

**TransAlta Comments on CAISO Stakeholder Catalog Process**

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The TransAlta appreciates this opportunity to comments on the CAISO's Draft 2017 Stakeholder Initiatives Catalog.

<b>Initiative Name</b>	<b>Grid Reliability</b>	<b>Improving Overall Market Efficiency</b>	<b>Desired by Stakeholders</b>	<b>Market Participant Implementation (\$ and resources)</b>	<b>ISO Implementation (\$ and resources)</b>
<b>6.1.1 Export Charges</b>	3-->7	3-->7	7	7	7
A reduction in export charges would enable more resources to participate increasing market liquidity and grid reliability particular as the CAISO will depend on greater export capacity to manage potential over-generation situations resulting from the large increase in renewables.					
<b>9.1 RTM Market Enhancements</b>	7 --> 10	7 --> 10	7 --> 10	7	3
Given the increasing levels of renewables and the intermittence and other issues they can cause, improvements to the Real Time Market are important to ensure grid reliability especially in the longer term. This improvement could also have a significant impact on reducing market operator intervention making the market more efficient. Most stakeholders should support this initiative for the aforementioned reasons.					
<b>6.4.1 Enhancing Participation of External Resources (D, E1)</b>	3	7	3-->7	7	3
With the exception of the of a small group, it seems a majority of stakeholders would support a market that more cohesively brings the EIM and FMM into better alignment. The current EIM model tends to create an exclusive arrangement with EIM entities limiting participation of external resources.					
<b>6.6.1 Congestion Revenue Rights Auction Efficiency (D)</b>	0	7 -->0	7-->3	7	7-->3
The suggested changes to the CRR auction to date by the DMM would likely have a negative impact on market efficiency by potentially collapsing the centrally cleared auction and allowing certain parties to monopolize CRRs. While a small segment of stakeholders supports this initiative, it seems most market participants are opposed to a revision of the CRR auction. It seems as though this stakeholder initiative could lead to limited changes if any leading to an effort that would increase market uncertainty and cost time and resources of market participants. Further, the CRR revenue inadequacy has declined leaving limited gains to be realized. Similarly, depending on the scope of the change to the CRR, this could represent a significant expenditure of ISO resources potentially leading to a net loss overall due to the limited saving that could be achieved. In summary, potentially significant resources and time costs with limited beneficial returns.					

<b>6.1.3 Extended Pricing Mechanisms (D, E2)</b>	3	3-->7	3-->7	7	3
Ensuring more aspects are priced into the market would ensure a better dispatch and depending on the scope of the extended pricing mechanism could have significant impacts on price fidelity while also reduce price corrections. These effects would increase market efficiency and would like be more broadly support by participants.					

**TransAlta Supports Steps to Improve Stakeholder Catalogue Process**

TransAlta would support efforts by the ISO to increase the frequency and level of consideration of stakeholder perspectives prior to ranking and moving ahead with initiatives. In particular, it would be beneficial if a formal process was in place for stakeholders to suggest initiatives and get ISO feedback on a more regular basis.