



**COMMENTS OF NV ENERGY  
ON BID COST RECOVERY ENHANCEMENTS  
STRAW PROPOSAL DATED JUNE 3, 2016  
CAISO STAKEHOLDER PROCESS**

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NV Energy appreciates the opportunity to comment on the CAISO Bid Cost Recovery Enhancement Straw Proposal.

The proposal properly seeks to more precisely allocate BCR based on causation. Based on the ISO's exploration of the causes of uplift and its description of the two-tier methodology, NV Energy is inclined to support the proposal as seemingly sensible and workable. It must first, however, seek clarification as to how the interties accounting will affect the EIM. The ISO states that the quantity of BCR allocated "to the intertie category will be based on the differences of net import position between the current and previous HASP that was not reflected in day-ahead." Please elaborate more on how the intertie category will affect the EIM.

NV Energy also appreciates the additional analysis as to the savings that might be expected through implementation of the bid cost recovery enhancement, and agrees it is worthwhile to consider the value of the enhancements and how the benefits relates to the cost of implementation. It may be of additional value to implement the Flexible Ramp Product first in order to isolate its effect on real-time BCR uplift. Doing so would make it easier to evaluate this aspect of the FRP's market effects.

Regarding the possibility of including a rate cap, NV Energy requests that the ISO explain why the rate cap is more effective or relevant at more granular allocations, such as hourly, than for daily allocations.

Finally, with respect to the identified efficiency of settling BCR for each day for a unit committed over the course of two days, NV Energy appreciates the transparency in the ISO's identifying the potential savings. NV Energy agrees that, again, it is worthwhile to consider the commitment to implementing the change by weighing those savings against the potential costs of implementation.