

Comments of Xcel Energy

CAISO Energy Imbalance Market

Year 1 Enhancements Energy Transfer Scheduling in the EIM

Thank you for the opportunity to comment on CAISO technical paper, *Energy Transfer Scheduling in Energy Imbalance Market*.

Xcel Energy comments will address two topics: first, encouraging the CAISO to seek a waiver, consistent with other regional market operators, of interchange scheduling eTag obligations for market dispatch that remains within the CAISO/EIM footprint; and second, suggesting changes to eTag source data approximation.

First, based on practices used in two regional markets, both SPP and MISO, we believe that CAISO should seek a waiver from FERC of the WECC Interchange Scheduling Requirements for dynamic eTag of the market dispatch that remains within the CAISO/EIM footprint. Currently, the WECC Interchange Scheduling Practices use approximate zonal source/sink representations and an intact grid model for eTags rather than more granular or post-contingency representations. This historical source/sink modeling used to evaluate flow impacts for eTags is outdated; there are now more advanced tools employed by the CAISO, such as the unit set point control for sources based on a full network model with contingency analysis and security-constrained economic dispatch (SCED) which evaluates precise flow contribution from dispatched resources to limiting elements on the grid. Concerning the Energy Transfer Schedules design outlined in the technical paper, it is our opinion that approximating the source for market flows and continuing the use of eTags to simulate the market's marginal dispatch impacts just to comply with current WECC dynamic eTag interchange scheduling requirements results in a "dumbing-down" that may diminish market depth and efficiency. Several design issues proposed by the CAISO in the technical paper on the Energy Transfer Scheduling representation would also become moot in the event that the FERC grants CAISO the waiver. This recommended market dynamic eTag waiver would not exempt use of static block eTags for the base schedule deliveries in the EIM.

Second, we believe that keeping the base schedule eTag deliveries on the same basis as other eTag users in the western interconnection would retain a comparable basis between market footprint and non-market areas for distribution factor evaluation. Efforts are underway at Peak Reliability to refine and improve the Enhanced Curtailment Calculator (ECC) used to establish eTag flow impacts. We recommend and would appreciate continued engagement by CAISO in the western interconnection to expand and enhance the seams coordination role of the ECC tool for all electric transmission users. We have seen other regional market operators expand their interface to seams coordination tools like the ECC in order to represent marginal unit dispatch impacts in the distribution factor calculations and this could be a longer-term development goal for CAISO as the Peak Reliability ECC Task Force proposes expanded capabilities to evaluate non-tagged flow impacts.