

## Western Power Trading Forum Comments on the IBAA Draft Tariff Language

WPTF appreciate the opportunity to present comments on the CAISO's draft IBAA tariff language. Several of WPTF's members are directly impacted by the specific modeling representation proposed by the CAISO and we expect that these members will comment directly on the technical merits and disadvantages of specific technical elements of the CAISO's proposal. We hope the CAISO will recognize that such comments indicate there may be benefits to continued discussions about the proper technical representation. WPTF focuses its comments herein on more general process and policy implications, especially in light of the impact that these policies could have on all of the IBAA's, not simply for the SMUD/WAPA control area upon which the presentations have focused thus far.

- WPTF finds the tariff language and the changes it seems to authorize and that are proposed by the CAISO to the modeling of the SMUD/WAPA control area to be substantively new and different rather than fitting the characterization of a compliance filing. WPTF ask that the CAISO either file the changes as a 205 filing or otherwise clarify for stakeholders why the proposed changes are reasonably considered compliance items.
- WPTF is unclear about the information that will be contained within the BPMs as referenced by Tariff provision 27.5.3. WPTF understands the BPM will provided by the CAISO sometime soon, but given that it was unavailable prior to the comment deadline, WPTF is unable to comment on whether the tariff provisions are acceptable without seeing the level of detail that the CAISO expects to include in the BPM. At a minimum, WPTF feels the BPM should include the distribution factors used by the CAISO. We have some appreciation for the fact that the CAISO does not want to include these factors in the tariff language itself, but they should be available in the BPM. The distribution factors, and their application to a Market Participant's schedule have a direct bearing on the LMPs that will result for that schedule. This information needs to be clearly included at least in the BPM and controlled by the BPM change process so that market participants know what the values are and are notified before the CAISO changes the IBAA configuration parameters. Further, WPTF encourages the CAISO to work with stakeholders to identify logical points in time to implement new modeling representations. Absent any severe reliability concerns it seems that the CAISO could make transitions to new modeling representations effective – for example – prior to a new annual CRR process and the market period that commences at the effective date of those new CRRs. Random and abrupt changes significantly undermine the market's ability to hedge risk and conduct commercial transactions.
- In addition to process concerns about notification and reporting of changes once a decision is made to make network changes, WPTF is concerned that certain tariff provisions indicate that the CAISO may unilaterally make changes to the IBAA representation without consulting the

adjacent control areas and without a transparent stakeholder process. For example, tariff section 27.5.3.3. states that: “When the CAISO is able to identify sub-regions within an IBAA that reflect groupings of resources or locations that are sources of transactions between the CAISO and the IBAA, such as a sub-region within a BAA that is responsible for its own internal balancing of resources and transactions, the CAISO will predefine individual or aggregate System Resources for the sub-regions” yet there is no requirement for the CAISO to consult its market participants or the adjacent control areas. Additionally, WPTF is concerned if the CAISO’s addition of the clause “and examination of their systems” in Appendix C, section G is intended to allow the CAISO the ability to make changes less through collaboration and more through the CAISO’s own examination. WPTF requests that the tariff clearly include language specifying the process for consulting parties prior to modifying the modeling or distribution factors, including opportunities for IBAA and stakeholder input prior to the changes being enacted.

- WPTF is unclear about the availability of CRRs given the modeling representations and the relationship between the CRRs and the LMPs proposed for the IBAA. Market participants could benefit from further information and stakeholder discussions to learn about the relationship between the CRRs, the LMP study information and the expected market outcomes with any new IBAA modeling representation.