Bonneville Power Administration CAISO FERC Order 764 compliance 15-minute scheduling and settlement Straw Proposal Comments (Round 1)

Date: November 16, 2012

Submitted by: Edison Elizeh, BPA Strategy Integration (egelizeh@bpa.gov)

Overview: BPA appreciates the opportunity to provide comments on the CAISO's initial straw proposal on FERC Order 764 compliance 15-minute scheduling and settlement. BPA believes the market design, tagging and transmission operations and scheduling aspects of the 15-minute market proposal will have significant implementation and participation implications for CAISO and for the adjacent balancing authority areas. BPA is interested in hearing back from the CAISO regarding the specific questions we've included in our comments below. BPA looks forward to further dialogue on this proposal.

1. Transmission Operations Comments

- 1.1. In order to maintain system reliability, BPA will need to evaluate the operational implications of 15-minute scheduling on the COI. The outcome of this evaluation may result in constraints that limit the magnitude of MW changes available on the COI to manage system reliability (i.e. voltage swing, duration of the swing, DTC).
- 1.2. Clarification requested on the curtailment process (as it is not addressed in the proposal):
 - 1.2.1.Is the CAISO planning on utilizing PDCI for the RTD market?
 - 1.2.2.As the CAISO considers how to manage curtailments and ramping protocols, BPA requests that it be in alignment with conversations with WECC and other stakeholders on the interties, including ones with firm transmission rights on adjacent transmission provider paths.

2. Scheduling Comments

- 2.1. The Proposal indicates in section 4.3 that the "HASP transmission capacity award will be the hourly profile that *needs* to be tagged" (italic added):
 - 2.1.1.BPA requests clarification on if the CAISO will require e-Tags following the transmission award and in advance of the RTD award.
 - 2.1.2.BPA also requests clarification on whether "hourly transmission capacity" is a proxy for transmission reservations and is <u>not</u> referring to capacity tags. BPA assumes 15-minute awards will utilize normal e-Tags.
 - 2.1.3.Recommend that in order for the CAISO to consider a 15-minute bid, the participant needs to ensure deliverability.
 - 2.1.4. There needs to be coordination on how bids are accepted and how transmission reservations are scheduled and tagged.

3. Market Design Comments

- 3.1. Clarification requested on what is qualified as an operational change and how operational changes are managed/validated.
- 3.2. At the T-75 deadline, can a party bid in a shaped hourly energy profile with separate 15-minute bid profiles consisting of different 15-minute energy and price parameters or must the hourly bid be uniform across the hour (price and quantity)?

- 3.3. At the T-75 deadline, can parties submit multiple hourly bids with different hourly energy and price profiles?
- 3.4. If a party procures HASP transmission capacity, yet are not awarded energy, and the transmission is used by another dispatched party, the party who purchased the transmission should be compensated.
- 3.5. Regarding HASP transmission capacity, do parties that procure this transmission receive priority in CAISO market?
- 3.6. Will the CAISO have a mechanism to determine in advance of a clearing for the 15-minute interval who is a price taker due to their inability to adjust? How will these static tags and their bid price effect the individual 15-minute dispatch price intervals?
- 3.7. In section 4.4.2-- 15-minute Market and RTD the ISO states that the intertie resources are scheduled economically and are eligible for bid cost recovery in the event the schedule is inconsistent with its bid price, does this apply to both imports and exports? Does this also apply to both non-dynamic and dynamic intertie resources?