

# Comments of Seattle City Light on Local Market Power Mitigation Enhancements Draft Tariff Language

Submitted by	Company	Date Submitted
Emeka Anyanwu Energy Innovation & Resources Officer (206) 684-3718	Seattle City Light	April 30, 2019

Seattle City Light (Seattle) is the tenth largest consumer owned electric utility in the nation, providing electrical service to more than 450,000 residential, commercial, and industrial customers in the City of Seattle, Washington and six adjacent cities. Seattle owns and operates hydroelectric resources with approximately 2,000 MW of flexible, fast-ramping capacity. We regularly transact in the bilateral wholesale energy and transmission markets. Seattle executed an Implementation Agreement with the California Independent System Operator (CAISO) and intends to begin participating in the Western Energy Imbalance Market (EIM) in April 2020.

Seattle City Light appreciates the opportunity to comment on CAISO’s draft tariff language for the Local Market Power Mitigation Enhancements (LMPM) initiative. Seattle understands that two elements of the LMPM initiative, the reference level adjustment process and public gas price indices will be addressed separately. Seattle’s comments therefore focus on the remaining elements of the proposal that are included in the draft tariff language.

In summary, Seattle suggests the following:

- **Section 34.1.5.3 Real-Time Dispatch MPM.** Clarify the meaning of “configurable” as it relates to the timing of the Real Time Dispatch Market Power Mitigation process.
- **Section 34.1.5.5 Competitive LMP Parameter.** Seattle believes the max competitive LMP parameter, as described in the final LMPM proposal, should be set at \$.10 not \$.01.
- **Section 39.7.1.7.1.1 Gas Floor.** Seattle recommends that CAISO add language that clarifies the heat rate used for the gas price floor will be the most recent average heat rate for gas turbine resources as cited by the Energy Information Agency. This was the heat rate source agreed to in the final LMPM proposal.
- **Section 39.7.1.7.2.1 Transmission Rights.** Seattle requests clarification that a demonstration of firm transmission rights is not required if a scheduling coordinator is

relying on the default bilateral electric pricing hub. If this is correct, Seattle recommends adding language to the beginning of this section stating this.

- **Section 39.7.1.7.3 Default Trading Hubs.** Seattle recommends that CAISO add language that clarifies the process for establishing default trading hubs when additional BAAs are added to the EIM market and the process for revising the assigned default trading hub.

For ease of review, Seattle includes its detailed comments and red-line edits to the draft tariff language in an attachment to these comments.

Seattle appreciates the opportunity to provide comments and looks forward to participating in the call to review the LMPM draft tariff language on May 8. If you have any questions regarding these comments, please contact Lea Fisher at 206-386-4546 or [Lea.Fisher@seattle.gov](mailto:Lea.Fisher@seattle.gov).