



General Comments

Iberdrola Renewables appreciates the CAISO's work on its July 6th Renewables Integration Market Vision & Roadmap – Day of Market Initial Straw Proposal and is supportive of its underlying principles and general direction. There clearly remains significant work required to further develop the proposal to include more specific market design details. Iberdrola Renewables encourages the CAISO to utilize the identified Guiding Principles in recognition of the possibility that market realities may require some flexibility in the ultimate design.

Retention of Two-Settlement Design

Iberdrola Renewables supports the CAISO's proposal to retain the current two-settlement design and agrees that the complexity associated with the addition of a third settlement would likely outweigh benefits.

HASP Elimination

Iberdrola Renewables understands the CAISO's desire to eliminate the HASP market and the well-known inefficiencies resulting from price disparity between interties committed based on the HASP price and internal generation committed based on the 5-minute interval price. Iberdrola Renewables also agrees with the CAISO's view that elimination of the HASP is feasible with more granular scheduling at the interties. In the absence of more granular scheduling at the interties, however, Iberdrola Renewables is opposed to the CAISO's proposal to eliminate the HASP as it is critical for the CAISO's market design to maintain price certainty for transactions at the interties during the active delivery day.

Option A versus Option B

Iberdrola Renewables strongly supports the CAISO's proposal to shorten the scheduling intervals for variable energy resources under both real-time market enhancement options. Based on the pros and cons outlined by the CAISO with regard to the 15-minute and 5-minute market design options, it appears both Option A and Option B have the potential to enhance the CAISO's real-time market in anticipation of future conditions. Regardless of the real-time market enhancements the CAISO ultimately implements, it will be important for the market design to retain the flexibility to accommodate transactions at the interties where different scheduling standards and generation ramping regimes will likely exist, specifically the 15-minute scheduling standard proposed in the FERC's Variable Energy Resource (VER) Notice of Proposed Rulemaking and the existing WECC ten minute generation ramp regime.

Real Time Imbalance Service

Iberdrola Renewables supports the concept of the Real-Time Imbalance Service (RTIS) and believes it can be an important market product to facilitate integration of increasing amounts of variable energy resources. Iberdrola Renewables looks forward to additional detail regarding the design and proposed cost allocation of this service and encourages the CAISO to ensure existing integration services are not migrated into the RTIS, potentially resulting in an unnecessary increase in integration costs.