

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Wellhead Electric Company (“Wellhead”) appreciates this opportunity to provide these brief comments on the CAISO’s Day-Ahead Enhancement Working Group held on June 19. The CAISO briefly presented at the meeting on changes to Ancillary Service bidding and optimization rules in real-time. This was a surprise to Wellhead as the CAISO had previously limited the proposed changes in this initiative to the day-ahead market.

Wellhead asks that the CAISO provide additional information and policy justification for these newly proposed changes. In particular, it is concerning that bidding rules for spinning and non-spinning reserves would be set to \$0/MW in real-time for a subset of resources without significant stakeholder feedback and discussion. It seems that requiring a significant amount of capacity to bid \$0/MW in real-time would lower ancillary service prices relative to the day-ahead price. Given that the CAISO is proposing to completely reoptimize ancillary services in real-time, this would have the effect of creating significant redispatch between resources given the relative price changes. Wellhead believes that the day-ahead market, while a financial market, is intended to set up expectations for real-time. It is unclear how changing bidding rules and undergoing complete re-optimization of ancillary services will impact both reliability and price expectations.

Wellhead supports the request from various stakeholders at the June 19 meeting for the CAISO to hold additional working group sessions and not move forward with the draft final proposal at this time.