

**Western Power Trading Forum Comments on CAISO Stakeholder Catalog Process**  
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The Western Power Trading Forum (WPTF) appreciates the opportunity to provide comments on the 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>
Real-Time Market Enhancements	10	7	10	7	3
<p>Extending the market outlook horizon alone would warrant an increase in grid reliability of "10." As the ISO integrates high levels of solar and wind, the 4.5 hour outlook will grow increasingly insufficient to accommodate steep real-time ramps. Without this initiative the ISO risks large amounts of operator intervention, which both decreases efficiency and introduces extreme grid reliability risk. This is also a universally beneficial initiative where the benefits are distributed equally among all stakeholder sectors- therefore it should also get a "10" as desired by stakeholders.</p>					
Risk-of- Retirement Process Enhancements	10	7	7	10	3
<p>Risk-of-retirement enhancements will affect RA prices and therefore the entire generating community. This initiative will also ensure the ISO can continue integrating renewables without risking grid reliability, which absolutely affects market efficiency. We believe this should therefore be given a "7" for improving market efficiency and desired by stakeholders.</p>					
Export Charges	7	7	7	10	7
<p>Changes to export charges will not impact market participant systems or resources in an at all costly manner, therefore WPTF believes Market Participant Implementation should be a 10. Additionally, removal of export charges will remove barriers to economically exporting, which in this climate of high renewables, will limit manual intervention thereby improving market efficiency and grid reliability.</p>					
Management of EIM Imbalance Settlement for Bilateral Schedule Changes	7	7	7	7	7
<p>This initiative would increase external participation and give the ISO more "tools in its toolbox" during a reliability event, therefore we believe this should be a 7 for Grid Reliability.</p>					

Initiative Name	Grid Reliability	Improving Overall Market Efficiency	Desired by Stakeholders	Market Participant Implementation (\$ and resources)	ISO Implementation (\$ and resources)
EIM External Resource Participation	3	7	7	7	3
<p>WPTF believes that this item is highly desired by stakeholders across the board. While not all stakeholders agree with the CAISO's initial conclusions about how external resources should participate, most stakeholders do agree intertie participation on the EIM boundaries should be addressed in some manner.</p>					

Regional Multi-Year RA2	7	7	7	7	3
<p>All stakeholders- load and supply- are better off when the CPUC and CAISO stay synchronized. Furthermore, many stakeholders, including WPTF, would prefer the CAISO to take lead on any Multi-Year RA process. This would allow the CAISO to coordinate multi-year backstop requirements and any multi-year risk-of-retirement analysis and process.</p>					

CRR Auction Efficiency	0	0	3	7	7
<p>This initiative is not desired by a large subset of stakeholders and will not increase market efficiency.</p> <p>While WPTF appreciates DMM's point that CRRs sold in auction generate less revenue than they are being paid- by their own reports in 2015 this difference dropped significantly in total dollars compared to 2012-2014. <a href="http://www.caiso.com/Documents/2015AnnualReportonMarketIssuesandPerformance.pdf">http://www.caiso.com/Documents/2015AnnualReportonMarketIssuesandPerformance.pdf</a> (page 15) and shown not to even be an issue in their latest 2016 Q3 report. For the sake of the argument; however, even using DMM's previous 2015 annual assumptions, there are simply not enough dollars in the bucket for stakeholders to argue over to justify stakeholder desire be a "7." This would make it have the same rating as real-time market enhancements which has literally billions of dollars under consideration. Given the lack of dollars involved and only a small segment of participants support this initiative, WPTF believes that the ISO cannot justify a rating of "7" for the initiative. "3" - a small subset of stakeholder sectors- is more appropriate.</p> <p>Additionally, there is nothing about this initiative that would increase overall market efficiency- in fact it may hurt market efficiency in some ways. Nothing DMM has suggested indicates this would improve the day-ahead market in any way and the CRR market would be worse in many ways. Therefore WPTF believes this should be a 0. Even if the CAISO believes this proposal would improve the CRR market efficiency, given that CRRs, as described above, are a small part of the overall market, at most the CAISO could justify is a '3'.</p>					

**WPTF Supports Six Cities Comments to Improve Stakeholder Catalog Process**

WPTF is aware that Six Cities is submitting comments that include a suggestion on process improvements to the stakeholder catalog process and ISO's decision making on which initiatives to pursue. As we understand it, they propose to (1) Increase ISO's consideration of stakeholder input prior to decisions about moving forward with different initiatives; (2) Hold an abbreviated stakeholder process every 6-months in which stakeholders may submit up to 5 initiatives and the ISO will take this into consideration rather than going through a full ranking process; and (3) Suggest guidelines or principles such that the ISO do a holistic review of initiatives every six-months and when deciding what to work on take into account connections between initiatives and the connection to their own strategic plan. WPTF supports this proposal or any proposal that increases the meaningfulness and transparency in how the ISO uses stakeholder input to decide priorities and that is also less resource intensive for all parties than the current annual process.