



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204

Dear ISO Board of Governors,

Portland General Electric Company (“PGE”) appreciates the opportunity to express its support for the California Independent System Operator’s (“ISO”) Commitment Cost and Default Energy Bid Enhancement (“CCDEBE”) draft Final Proposal (“Proposal”) dated March 2, 2018.¹ As an Energy Imbalance Market (“EIM”) Participating Resource Scheduling Coordinator (“PRSC”) with a diverse fleet of fast-ramping wind, thermal, and hydro-electric generation, and a participant in the ISO’s Integrated Forward Market, PGE is directly impacted by changes to the ISO’s price-formation policies.²

The ISO’s Proposal is a significant improvement on the legacy market design. PGE would prefer the default market-based “circuit-breaker” cap to be set initially at 300% of the adjusted proxy cost, but PGE understands that a balance needed to be struck between parties. PGE believes the ISO has arrived at a reasonable compromise with its proposed phase-in of more flexible market-based bidding limits. PGE is confident the ISO and the Department of Market Monitoring will be able to develop and implement appropriate market screens and practices to protect the market from undue exertion of market power. Further, PGE supports the ISO’s reasoning for placing approval of this initiative under the ISO Board’s primary authority given it will affect the real-time market globally. PGE therefore fully supports both the market changes and approval-classification put forward by the ISO, and recommends the ISO Board approve the CCDEBE Proposal as written.

In addition, PGE wishes to commend the ISO’s Staff and Management for their efficient and effective management of this difficult stakeholder initiative.

Sincerely,

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¹ <http://www.caiso.com/Documents/SecondRevisedDraftFinalProposal-CommitmentCosts-DefaultEnergyBidEnhancements.pdf>

² EIM PRSCs are uniquely positioned in the ISO’s market as they do not operate under a must-offer obligation, typically provide critical generation support to meet the reliability needs of their vertically-integrated independent Balancing Authority Area, and experience market optionality not usually seen by generators operating within the ISO’s Balancing Authority Area. In addition, EIM PRSCs have the unique opportunity to optimize the resources in which their customers have made investments (gas storage, gas transport, electric transmission, and electric generation) in both the forward and hour-ahead bilateral markets, as well as the intra-hour EIM.