



March 6, 2018

Dear ISO Board of Governors,

Thank you for the opportunity to comment briefly on the California Independent System Operator Corporation's ("CAISO") Commitment Cost and Default Energy Bid Enhancement ("CCDEBE") stakeholder initiative. NV Energy would like to commend the CAISO Staff on the manner in which they conducted this challenging initiative. Sufficient time was taken throughout the stakeholder process to develop the issues and respond to stakeholder comments. The result is an important market enhancement.

NV Energy supports all elements of the CCDEBE. This initiative designs a method for a market participant to inform the CAISO of a generator's actual costs when not reflected by a gas index price. This is a needed reform for market participants within the Energy Imbalance Market ("EIM") that are not located near liquid gas trading hubs. CCDEBE utilizes a more informed cost calculation to better represent actual costs with the EIM. CCDEBE also includes additional methods to allow the generator to recover those actual fuel costs above those reflected by the CAISO's index prices in a process subject to CAISO verification after the market run. Lastly, this market enhancement takes a step towards allowing market-based commitment cost bids.

Taken together, the components of the CCDEBE are important design features that should support the growth of the EIM by increasing participation and promoting more accurate pricing.

Respectfully,

A handwritten signature in black ink that reads "Vernon Taylor".

Vernon Taylor
Director, Market Analytics



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