

**Comments of Powerex Corp. on Consolidated Energy Imbalance Market  
Initiatives Draft Tariff Language**

<b>Submitted by</b>	<b>Company</b>	<b>Date Submitted</b>
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Powerex appreciates the opportunity to comment on CAISO's proposed draft tariff language respecting the Consolidated Energy Imbalance Market ("EIM") Initiatives. CAISO's proposed tariff revisions are intended to implement a number of planned enhancements to existing EIM functionalities.

Powerex strongly supports CAISO's proposed enhancements to the EIM. As Powerex has explained in its earlier comments in this proceeding, CAISO's proposed enhancements have the potential to confer benefits on EIM participants by automating a number of existing activities that are permitted and already occur under the existing EIM framework and ensuring more timely communication of information from EIM Entities to CAISO. Although not all EIM Entities may choose to use each of the proposed enhancements, Powerex believes that CAISO's proposals will enhance EIM operations by ensuring that CAISO has the most timely and accurate information possible regarding market participants and market conditions.

Powerex believes, however, that revisions are necessary to CAISO's proposed tariff language describing the auto-matching functionality to ensure that CAISO's tariff accurately reflects CAISO's proposals in this docket. Specifically, Powerex recommends that CAISO revise its proposed tariff language to clarify that:

- the non-participating resource designated for purposes of the auto-matching functionality can be used to address changes in both import *and* export schedules; and
- interchange schedule changes that are auto-matched to the output of a non-participating resource will not be used for purposes of calculating incremental resource sufficiency requirements.

Each of these issues is discussed below.

**I. Resources Designated For Auto-Matching**

CAISO's proposed tariff language includes a new section addressing CAISO's proposed auto-matching functionality. As CAISO explained in its Draft Final Proposal, this "functionality allows the [CAISO] to automatically adjust a single EIM non-participating resource . . . schedule in an EIM BAA to match import or export schedule changes after

T-40.” CAISO explained that the purpose of this enhancement is to provide EIM Entities with additional tools to manage imbalances associated with schedule changes that occur after T-40.

While CAISO’s Draft Final Proposal clearly contemplates that the auto-matching functionality will be available to address changes to *both* imports and exports, CAISO’s proposed tariff language includes language that could be interpreted as limiting the functionality to only import schedule changes. Specifically, proposed Section 29.34(s)(1) of the draft tariff language provides that an EIM Entity may “submit a designation to the Master File of EIM non-participating resources . . . in its Balancing Authority Area to automatically match *import* schedule changes outside of the Market Clearing of the Real-Time Market[.]” In order to ensure consistency with the intent of CAISO’s Draft Final Proposal, Powerex recommends that the reference to “import schedule changes” in Section 29.34(s)(1) be replaced with “interchange schedule changes.” This change will clarify that the non-participating resource registered for purposes of the auto-matching functionality can be used to match changes in both import and export schedules.

## **II. Impact Of Auto-Matching On Resource Sufficiency**

In the Draft Final Proposal, CAISO explained that it planned to exclude interchange schedule changes that are auto-matched to the output of a non-participating resource when calculating incremental and decremental resource sufficiency requirements to address forecast error.<sup>1</sup> Under the existing EIM framework, CAISO calculates additional incremental and decremental capacity requirements reflecting historical changes in interchange schedules within an EIM Entity BAA for purposes of applying both the capacity component and flexible capacity component of the EIM resource sufficiency evaluation. CAISO explained that excluding auto-matched schedule changes from the calculation of these incremental/decremental requirements is appropriate because such transactions do not create imbalances that must be served through the EIM.<sup>2</sup>

Consistent with the Draft Final Proposal, CAISO’s proposed tariff language states that CAISO will omit auto-matched interchange schedule changes when calculating incremental requirements to be applied for purposes of the flexible ramping sufficiency test, as set out in Section 29.34(m)(6)(ii). However, CAISO’s proposed tariff language is limited to the flexible ramping sufficiency test and fails to expressly exclude auto-matched interchange schedules from the calculation of additional incremental and downward requirements for the capacity test component of the resource sufficiency evaluation, as set out in Section 29.34(l)(4).

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<sup>1</sup> CAISO Draft Final Proposal at 11.

<sup>2</sup> *Id.*

In order to ensure that auto-matched interchange schedule changes are appropriately excluded from the calculation of additional capacity requirements for both the capacity component and flexible ramping component of the resource sufficiency evaluation, Powerex recommends that CAISO revise Section 29.34(s)(3)(B) of the proposed tariff language to provide that CAISO will “omit the intertie schedule change from the historical intertie schedule over/under-scheduling histogram for the determination of additional requirements for relevant EIM Balancing Authority Area(s) under section 29.34(l)(4) and section 29.34(m)(6)(ii).”