

Western Power Trading Forum Comments on Consolidated EIM Initiatives Issue Paper

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About the Western Power Trading Forum

The Western Power Trading Forum (WPTF) is a California nonprofit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability. WPTF supports uniform rules and transparency in order to facilitate transactions among market participants. The membership of WPTF includes load serving entities, energy service providers, scheduling coordinators, generators, power marketers, financial institutions, and public utilities, all of which participate actively in the California market and other such markets in the West and across the country.¹

WPTF appreciates the opportunity to provide comments on the Consolidated EIM Initiatives Issue Paper posted on June 13, 2017 and the stakeholder call on June 20, 2017.

Third Party Transmission Contribution for EIM Transfers

It is WPTF's understanding that with Powerex joining the EIM there is not an immediate need for this proposal. However, it could be that with some transmission capacity freeing up due to coal retirements in Arizona, transmission customers in the Southwest may wish to take advantage of this proposal. Therefore, if the proposal has a limited implementation effort, WPTF does not object to the third party transmission contributions design moving forward.

Management of EIM Imbalance Settlement for Bilateral Schedule Changes

WPTF appreciates the CAISO exploring ways to manage exposure to imbalance settlement when wheeling through an EIM entity. As discussed during the FERC technical conference, WPTF believes that non-EIM entities end up "paying twice" for transmission, first for their OATT transmission rights and then again on an unknowable congestion amount on all schedule adjustments made after T-57. This discourages real-time hourly bilateral transactions and imports into the CAISO's real-time market.

It is WPTF's understanding that the current EIM policy has so discouraged bilateral participation, that there are only one or two entities left available to even take advantage of this proposal. Because this proposal does not significantly change the economics of bilateral market participation, WPTF cannot support this as something (in isolation) as worthy of moving forward. A more comprehensive solution that included EIM entity rule changes, market timing changes, and an economic intertie bidding design would more adequately respond to FERC's concerns over the ability for external resources to fairly participate in the CAISO's real-time market.²

¹ A member list can be found [here](#) and these comments do not necessarily represent individual member views.

² "Moreover, WPTF raised concerns about unduly delaying the ability of external resources to participate — concerns that CAISO does not full address." FERC Order ER15-1518 at 37.

Net Wheeling Charge

WPTF believes the CAISO did a great job in the issue paper and presentation differentiating between the ideas of “fairness” and “lost transmission revenue.” In either case; however, joining EIM is voluntary and calculating any sort of equitable benefits is counter to the idea of a market and fraught with unintended consequences. WPTF does not support the CAISO moving forward with this proposal.

Thank you for your consideration of these comments.