

**Comments of Viasyn, Inc.
Bidding Rules Enhancements Straw Proposal**

Submitted by	Company	Date Submitted
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Viasyn appreciates the opportunity to comment on the ISO's Bidding Rules Enhancements Straw Proposal.

5.3.1 Changing bids after a commitment decision during an inter-temporal constraint

The ISO should consider bid and settlement restrictions during inter-temporal constraints based on each type of constraint individually, as opposed to flat restrictions for all bidding scenarios under all inter-temporal constraints, and should avoid suppressing market compensation to resources that accurately reflect marginal costs within established market timelines. The ISO proposal to suppress BCR compensation during ISO-committed intervals with an inter-temporal constraint may potentially and unfairly suppress market compensation to resources that attempt to accurately participate in ISO markets. This outcome may be potentially mitigated and stakeholders will gain greater clarity if more descriptive language is provided in this section of the proposal.

For example an energy bid reflects the marginal cost of producing above a minimum operating level (PMin) while commitment cost bids reflect the costs associated with producing up to and at PMin. The ISO may decide to commit a minimum-online-constrained resource to PMin based on the commitment cost bids, with or without awarding incremental energy dispatch above PMin. In subsequent intervals during the minimum online constraint the resource may submit energy bids that are different from those submitted during the period when the commitment decision was made. The ISO should ensure that BCR compensation reflects these timely energy bids when a resource is dispatched incrementally within the inter-temporal constraint.

7.1 Differentiated Bidding Headroom

Viasyn does not oppose the differentiated bid caps, assuming as the proposal does, that an opportunity cost mechanism is in production. Viasyn supports the use of percentages for bidding the cost components.

8.1 Resource Characteristics

Viasyn does not oppose the separate reporting of physical and market characteristics of the resource fleet, however the ISO proposes to mandate the availability of the full physical range of the resources for exceptional dispatches without providing for additional consideration of the potential financial or operational consequences of such increased flexibility.

For one, any contractual or regulatory constraints such as emissions restrictions that the resource must abide by should be permitted to be reflected in the physical characteristics of the resource, as they should not be required to breach a contract or regulatory constraint for purposes of ISO exceptional dispatch.

Also, if the market characteristics are more constraining than the physical characteristics of the resource an incremental cost associated with operating outside of the market characteristics range is implied. These costs that reside between the market and physical range, such as elevated maintenance expenses, should be compensated to the resource when such range is utilized. The ISO should therefore consider a compensation mechanism through which the resource may recoup the costs of this capability, such as the bidding of the physical range of the resource without such bids being considered during non-exceptional dispatch conditions.