

Submitted by	Company	Date
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Portland General Electric appreciates the opportunity to comment on the issues in regard to Real-time Imbalance Energy Offset proposal.

1. Remove interties as eligible convergence bidding nodes under the current market design.

- Since the CAISO cannot isolate the amount convergence bidding has contributed to the Real-time Imbalance Energy Offset (RTIEO), until a solution can be found to address the issues in the current market design, convergence bidding should be suspended at the interties.

2. Additional rules to deter implicit virtual bidding at the interties.

a. Deviations from HASP Schedules Settled at RTD Price.

- Portland agrees there should be a severe penalty in place for participants that decline or fail to flow their HASP awards. Portland believes this is a key contributor to the increase to the RTIEO. However, during times of high load, this charge may reduce liquidity in the HASP market. While energy and transmission maybe available at the interites, market participants may be reluctant to participate due to risk of curtailments and receiving a possible \$1,000/ MWH RTD price.
- If market participants are subject to RTD, the HASP schedules decline charge as outlined in tariff 11.31 should be removed.
- An exception should be in place in the proposal. If a market participant that accepts and tags their HASP awards, and the CAISO curtails the tag, they should be subject to HASP price and not RTD.

b. HASP Import Reduction Included in Real-Time Imbalance Energy Offset Allocation.

- Portland does not agree with the allocation of RTIEO charge to importers that decrement their schedules in HASP. As mentioned in stake holder's comments and during the conference call, this charge to importers does not solve the RTIEO issue and forces importers to adjust there energy price to account for the additional charge. The HASP market provides an opportunity for market participants and the CAISO to respond to changes in system conditions from DA. Since there is a claw back rule in settlements to deter implicit virtual bidding, as long as a market participants tag their DA award before HASP dispatch, any changes in HASP should not have any impact on RTIEO.