



## **PACIFICORP'S COMMENTS ON THE EIM READINESS CRITERIA TARIFF LANGUAGE**

### **I. INTRODUCTION**

PacifiCorp hereby submits the following comments to the California Independent System Operator Corporation ("CAISO") on its Energy Imbalance Market ("EIM") Supplemental Stakeholder Process for EIM Readiness Criteria Tariff Language. PacifiCorp appreciates the opportunity to provide comments on this initiative for the CAISO's consideration.

### **II. COMMENTS**

#### **A. PacifiCorp Comments During the Earlier Stakeholder Process To Develop Readiness Criteria**

PacifiCorp notes that this is not the initial effort to develop readiness criteria for new EIM Entities. In response to the Commission's March 16, 2015 Order in Docket Nos. ER15-861 and EL15-53, the CAISO filed proposed draft EIM Entity readiness criteria May 7, 2015. These were discussed with stakeholders May 13, 2015, and parties had an opportunity to submit written comments. The CAISO produced a matrix of responses to comments June 11, 2015. The CAISO posted a revised draft of the EIM Entity readiness criteria June 12, 2015, and conducted a second stakeholder call June 16, 2015. The CAISO published its final EIM Entity readiness criteria August 10, 2015.

PacifiCorp actively participated in this prior stakeholder process. PacifiCorp submitted initial comments May 19, 2015, and supplemental comments May 28, 2015. PacifiCorp requested that the CAISO consider adding criteria under its Data Monitoring Readiness category to require the Department of Market Monitoring to produce a report that provides an explanation of any anomalous pricing, and publish such report as a criterion of market readiness. PacifiCorp also supported Southern California Edison's request that both the CAISO and the EIM Entity issue sample settlement statements.

In response to PacifiCorp's comments, the CAISO stated that: (1) the Department of Market Validation and Quality will be analyzing and validating market outcomes, including prices, during the market simulation phase; (2) the CAISO will be providing midterm and final reports on market simulation performance that will quantify frequency and causes of infeasibilities observed in parallel operations; and (3) the results of implementation activity during the market simulation phase will be discussed during public calls held periodically throughout the period of market simulation. The CAISO also committed to include in the implementation plan a requirement that the CAISO produce settlement statements that the EIM Entity can verify with

its own settlements software as of the date of readiness certification. The CAISO's responses adequately addressed the issues raised by PacifiCorp.

**B. The CAISO's Proposal To Import the Previously-Developed Readiness Criteria Into the Tariff**

On July 21, 2015, the Commission issued a subsequent order in Docket Nos. ER15-861 and EL15-53. The Commission found that the readiness criteria must be included in the CAISO's tariff to ensure that they "will provide transparent, meaningful, and measurable standards by which to judge the readiness of potential EIM Entities."

In response to the July 21 Order, the CAISO proposes to incorporate the previously-developed readiness criteria into the tariff. PacifiCorp supports this approach. The prior stakeholder process provided interested parties an opportunity to be heard concerning the scope and sufficiency of the proposed readiness criteria. Incorporation of the EIM Entity readiness criteria into the CAISO's tariff in the manner proposed by the CAISO is an appropriate response to the July 21 Order.

**III. CONCLUSION**

PacifiCorp again thanks the CAISO for the opportunity to comment on this matter and supports the effort to incorporate the previously-developed EIM Entity readiness criteria into the CAISO's tariff.