

 California ISO	Market and Infrastructure Policy	Template Version:	1
		Document Version:	0
Policy Initiatives Catalog Submission Form		Date Created:	6/1/2017

California ISO Policy Initiatives Catalog Submission Form

This purpose of this form is to propose potential policy initiatives that require a stakeholder process and typically require tariff changes. Do not use this form to request or propose process improvements or administrative changes. Such requests should be made through your Customer Service Representative or Account Manager

Date: 8/2/2018

Submitter Information

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Please provide a title for the issue.

CAISO-Market Participant Relationship Enhancement (CMPRE)

Please provide a summary description of the issue (i.e. 500 words)

The CAISO's current system of management of its relationship with market participants does not function appropriately. It can lead to inefficiencies and unnecessary costs, at best, and unattainability of the CAISO's goals, at worst. In each case, the CAISO should accurately identify the right party with whom it has a specific need and directly engage that party. Instead, the CAISO relies, heavily and inappropriately, on the wrong party as a middleman. In particular, the use of the Scheduling Coordinator (SC) to provide information that the SC does not necessarily need for its contractual relationship with the resource owner but the CAISO may need for reliable operation. The proposed CMPRE initiative should streamline the CAISO's dealings with participants by implementing direct dealings between the CAISO and the appropriate parties that should provide information and/or response to the CAISO.

For example, while the CAISO has Participating Generator Agreements with resources, it does not rely on its relationship with the generator to meet many of the CAISOs needs. In the dimension of RDT data accuracy, the CAISO relies on Scheduling Coordinators to provide even physical attributes on a resource. The generator is best positioned to provide the CAISO with physical attributes of the resource and not the SC. Continuing to rely on SCs to provide information, that if incorrect is ultimately the responsibility of the generator, places the SC in an unnecessary intermediary role. This can lead to inefficiencies and costs due to the CAISO using unreliable data because it preferred that the SC provide data when in fact the resource owner should have done so. Such inefficiencies can lead to damaging costs in the markets from incorrect resource commitment and dispatch.

Another example of mismanagement of relationships is in the recent PRR 1067. Here, the CAISO expects resource compliance on data requests. However, any non-compliance will lead

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to the CAISO penalizing the SC, not the resource owner. The result is that a resource can continue to ignore the CAISO and the SC, since the latter lacks any legal authority to penalize it over a data request from the CAISO, and the former is unwilling to utilize its existing PGA relationship with the resource owner to directly obtain the information. In this case, the CAISO can end up with no data at all, while the SC keeps getting penalized with \$500/day costs. Within this PRR, the CAISO has recognized that if the SC is unable to obtain the information from the generator, the CAISO can penalize the generator directly. This should be the standard rather than the exception.

In sum, the CAISO's existing approach must be rectified to prevent not only inefficiencies, but also prevent distortions in the market due to lack of a direct approach.

Please provide any data/information available that would characterize the importance or magnitude of the issue.