

## Western Power Trading Forum Comments on 6/23/16 Bid Cost Recovery Enhancements Straw Proposal

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WPTF appreciates the opportunity to provide comments on the Bid Cost Recovery Enhancements Straw Proposal posted on June 3, 2016 and meeting on June 16, 2016. WPTF further appreciates the ISO's effort in providing analysis, considering both costs and benefits, and connecting the market design to other initiatives. Given the progress of this initiative, WPTF supports the ISO moving directly to the Draft Final Proposal and taking this to the next possible Board meeting.

### **Modifications to the existing real-time BCR uplift charge allocation**

WPTF does not support any changes to the real-time BCR allocation. WPTF agrees with the ISO that the magnitude of BCR costs may be reduced with the implementation of the flexible ramping product design, that implementation costs may exceed benefits, and ultimately that load will end up paying the same amount of costs even if the design was changed.

### **Stakeholder consideration of BCR for units operating across multiple days**

Currently BCR payments to resources account for costs and revenues incurred on a given trade date. However, start-up costs can cover multiple days. WPTF appreciates the ISO's analysis into the magnitude of this issue and assessment that 4% of total IFM and RT BCR payments between May 2014 and April 2016 is not big enough to justify a costly implementation solution. Given the low costs to the market and high implementation complexity and costs, WPTF does not support making any changes.

### **Enhancements to the first-tier allocation of IFM BCR uplift charges**

ISO proposes to modify the tier 1 allocation for IFM BCR uplift costs by removing the adjustment for self-scheduled generation and imports. This is because the current adjustments for self-schedules provide a disincentive for economic bidding. WPTF supports this change as logical and an important rule change in order for the ISO to be consistent on encouraging economic solutions to address over-generation.