

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

NV Energy)	Docket No. ER15-1196-000
)	
)	

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO COMMENTS, PROTESTS,
AND MOTION FOR CLARIFICATION**

The California Independent System Operator Corporation (“CAISO”) files this answer¹ to the comments and protests submitted in the above-identified proceeding.² This proceeding concerns the March 6, 2015 submission by NV Energy, as modified on March 24, 2015, of amendments to its Open Access Transmission Tariff (“OATT”) to implement its participation in the CAISO’s energy

¹ The CAISO files this answer pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R., §§ 385.212, 385.213. The CAISO requests waiver of Rule 213(a)(2) to permit it to make the answer. Good cause for this waiver exists here because the answer will aid the Commission in understanding the issues in the proceeding, provide additional information to assist the Commission in the decision-making process, and help to ensure a complete and accurate record in the case. *See, e.g., Equitrans, L.P.*, 134 FERC ¶ 61,250, at P 6 (2011); *Cal. Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,023, at P 16 (2010); *Xcel Energy Services, Inc.*, 124 FERC ¶ 61,011, at P 20 (2008).

² The following entities filed comments and protests: Bonneville Power Administration (“Bonneville”); Deseret Generation & Transmission Co-operative, Inc. d/b/a/ Deseret Power (“Deseret”); M-S-R Public Power Agency and the City of Santa Clara, California d/b/a Silicon Valley Power (together, “M-S-R/SVP”); Pacific Gas and Electric Company (“PG&E”); PacifiCorp; Powerex Corp. (“Powerex”); Transmission Agency of Northern California (“TANC”); Truckee Donner Public Utility District (“Truckee”); and Western Power Trading Forum (“WPTF”). In addition, the City of Los Angeles Department of Water and Power (“LADWP”) filed a motion for clarification, and the CAISO itself filed comments.

imbalance market (“EIM”) starting in October 2015.³ The CAISO files this answer to address certain issues raised in the comments and protests regarding NV Energy’s OATT amendments. As explained below, the comments and protests fail to show that the OATT amendments are not just and reasonable. Therefore, the Commission should accept the OATT amendments as filed by NV Energy.

The Commission should reject Powerex’s argument that the OATT amendments are not consistent with or superior to the Commission’s *pro forma* OATT and not otherwise just and reasonable. The OATT amendments track the framework and provisions to implement the energy imbalance market that the Commission has already accepted as just and reasonable for the CAISO and PacifiCorp. Therefore, Powerex’s protest is a collateral attack on those final Commission orders.

The Commission should find no merit in Powerex’s argument that NV Energy fails to show that extending the energy imbalance market to NV Energy can be expected to provide benefits. NV Energy has performed an analysis showing benefits that are similar to earlier CAISO and PacifiCorp analyses, and Powerex fails to provide any evidence to undermine NV Energy’s analysis.

There is also no merit in the arguments of Bonneville, Deseret, and Truckee that the Commission should reject NV Energy’s OATT amendments without prejudice, or at least defer its consideration of them, due to the proceeding the Commission recently initiated under Section 206 of the Federal

³ The energy imbalance market is the vehicle by which balancing authority areas participate in the CAISO’s real-time market. The energy imbalance market commenced on November 1, 2014, when PacifiCorp’s two balancing authority areas began participation.

Power Act (“FPA”). The Commission has not found that it is necessary to derail participation by new EIM entities, and there is sufficient time before October 2015 to resolve the narrow issues presented in the FPA 206 proceeding. In addition, the Commission has required that NV Energy demonstrate the readiness of its systems and procedures before it participates in the energy imbalance market. Thus, the FPA 206 proceeding can and should go forward on a separate track from the Commission’s consideration of the OATT amendments filed in the instant proceeding.

Powerex argues that NV Energy’s proposal to extend the existing energy imbalance market rules to the NV Energy balancing authority area will lead to unjust and unreasonable charges for imbalance energy. As explained above, the FPA 206 proceeding is already addressing issues affecting imbalance energy prices in the FPA 206 proceeding, which we must presume at this time that the Commission will resolve.

The Commission should also reject arguments by Powerex and WPTF that NV Energy’s proposed scheduling timelines and settlement provisions for its participation in the energy imbalance market are unjust and unreasonable. Those NV Energy OATT amendments, like many other provisions that NV Energy proposes, track the existing, Commission-approved tariffs of the CAISO and PacifiCorp. Powerex and WPTF inappropriately attempt to equate scheduling timelines with market outcomes.

Powerex and WPTF erroneously argue that NV Energy’s proposal to use available transfer capability to manage EIM transfers has flaws that make it

unjust and unreasonable. NV Energy's proposal will not give EIM transfers priority over firm transmission rights. Powerex and WPTF also err in conflating scheduling rights and the economic consequences of exercising such rights. NV Energy's proposal does not create available transfer capability for energy imbalance market use unless a transmission customer decides not to use its rights, which is its economic choice to make.

I. Answer

A. NV Energy's OATT Amendments Track Existing CAISO and PacifiCorp Provisions that the Commission Has Already Found to Be Just and Reasonable.

Powerex argues that NV Energy fails to show that its proposed deviations from the Commission's *pro forma* OATT are consistent with or superior to the *pro forma* OATT or are otherwise just and reasonable.⁴ These arguments do not recognize that NV Energy's OATT amendments are simply the next step in the CAISO's implementation of the energy imbalance market in the West, which the Commission has found to be just and reasonable in virtually all respects.

The Commission has already accepted the CAISO tariff provisions to offer imbalance energy services to other balancing authorities participating in the energy imbalance market as just and reasonable.⁵ The Commission has also

⁴ Powerex at 14-20.

⁵ See *Cal. Indep. Sys. Operator Corp.*, 147 FERC ¶ 61,231 (2014) (conditionally accepting tariff revisions to implement energy imbalance market); *Cal. Indep. Sys. Operator Corp.*, 149 FERC ¶ 61,058 (2014) (order denying requests for rehearing, granting in part and denying in part requests for clarification, and conditionally accepting tariff revisions on compliance with regard to order listed above); Commission Letter Order, 149 FERC ¶ 61,005 (2014) (order granting CAISO request to extend effective date of energy imbalance market tariff revisions from September 23, 2014, to October 24, 2014, for trading day November 1, 2014).

found PacifiCorp's OATT provisions to participate in the energy imbalance market to be just and reasonable.⁶ NV Energy's proposed OATT amendments, with only a few specified exceptions that NV Energy has justified, track those just and reasonable provisions.

The Commission has not found that any of the PacifiCorp OATT provisions that have gone into effect to be unjust and unreasonable. On March 16, 2015, the Commission did issue an order rejecting proposed CAISO tariff revisions to extend the price discovery feature for one year following the implementation of each new EIM entity and establish investigatory proceedings pursuant to Section 206 of the FPA to consider whether application of the CAISO tariff's parameter pricing mechanism may be unjust and unreasonable in the energy imbalance market.⁷ However, the NV Energy amendments to its OATT do not concern the matter before the Commission in that proceeding and, as discussed below, the FPA 206 proceeding should not prevent the Commission from accepting NV Energy's OATT amendments.

Thus, NV Energy's OATT amendments, which track the existing just and reasonable CAISO and PacifiCorp provisions, are consistent with or superior to the *pro forma* OATT and are otherwise just and reasonable. Because the Commission has already accepted those provisions for the CAISO and PacifiCorp, and those Commission orders are final, Powerex's arguments that

⁶ See *PacifiCorp*, 147 FERC ¶ 61,227, *order denying reh'g and clarification and conditionally accepting compliance filing*, 149 FERC ¶ 61,057 (2014), *order denying reh'g*, 150 FERC ¶ 61,084 (2015).

⁷ *Cal. Indep. Sys. Operator Corp.*, 150 FERC ¶ 61,191, at PP 29-33 (2015) ("March 16 Order"). The Commission established the FPA 206 proceeding in Docket No. EL15-53-000.

the similar provisions proposed by NV Energy are unjust and unreasonable constitute a collateral attack on the orders approving the CAISO and PacifiCorp provisions.

B. The Commission Should Accept NV Energy's OATT Amendments Given the Past Performance and Expected Future Performance of the Energy Imbalance Market.

Powerex argues that the study that NV Energy provides in its filing contains improper assumptions that cast doubt on the ability of NV Energy's participation in the energy imbalance market to deliver any net benefits.⁸ The Commission should reject this argument based on the performance of the energy imbalance market and the lack of any evidence to the contrary.

The CAISO recently issued a report that shows that the energy imbalance market has produced significant benefits since PacifiCorp began its participation on November 1, 2014.⁹ The report estimates that the total benefit to the energy imbalance market footprint was \$5.97 million in November and December 2014. These benefits reflect more efficient interregional and intraregional dispatch in the CAISO's fifteen-minute market and reduced curtailment of economic renewable energy.¹⁰ The estimated benefits in the first two months of operation are consistent with an earlier study performed by PacifiCorp that projected annual savings in 2017 in the range of \$21 million to \$129 million. The NV

⁸ Powerex at 14-20 and appendix A.

⁹ *Benefits for Participating in EIM* (Feb. 11, 2015). This report is available on the CAISO website at <http://www.caiso.com/informed/Pages/StakeholderProcesses/EnergyImbalanceMarketFoundation.aspx>.

¹⁰ *Id.* at 4.

Energy study followed a similar methodology in estimating the benefits that will accrue from NV Energy's participation in the energy imbalance market. As NV Energy explains, the extension of the energy imbalance market to the NV Energy balancing authority area will likely increase the efficiency of the energy imbalance market through additional transfer capability between participating balancing authority areas, especially the PacifiCorp East and NV Energy balancing authority areas.

In contrast to NV Energy's study and the CAISO's benefits report, Powerex fails to offer any evidence that NV Energy's participation in the energy imbalance market will not provide the benefits that NV Energy expects.

C. The Commission Should Accept NV Energy's OATT Amendments on a Separate Track from the FPA 206 Proceeding.

Bonneville, Deseret, and Truckee argue that the Commission should reject NV Energy's OATT amendments without prejudice, or at least defer its consideration of them, due to the FPA 206 proceeding the Commission recently initiated in the March 16 Order.¹¹ There is no reason for the Commission to take such action.

The March 16 Order explained that the purposes of the Section 206 proceeding are to "address the underlying issues affecting imbalance energy prices in PacifiCorp's BAAs [balancing authority areas], and to identify and resolve issues affecting new entrants to the EIM prior to the start of market

¹¹ Bonneville at 6; Deseret at 7-8; Truckee at 20-22, 28-29.

operations for new EIM entities.”¹² The Commission established a technical conference to address these issues.¹³ The Commission did not state that its establishment of the FPA 206 proceeding would or might require it to reject without prejudice or defer consideration of NV Energy’s OATT amendments, which the Commission was well aware of because they were filed 10 days before the March 16 Order was issued.

The Commission held the technical conference on April 9, 2015. At the technical conference, the CAISO outlined a proposed solution regarding the issues proposed above. Interested parties will have the opportunity to comment on the CAISO’s proposed solution, and the Commission will be able to rule on it, prior to the planned start of NV Energy’s energy imbalance market operations in October 2015.

Further, the March 16 Order required entities – including NV Energy – that are in the process of joining the energy imbalance market to certify that their systems and procedures are ready by filing a sworn affidavit from an officer of the company 30 days prior to the company joining the energy imbalance market attesting that the new energy imbalance member is ready.¹⁴ The Commission will have the opportunity to evaluate NV Energy’s readiness before allowing NV Energy to start participating in the energy imbalance market should it choose to do so when the required certifications are filed.

¹² March 16 Order at P 31.

¹³ *Id.*

¹⁴ *Id.* at P 34 n.85.

For these reasons, the FPA 206 proceeding can and should go forward on a separate track from the Commission's consideration of the OATT amendments that NV Energy has filed in the instant proceeding. The Commission should not take any action in this proceeding that may jeopardize the planned October 2015 start of NV Energy's participation in the energy imbalance market.¹⁵

D. Extending the Existing Energy Imbalance Market Rules to NV Energy Will Not Lead to Unjust and Unreasonable Charges for Imbalance Energy.

Powerex argues that extending the existing energy imbalance market rules will lead to unjust and unreasonable charges for imbalance energy under Schedules 4 and 9 of the NV Energy OATT.¹⁶ In making this argument, however, Powerex fails to recognize that the Commission is already addressing the underlying issues affecting prices in the energy imbalance market pursuant to the FPA 206 proceeding established by the March 16 Order. In that proceeding, the Commission will identify and resolve such issues prior to the start of market operations for NV Energy. The fact that the Commission is examining a specific element of the market in order to improve it does not demonstrate that the charges for imbalance energy service will be unjust and unreasonable. As discussed above, the Commission will presumably resolve this narrow issue before NV Energy begins participating in the energy imbalance market.

¹⁵ Truckee also argues that the Commission should reject NV Energy's OATT amendments without prejudice because NV Energy did not simultaneously file to modify its market-based rate authority to extend it to energy imbalance market sales in the NV Energy balancing authority area. Truckee at 22-28. Issues related to NV Energy's market-based rate authority are beyond the scope of this proceeding, which solely concerns NV Energy's OATT amendments.

¹⁶ Powerex at 20.

Powerex contends that the existing resource sufficiency framework has been inadequate to protect against persistent resource insufficiency in the PacifiCorp balancing authority areas.¹⁷ However, the implementation challenges faced in PacifiCorp's implementation of the energy imbalance market no longer have anything to do with resource insufficiency. As the CAISO explained at the April 9 technical conference, the CAISO understands that sufficient resources have been and will continue to be available in the energy imbalance market. The addition of NV Energy to the energy imbalance market will only increase the transfer capacity between PacifiCorp and the CAISO, which will further reduce any market infeasibilities. The CAISO has no reason to doubt that NV Energy will have sufficient resources available to meet its balancing authority responsibilities, and Powerex has not provided any evidence to suggest otherwise.

Powerex argues that NV Energy's OATT amendments will shift the risk of resource insufficiency from the transmission provider to its transmission customers.¹⁸ Powerex fails to acknowledge that imbalance energy is a required service for all transmission customers. As noted above, resource sufficiency is not an issue in the energy imbalance market. Rather, it is the timely and accurate recognition of those resources in the market that the CAISO and its Department of Market Monitoring ("DMM") have identified as the issue, and the Commission will address that issue in the FPA 206 proceeding. There is no

¹⁷ Powerex at 21-26.

¹⁸ *Id.* at 26-27.

reason to suspect, and Powerex provides no evidence to believe, that the NV Energy balancing authority area will suffer from resource insufficiency.

E. NV Energy's Proposed Scheduling Timelines and Settlement Provisions Are Just and Reasonable.

Powerex and WPTF argue that NV Energy's proposed scheduling timelines and settlement provisions for its participation in the energy imbalance market are unjust and unreasonable because they require transmission customers to be financially responsible for scheduling changes made subsequent to 57 minutes before the operating hour (T-57).¹⁹ Powerex also contends that NV Energy's proposal will result in the premature expiration of firm OATT rights and improperly charges redispatch costs to firm point-to-point customers.²⁰

However, as Powerex correctly acknowledges,²¹ NV Energy's proposal tracks the approach that the Commission found to be just and reasonable prior to the start of PacifiCorp's participation in the energy imbalance market. The Commission also rejected claims that the CAISO must engage in a de novo review of its real-time market rules to justify extending them in support of the

¹⁹ *Id.* at 28-44; WPTF at 5-16.

²⁰ Powerex at 30-36.

²¹ *Id.* at 28-29, 31-32, 34. WPTF argues that “[a]t the time PacifiCorp’s EIM tariff language was approved by the Commission, the implications of that language were neither fully understood by all parties nor thoroughly addressed in the Commission’s Orders.” WPTF at 16. The key fact, however, is that the Commission accepted PacifiCorp’s EIM tariff language as just and reasonable. In making that finding, the Commission was not obligated to address every tariff provision specifically. Further, all parties had the opportunity to file requests for rehearing of the Commission’s orders and have the ability to file a complaint pursuant to Section 206 of the FPA if they believe the tariff language is unjust and unreasonable.

energy imbalance market.²² Despite Powerex's and WPTF's reservations about the implementation of that approach, the Commission has not subsequently found it to be unjust or unreasonable. Thus, Powerex's and WPTF's opposition to PacifiCorp's and now NV Energy's approach constitutes a collateral attack on the Commission orders approving it.

Powerex and WPTF contend that the proposed scheduling timelines and settlement provisions are inconsistent with Order Nos. 764 and 888 because they will increase the exposure of transmission customers to imbalance charges.²³ Again, the Commission has already approved those provisions as just and reasonable.²⁴ Therefore, they cannot now be deemed inconsistent with Order Nos. 764 and 888.²⁵

While the CAISO recognizes that NV Energy's proposal will expose transmission customers to certain components of the locational marginal price reflected as imbalance energy charges to which the customer may not previously

²² *Cal. Indep. Sys. Operator Corp.*, 147 FERC ¶ 61,231, at P 84 (finding that the energy imbalance market is just and reasonable except as further ordered by the Commission).

²³ Powerex at 36-39; WPTF at 9-10.

²⁴ *See Cal. Indep. Sys. Operator Corp.*, 146 FERC ¶ 61,204, at P 53 (2014) (accepting tariff revisions to implement fifteen-minute market in compliance with Order No. 764).

²⁵ Powerex also cites to post-Order No. 888 orders not issued in the context of an independent system operator or regional transmission organization. Powerex at 37. Those orders are not relevant to this proceeding.

have been exposed,²⁶ this does not render them unjust and unreasonable.²⁷ The Commission-approved framework of the energy imbalance market calls for each new EIM entity to make the changes to its OATT required to take part in that market. Those changes incorporate by reference provisions of the CAISO tariff, including scheduling timelines. The Commission agreed that this was appropriate and ensured a seamless integration of PacifiCorp into the energy imbalance market.²⁸ NV Energy proposes identical scheduling timelines. To now suggest that NV Energy should or could implement different scheduling timelines would undermine the Commission's findings both with respect to the energy imbalance market and the CAISO's implementation of Order No. 764.

WPTF suggests that the T-57 deadline is inconsistent with the CAISO's deadlines for the hour-ahead scheduling process ("HASP") and therefore it may create seams issues.²⁹ The CAISO recognizes the timing issue but disagrees that any meaningful seams issues exist. The CAISO does not require e-tags to be submitted until T-20, and in the first two fifteen-minute market runs the CAISO assumes that e-tags for all hourly block schedules will be submitted prior to T-20. This enables the market to run based on a comparison of EIM base schedules to

²⁶ Assuming a generator is exporting out of an EIM balancing authority area, then the net settlement is the difference between the locational marginal price of the two nodes. Since the system marginal energy cost is the same at all nodes, the net energy settlement is zero. If the schedule change results in congestion, then there would be a congestion cost. If the schedule change does not cause congestion, then there is not congestion charge. If the schedule change resolves congestion, then the congestion charge results in a payment to the transmission customer. The same is done for losses.

²⁷ Losses would have always be charged to the transmission customer.

²⁸ *Cal. Indep. Sys. Operator Corp.*, 147 FERC ¶ 61,231, P 76; *PacifiCorp*, 149 FERC ¶ 61,057, at P 101.

²⁹ WPTF at 12-13.

CAISO market schedules, which are reconciled prior to real-time. In any event, the CAISO will commit to publishing the results from the HASP no later than T-60 unless circumstances prevent publication within the time available. Publication of HASP results by T-60 will be in advance of the NV Energy and PacifiCorp scheduling timelines and should address WPTF's concern that any seams issues exist.

Moreover, Powerex's and WPTF's attempts to equate scheduling timelines with market outcomes are misplaced. The CAISO is subject to the same scheduling timelines as all other entities in the Western Electricity Coordinating Council ("WECC"). In order to operate an organized market, including the energy imbalance market, the market operator (in this case, the CAISO) must have all scheduling information available to support the associated market timeframe. Changes after that timeframe are permitted, as Powerex and WPTF recognize, but the market must account for the impact of such changes on the balancing authority area. Who bears the economic impact of the changes is a decision rightfully made by the EIM entity in its role as the transmission service provider. Therefore, it is just and reasonable to allow firm transmission rights to be modified to accommodate market timelines, which is all that NV Energy requests in this proceeding.

Powerex argues that implementation of an intra-hour energy market does not require a transmission provider to disregard its commitments to firm transmission customers or disregard elements of the *pro forma* OATT.³⁰

³⁰ Powerex at 39-41.

Powerex, however, disregards the fact that NV Energy's proposal accounts for the relationship between the NV Energy OATT and the CAISO tariff. NV Energy's OATT amendments must be read in conjunction with the CAISO tariff as accepted by the Commission, not only in comparison to the *pro forma* OATT. NV Energy's proposed requirement that schedules be submitted by T-57 affords the EIM entity (NV Energy) approximately 15 minutes, from T-57 to about T-42, to balance its system, taking into account all available information in the base schedules required at T-40 by the CAISO as the market operator. This timeline is just and reasonable as well as its extension to the energy imbalance market.

WPTF suggests several "solutions" as alternatives to NV Energy's proposal.³¹ NV Energy is not required to show that its solution is the best, only that it is just and reasonable.³² For the reasons explained above, NV Energy's proposal is just and reasonable and, therefore, the Commission should not consider WPTF's alternative proposals.

F. NV Energy's Proposal to Use Available Transfer Capability to Manage EIM Transfers Is Just and Reasonable.

Powerex and WPTF argue that NV Energy's proposal to use available transfer capability to manage EIM transfers has flaws that make it unjust and unreasonable.³³ Powerex asserts that NV Energy proposes to change the

³¹ WPTF at 14-15.

³² See, e.g., *City of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) (in determining whether a proposed rate was just and reasonable, it was proper for the Commission not to consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs"); *Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (methodology that the Commission approves as just and reasonable "need not be the only reasonable methodology, or even the most accurate one").

³³ Powerex at 44-50; WPTF at 16-17.

available transfer capability calculation so as to degrade the ability of existing transmission customers to use their transmission rights subsequent to 40 minutes before the operating hour (T-40), effectively “creating” available transfer capability and permitting EIM transfers to use transmission ahead of transmission reservations with higher priority. Similarly, WPTF asserts that NV Energy’s proposal gives EIM transfers priority over other uses of the transmission system. However, EIM transfers will not have priority over firm transmission rights. As Powerex and WPTF acknowledge, the scheduling priority of each transmission customer will be maintained up to and including 20 minutes before the operating hour (T-20).

Powerex and WPTF also erroneously conflate scheduling rights and the economic consequences of exercising such rights. They fail to acknowledge that the energy imbalance market improves the dispatch over the manual processes previously used by the EIM entity. It should be that, since the generation fleet will be more precisely redispatched, the scheduling rights would be further protected from curtailment. In any event, Powerex and WPTF provide no support for their suggestion that the economic consequences will cause transmission customers not to use their rights after T-57. NV Energy’s proposal will not create available transfer capability unless a transmission customer decides not to use its rights, which is its economic choice to make.

Powerex argues that, under NV Energy’s proposal, the use of available transfer capability by EIM participating resources will not incur any transmission charges, and hence will not make any contribution to the recovery of embedded

costs supporting such EIM transfers. As the Commission found when it rejected PacifiCorp's proposal to charge transmission customers for EIM dispatches above their contract rights, making available unused transmission to the energy imbalance market should not be the basis for the recovery of embedded costs.³⁴ Rather, it is the requirement underlying the obligation that the balancing authority balance the system that is the basis for the recovery of the embedded cost of the transmission system.

Powerex also ignores the fact that it is the schedule changes made by transmission customers that cause the system operator to incur redispatch costs. The argument that transmission customers have paid the embedded costs of redispatch and that they should not incur imbalance energy charges misses the point. The Commission is at liberty to move forward with proposed changes that have been shown to be consistent with the CAISO tariff and the PacifiCorp implementation, which is exactly the case with the energy imbalance market being implemented by NV Energy.³⁵

Powerex also argues that NV Energy fails to provide any explanation of how its proposal is consistent with the Commission's cost causation principles.³⁶ The Commission's cost causation principles, however, are not the only relevant consideration here. Rather, it is just and reasonable for NV Energy to recognize

³⁴ *PacifiCorp*, 149 FERC ¶ 61,057, at P 145.

³⁵ The CAISO markets do provide a congestion hedge for transmission ownership rights and pre-existing or grandfathered contract rights, but no such rights are represented here. See CAISO Tariff, sections 16 and 17 (providing for the market treatment of transmission ownership rights and existing contract rights as they may be represented to the CAISO by the participating transmission owner).

³⁶ Powerex at 50-52.

that schedule changes by transmission customers have an impact on the system. NV Energy's proposal appropriately implements an efficient energy imbalance market that accurately measures imbalances and allocates the costs for imbalance energy services based on that impact.

PG&E recommends that the Commission require the CAISO and the DMM to monitor and report on NV Energy's use of available transfer capability during the first year of NV Energy's participation in the energy imbalance market.³⁷ There is no need for any additional reporting. EIM transfers are already being reported on with regard to PacifiCorp and the same will be done with regard to NV Energy. This information is publicly available on the CAISO's OASIS site.

G. The CAISO Acknowledges the Rights of NV Energy's Transmission Customers with Pre-Existing Dynamic Scheduling Agreements.

LADWP asks the Commission to direct NV Energy to clarify its OATT amendments to ensure that the rights of transmission customers with dynamic scheduling agreements are preserved following implementation of the energy imbalance market in the NV Energy balancing authority area.³⁸ NV Energy previously advised the CAISO of this commitment and, recognizing that this is a matter between NV Energy and LADWP, the CAISO and NV Energy have been considering options to resolve this matter. The CAISO understands and appreciates the importance of finding a workable solution and hereby commits to continue its work with NV Energy towards that goal.

³⁷ PG&E at 5.

³⁸ LADWP at 9-25.

II. Conclusion

For the reasons explained above, the Commission should accept NV Energy's OATT amendments as filed.

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Respectfully submitted,

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Dated: April 21, 2015

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, CA, this 21st day of April, 2015.

Anna Pascuzzo
Anna Pascuzzo