

Comments of Arizona Public Service
Imbalance Conformance Enhancements
Issue Paper and Straw Proposal Posted November 28, 2017

Arizona Public Service (APS) appreciates the opportunity to provide comments on California Independent System Operators (CAISO) Issue Paper & Straw Proposal on Imbalance Conformance Enhancements initiative dated November 29, 2017.

APS appreciates CAISO's detailed description of the manual process grid operators must run through when inputting or updating the amount of conformance throughout the day and the numerous elements that must be considered and observed to maintain system balance. System conditions are continually changing and the process of conforming is one that must be completed quickly to ensure the market has the most timely system conditions.

APS acknowledges the need for enhancements to the already existing imbalance limiter particularly in relation to the RTD market's infeasible results triggering artificial pricing spikes. This is not to say all market infeasibilities result in artificial pricing spikes but that there is room for improvement in the current limiter logic that can enhance the limiters conditions on when to trigger or not trigger. As described in the CAISO issue paper and straw proposal the current design of the imbalance limiter is conditional to individual intervals versus the change in conformance from one interval to the next.

APS supports CAISO's initiative on Imbalance Conformance enhancements and looks forward to further stakeholder discussion and development of the proposed limiter logic, recognizing the enhancements suggestions from the issue paper and straw proposal:

- Will recognize conformance from previous intervals,
- Is not limited to rely on information from the current interval,
- Will recognize direction changes for infeasibility and conformance, and
- Will build a memory of the change in load from a previous solution.

APS would also like to reiterate the importance of the statement in the imbalance conformance enhancements issue paper and straw proposal that existing policies, the process of conforming, and the tools that are used to conform will not be changed. A grid operator's primary responsibility is to continually balance supply and demand to maintain system reliability; the use of conformance by grid operators is a required tool in assisting grid operators in maintaining reliability and participation in the market.

APS looks forward to further stakeholder discussions and progress on this enhancement initiative.