully supports efficient markets but believes a balanced approach is required to create mutual incentives and achieve true efficiency.

Iberdrola Renewables is the Scheduling Coordinator for 570 MWs of wind which participates in the CAISO's current PIRP program. Iberdrola Renewables has been consistent in its position that PIRP should be maintained in its current form until the market structure is revised to enable variable generators to better mitigate their exposure to deviation charges. The CAISO's Proposal significantly improves the granularity of forecast data used to populate VER energy schedules and enables VERs to offer DEC bids. If implemented as currently proposed, Iberdrola Renewables can support the elimination of imbalance netting under the PIRP program and settlement of VERs on a level that is comparable to all other generator types. Iberdrola Renewables acknowledges certain VERs may have operational characteristics that preclude their ability to mitigate their imbalance risk under the new market structure. PIRP imbalance netting should be continued for these projects.