



August 25, 2021

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: California Independent System Operator Corporation  
Docket No. ER15-2565-\_\_\_\_  
July 2021 Informational Report  
Energy Imbalance Market – Transition Period Report –  
Turlock Irrigation District EIM Entity**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) hereby submits its report on the transition period of Turlock Irrigation District EIM Entity during its first six months of participation in the Energy Imbalance Market (EIM) for July 2021. The Commission also directed the Department of Market Monitoring (DMM) to submit an independent assessment of the CAISO's report, which the CAISO's DMM will seek to file within approximately 15 business days.

Please contact the undersigned with any questions.

Respectfully submitted

**By: /s/ John Anders**

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# California ISO

**Energy Imbalance Market  
July 1 – July 31, 2021**

**Transition Period Report  
Turlock Irrigation District (TIDC) EIM Entity**

August 25, 2021

## I. Introduction and Background

On October 29, 2015, the Federal Energy Regulatory Commission (Commission) approved the California Independent System Operator Corporation's (CAISO) proposed tariff amendments to allow a transition period for new Energy Imbalance Market (EIM) entities during the first six months of EIM participation, effective November 1, 2015.<sup>1</sup> Turlock Irrigation District (TIDC), the prospective EIM Entity entered the EIM on March 25, 2021, and the transition period will apply to the TIDC balancing authority area (BAA) until September 30, 2021.

During the six-month transition period, the price of energy in the new EIM entity's BAA is not subject to the pricing parameters that normally apply when the market optimization relaxes a transmission constraint or the power balance constraint. Instead, during the six-month transition period, the CAISO will clear the market based on the marginal economic energy bid (referred to herein as "transition period pricing"). In addition, during the six-month transition period, the CAISO sets the flexible ramping constraint relaxation parameter for the new EIM entity's BAA between \$0 and \$0.01, but only when the power balance or transmission constraints are relaxed in the relevant EIM BAA. This is necessary to allow the market software to determine the marginal energy bid price.

Consistent with the Commission's October 29 Order, the CAISO and the Department of Market Monitoring (DMM) will file informational reports at 30-day intervals during the six-month transition period for any new EIM entity. The CAISO provides this report for TIDC to comply with the Commission's requirements in the October 29 Order. The CAISO anticipates filing these reports on a monthly basis. However, because the complete set of data is not available immediately at the end of the applicable month,<sup>2</sup> and depending on the market performance each month, along with the need to coordinate with the EIM entity, the CAISO expects to continue to file the monthly reports approximately 25 days after the end of each month in order to provide the prior full month's data.

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<sup>1</sup> *California Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,104 (2015) (October 29 Order).

<sup>2</sup> The earliest the CAISO can start gathering the data is 10 business days after the last day for the reporting month since this is when the price correction window expires.

## II. Highlights

Overall, TIDC's market operation in the fourth month of the transition period was smooth and without significant consequence. The fourth month's market performance highlights are as follows:

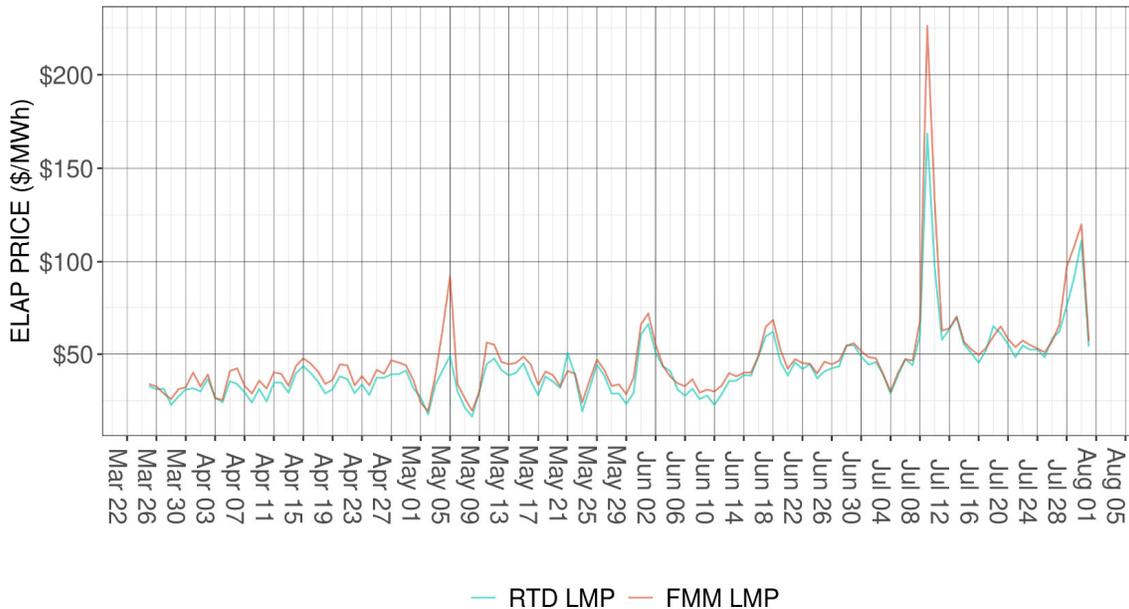
- Prices have been stable and within reasonable ranges, with a monthly average price of \$67.46/MWh in the fifteen-minute market (FMM) and \$61.24/MWh in the real-time dispatch (RTD).
- Power balance constraint infeasibilities for under-supply conditions were minimal for the TIDC BAA with no infeasibilities in the fifteen-minute market and nine intervals of under-supply infeasibility in the five-minute market.
- As part of the resource sufficiency test performed for each EIM entity prior to the real-time markets, TIDC successfully passed over 99.19 percent of its balancing tests and 99.97 percent of its bid-range capacity tests.
- Also as part of the resource sufficiency test, TIDC passed successfully all of the upward flexible ramping sufficiency tests and the downward flexible ramp sufficiency test.
- The price for upward flexible ramping capacity in the FMM for the TIDC BAA averaged at \$0.011/MWh in July, while the average price for the downward flexible ramping product was \$0/MWh.

**III. Market Performance Related to the Transitional Period**

**a. Prices**

Figure 1 shows the daily average Fifteen-Minute Market (FMM) and Real-Time Dispatch (RTD) prices in the TIDC EIM Load Aggregation Point (ELAP) for March 25, 2021 through July 31, 2021. The monthly average price for July in FMM was \$67.46/MWh and \$61.24/MWh in the RTD.

**Figure 1: Daily average prices for the TIDC BAA**

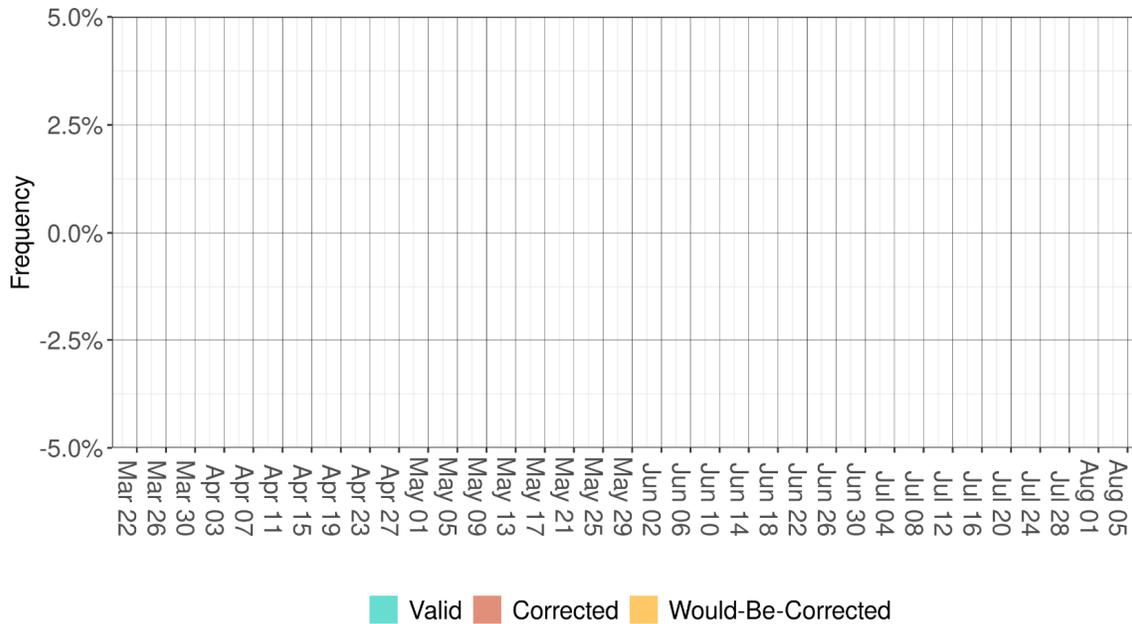


Under the CAISO’s price correction authority in Section 35 of the CAISO tariff, the CAISO may correct prices posted on its Open Access Same-Time Information System (OASIS) if it finds: (1) that the prices were the product of an invalid market solution; (2) the market solution produced an invalid price due to data input failures, hardware or software failures; or (3) a result that is inconsistent with the CAISO tariff. The prices presented in Figure 1 include all prices produced by the CAISO consistent with its tariff requirements. That is, the trends represent: (1) prices as produced in the market that the CAISO deemed valid; (2) prices that the CAISO could, and did, correct pursuant to Section 35 of the CAISO tariff; and (3) any prices the CAISO adjusted pursuant to the transition period pricing reflected in Section 29.27 of the CAISO tariff.

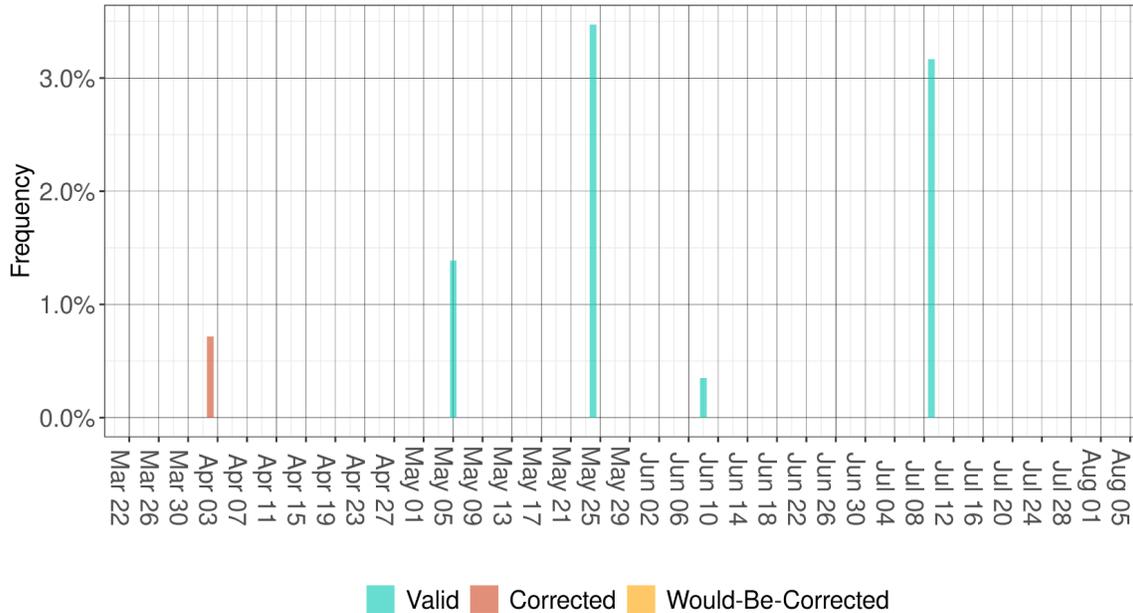
**b. Frequency of Power Balance Constraint Infeasibilities**

Figures 2 and 3 show the frequency of intervals in which the power balance constraint was relaxed for under-supply conditions in the TIDC BAA for the FMM and the RTD, respectively. The under-supply infeasibilities are classified into three categories: Valid, Corrected and Would-Be-Corrected. Some of the under-supply infeasibilities affected by either data input failures or software failures were corrected under the price correction authority in Section 35 of the CAISO tariff are classified as Corrected. There are other under-supply infeasibilities that were impacted by data input failures or software failures, and which would be subject to price correction, but were not corrected because the price after correction would be the same price as that obtained by the transition period pricing. These instances are classified as Would-be-Corrected. All remaining under-supply infeasibilities driven by system conditions are classified as Valid.

**Figure 2: Frequency of FMM under-supply infeasibilities in the TIDC BAA**



**Figure 3: Frequency of RTD under-supply infeasibilities in the TIDC BAA**



Tables 1 and 2 list the valid FMM and RTD intervals with under-supply infeasibilities observed in July, including the amount of load conformance. There were no valid under-supply power balance infeasibilities in FMM and nine intervals in RTD with valid under-supply infeasibilities between July 1, 2021, and July 31, 2021. All nine intervals with under-supply infeasibility for TIDC BAA were on July 9, 2021, in the hour ending 19. On this day, TIDC BAA experienced high load due to high temperature condition. Net imports from hourly transactions on TIDC’s inter-ties and BASE ETSRs were curtailed due to a forced transmission outage in another Balancing Area. With import schedule curtailment and high demand, TIDC could not serve the demand even with all bid-in resources generating at their Pmax thus resulting in under-supply infeasibility.

**Table 1: List of valid FMM under-supply infeasibilities in the TIDC balancing authority area**

Trade Date	Trade Hour	Trade Interval	MW Infeasibility	Load Conformance

**Table 2: List of valid RTD under-supply infeasibilities in the TIDC balancing authority area**

Trade Date	Trade Hour	Trade Interval	MW Infeasibility	Load Conformance
07-09-2021	19	4	20.57	0
07-09-2021	19	5	20.34	0

Trade Date	Trade Hour	Trade Interval	MW Infeasibility	Load Conformance
07-09-2021	19	6	17.26	0
07-09-2021	19	7	17.26	0
07-09-2021	19	8	17.99	0
07-09-2021	19	9	16.62	0
07-09-2021	19	10	16.25	0
07-09-2021	19	11	8.39	0
07-09-2021	19	12	18.27	0

### c. Balancing and Sufficiency Test Failures

The EIM provides an opportunity to various BAAs to serve its load while realizing the benefits of increased resource diversity. Since the EIM does not include resource adequacy requirements or obligations for resources to submit bids, the CAISO performs a series of resource sufficiency tests comprised of: (i) a balancing test; (ii) a capacity test; and (iii) a flexible ramping sufficiency test. These tests occur prior to the real-time market.

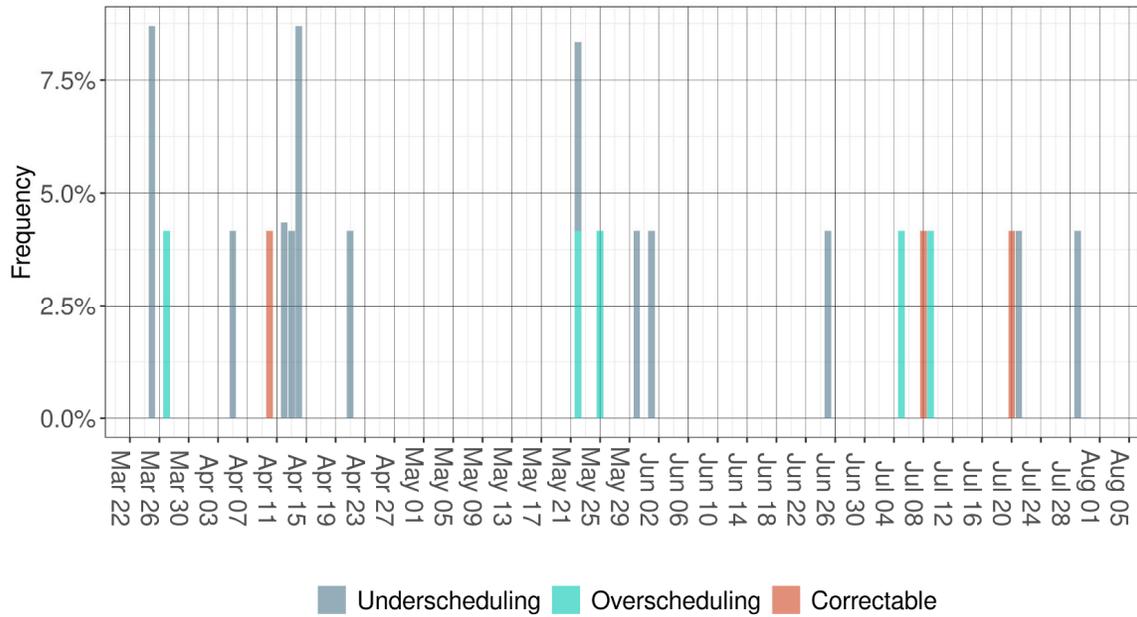
Performance of a balancing test before each trading hour ensures that each participating BAA submits a balanced base schedule of generation and a net schedule interchange to meet its demand. In addition, the participating BAA is required to submit bids with enough ramping capability to meet its net load forecast uncertainty and load movement requirements. Figure 4 shows the trend of balancing test outcomes for the period of March 25, 2021, through July 31, 2021, and Figure 5 shows the pattern of bid-range capacity test outcomes for the period of March 25, 2021, through July 31, 2021.<sup>3</sup> If a balancing test or the bid-range capacity test is affected by data input failures or a software failures, those test results are shown as correctable events. The TIDC BAA passed the balancing test in 99.19 percent of the intervals in July, which is within the acceptable range of balancing test failures. On trade day July 8, hour ending 12 an incorrect load forecast used in the balancing test was the main reason for TIDC's the balancing test failure. A similar issue of incorrect demand forecast drove the balancing test failure for hour ending 1 on July 20. Since a data input failure affected the balancing test in both cases, they are shown as correctable events in Figure 4.

The TIDC BAA passed the bid-range up capacity test in 100 percent of intervals in July and passed the bid-range down capacity test in 99.97 percent of intervals in July. The TIDC failed the bid range down capacity test on July 2 in

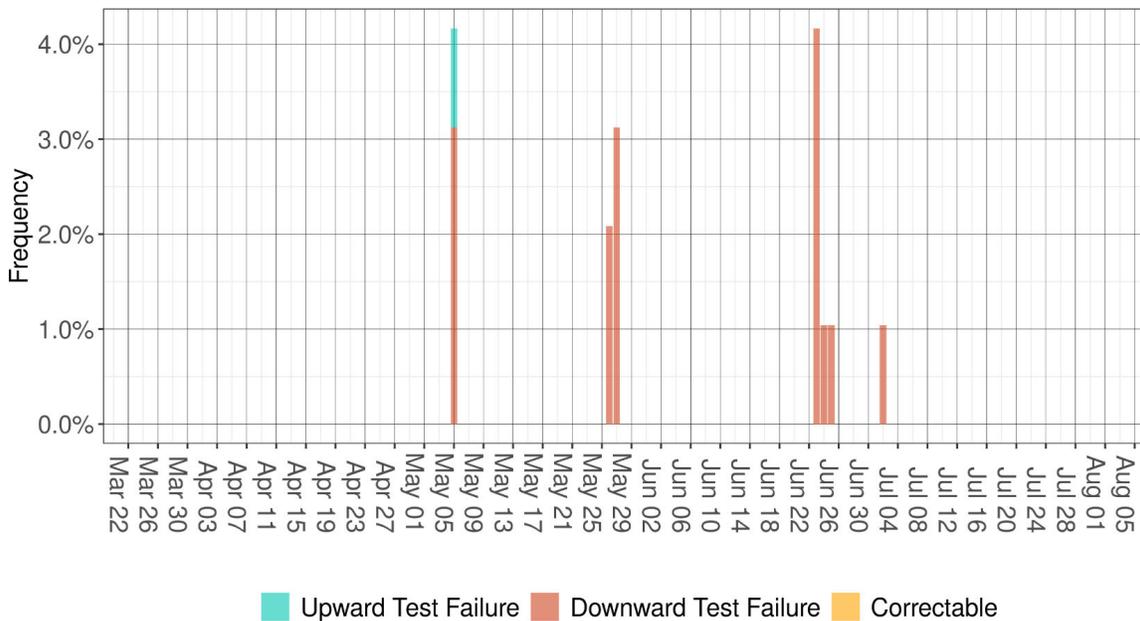
<sup>3</sup> The CAISO performs resource sufficiency tests pursuant to Section 29.34(k) of the CAISO tariff.

hour ending 11 due to lack of sufficient downward bid range.

**Figure 4: Frequency of Balancing test failures in the TIDC BAA**

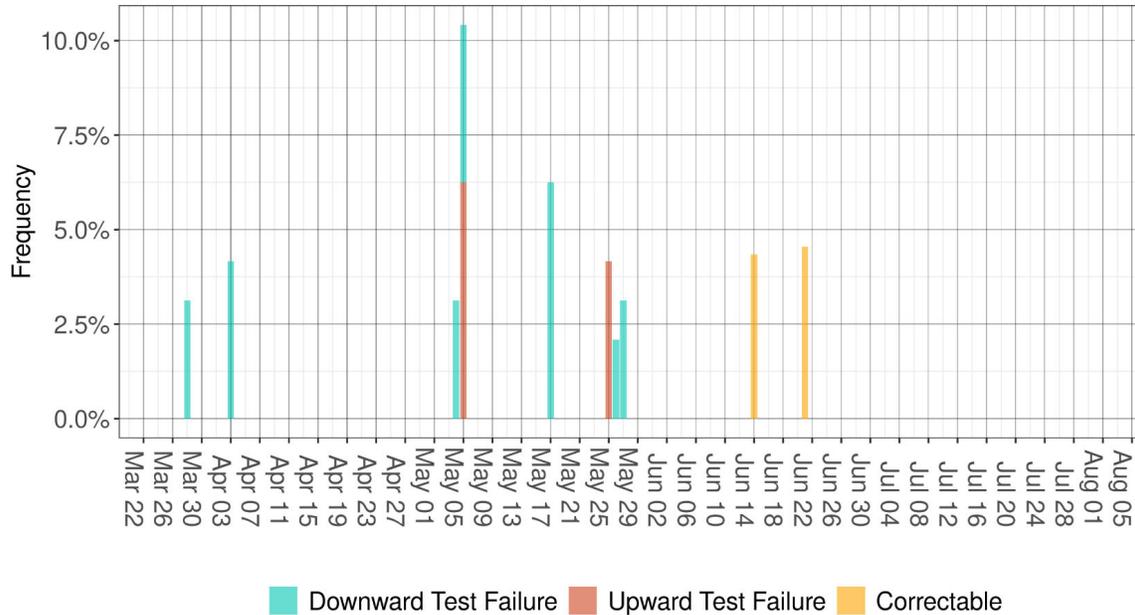


**Figure 5: Frequency of Bid Range Capacity test failures in the TIDC BAA**



The CAISO also performs the flexible ramping sufficiency test as specified in Section 29.34(m) of the CAISO tariff. Figure 6 shows the trend of the test failures for flexible ramping for the period of March 25 through July 31. The TIDC BAA passed the flexible ramp up test and flexible ramp down test in all the intervals in July.

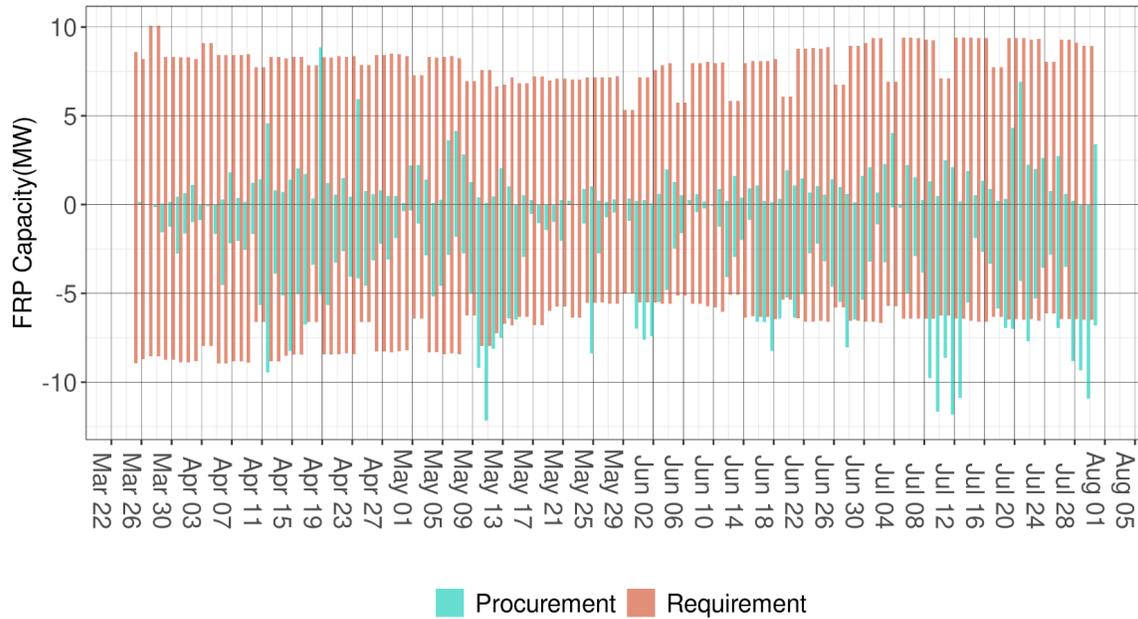
**Figure 6: Frequency of flexible ramping sufficiency test failures in the TIDC BAA**



**d. Flexible Ramping Product**

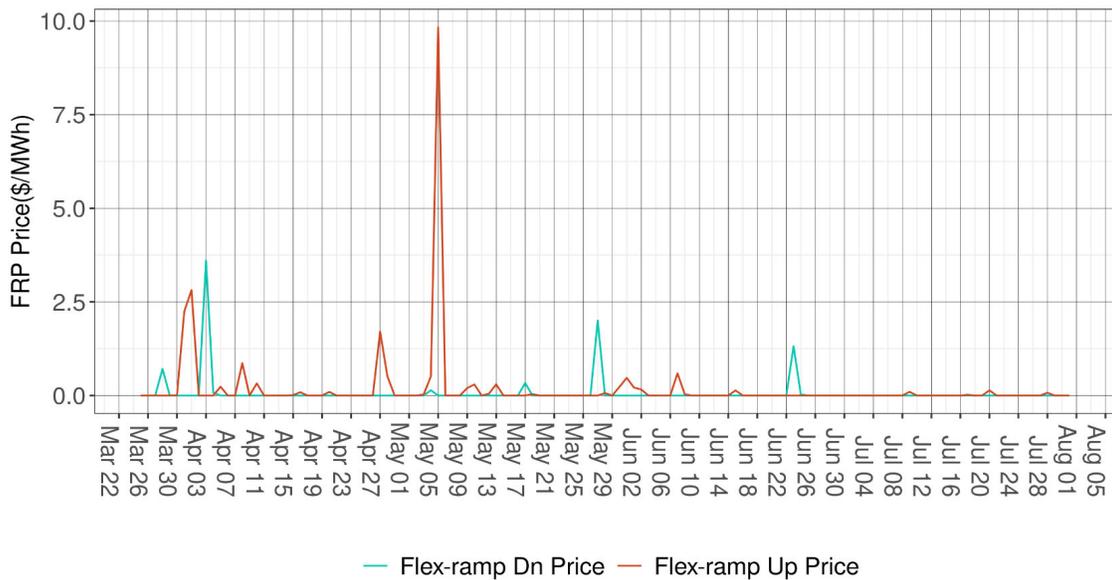
Figure 7 shows the daily average of the upward and downward flexible ramping constraint requirement and procurement in the FMM. Figure 8 shows the daily average of the upward and downward flexible ramping constraint prices in the FMM. With the implementation of the flexible ramping product on November 1, 2016, calculation of the requirements consists of historical data for uncertainty with any applicable net import/export capability or credit. This effectively reduces the amount of flexible ramping the TIDC BAA has to procure and, generally, the EIM system-wide area (which includes all the BAAs in the EIM, including the CAISO BAA) will drive the requirements. The market clearing process may result in procuring the TIDC BAA capacity towards meeting the overall EIM-system-wide area requirement. This is the main reason why the individual TIDC procurement may generally fall below or be above the individual TIDC flex ramp requirement. For most of the time, the flexible ramping up procurement was below the area requirements whereas, the flexible ramp down procurement was above the area requirements.

**Figure 7: Daily Average requirement and procurement of upward and downward flexible ramping in the FMM for the TIDC BAA**



The price trend provided in Figure 8 is the nested price determined by the summation of the shadow price of the individual TIDC BAA plus the shadow price of the EIM system-wide area. Between July 1, 2021 and July 31, 2021, the average FMM upward flexible ramping capacity price was \$0.011/MWh and the average downward flexible ramping capacity price was \$0/MWh.

**Figure 8: Daily Average flexible ramping up and down price in FMM for the TIDC BAA**



## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the above-referenced 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, California, this 25<sup>th</sup> day of August 2021.

*/s/ Anna Pascuzzo*  
Anna Pascuzzo