

Consolidated EIM Initiatives from 2017 Roadmap Draft Final Proposal

Comments by Department of Market Monitoring
September 22, 2017

Summary

DMM appreciates the opportunity to comment on the Consolidated EIM Initiatives Draft Final Proposal. DMM is supportive of the ISO's decision to remove some items from scope which were present in earlier drafts of the proposal. DMM is generally supportive of the items remaining in the scope of the initiative. Additional comments on specific items are provided below.

I. Changes to scope of initiative

DMM agrees with the ISO's decision to drop the portion of the initiative on "equitable sharing of wheeling benefits." DMM submitted stakeholder comments in response to the Straw Proposal which outlined the ways in which the proposals for this market design change would introduce market inefficiency¹. DMM appreciates the ISO's consideration of these and other stakeholder comments in development of the Draft Final Proposal.

In the Issue Paper, the ISO also presented the idea of allowing third parties to offer transmission in EIM. DMM noted in stakeholder comments that if this proposal were to move forward, potential issues of transmission withholding would need to be addressed in the market design². Although the issues noted in DMM's comments could likely be addressed through carefully designed market rules, DMM is also supportive of the ISO's decision to address stakeholder comments by dropping this portion of the initiative altogether.

¹ Consolidated EIM Initiatives from 2017 Roadmap, Straw Proposal, Comments by Department of Market Monitoring, August 17, 2017: <http://www.caiso.com/Documents/DMMComments-ConsolidatedEIMInitiativesStrawProposal.pdf>

² Consolidated EIM Initiatives from 2017 Roadmap, Issue Paper, Comments by Department of Market Monitoring, June 30, 2017: <http://www.caiso.com/Documents/DMMComments-ConsolidatedEnergyImbalanceMarketInitiatives-IssuePaper.pdf>

II. New EIM Functionality

DMM supports the application of market power mitigation to Generic NGR resources under the use cases described in the Draft Final Proposal. As stated in DMM's stakeholder comments on the Straw Proposal:³

In the absence of a full evaluation of mitigation for energy storage resources and other NGR types, the use case of Generic NGR described in the Straw Proposal for EIM resources should be clearly defined in the tariff rules for mitigation and differentiated from similarly modeled NGR storage resources. Failure to do so would result in inconsistent mitigation rules for storage and distributed energy resources dependent only upon whether they choose an NGR model which enforces a state-of-charge constraint.

The ISO held a stakeholder call on September 12, 2017 to discuss the Draft Final Proposal. In this call, the ISO clarified that energy storage resources, PDR, and DER aggregations modeled using the Generic NGR framework would continue to not be subject to mitigation. DMM notes that it may be appropriate for these resources to be subject to mitigation in the future. However, developing a robust framework for mitigation of these resource types is beyond the scope of the Consolidated EIM Initiatives. DMM appreciates the ISO's acknowledgement of this fact and supports the clarification of proposed market power mitigation rules for Generic NGR.

³ Consolidated EIM Initiatives from 2017 Roadmap, Straw Proposal, Comments by Department of Market Monitoring, August 17, 2017: <http://www.caiso.com/Documents/DMMComments-ConsolidatedEIMInitiativesStrawProposal.pdf>