NVEnergy

Draft 2016 Stakeholder Initiatives Catalog and Roadmap

Comments by NV Energy
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NV Energy has read the Draft 2016 Stakeholder Initiatives Catalog and Roadmap with interest. It recognizes the myriad topics of interest and concern to stakeholders and the ISO related to a well-functioning market. NV Energy's experience with the EIM has raised to its attention certain specific concerns that it believes should be addressed as and before the EIM significantly expands. NV Energy therefore offers the following comments regarding the planned initiatives.

NV Energy supports the Real-Time Market Enhancements initiative, and proposes that it should be a priority, non-discretionary stakeholder process. Importantly, included in this initiative is the concept of longer scheduling periods for transmission reservations, which has been subject to significant debate for expansion of the real-time market across the western interconnection in the form of the energy imbalance market. In the context of NV Energy seeking approval of its tariff for EIM operations, customers protested the scheduling deadlines imposed by the ISO's real time market processes as too far removed from the current WECC standard scheduling deadline of twenty minutes before the hour; in response the Federal Energy Regulatory Commission encouraged the ISO, NV Energy, and all participants in the EIM to engage on the question of how much lead time should be available to those scheduling transmission before the market imposes financial consequences on the schedule. Changes to the real time market transmission scheduling deadline, sooner rather than later, would benefit continued expansion of the EIM. Moreover, implementing this change, if approved, would benefit EIM expansion if it could be proposed and authorized on or before additional new entrants are scheduled to begin EIM operations. Therefore, NV Energy would support commencing this stakeholder process well before June 2016.

In addition, NV Energy has identified two other real-time market enhancements that it believes should also be priority issues subject to stakeholder process. NV Energy supports including these issues as aspects of the Real-Time Market Enhancements initiative if doing so would ensure their consideration in 2016.

First, the EIM will not currently settle schedules at transfer ties internal to the EIM footprint. Therefore, in certain circumstances, a late-scheduled bilateral schedule that crosses balancing authority areas within the EIM footprint will be subject to an additional settlement. The imbalances will be measured at the resource and load points, and the resource will receive an imbalance payment from its EIM Entity for the generation. The load will receive an imbalance charge from its EIM Entity. These charges and credits will presumably be cumulative to payments between the resource and load as a matter of a bilateral contract. The customers thus will have to account for that contingency as an incident of their deal.

Second, related to real-time dispatch of units, NV Energy has observed a discrepancy in the facility of re-rating the minimum capacity of a resource versus the facility of re-rating the maximum capacity of a resource. In addition, the ISO's model and business rules do not facilitate representation of seasonal conditions for a given generation unit. Thus, it is more

difficult to re-rate a unit's Pmin, even though managing the Pmin is critical to the unit's availability in the real time market. This issue is particularly acute for units with multiple configurations. The practical effect of this limitation is to reduce the additional resource availability and resource diversity benefit that should be realized as the real-time market expands through growth of the EIM. Therefore, addressing the Pmin re-rate capability will prevent an artificial limitation on resource availability and on ramping capability.

Both of the foregoing concerns directly affect the benefits, and perception of benefits, that EIM provides to its customers. NV Energy encourages the ISO to find a way to address these two issues in 2016.