



Stakeholder Comments Template

Day-Ahead Market Enhancements

This template has been created for submission of comments on proposed market design options discussed with stakeholders during the June 20, 2019 Day-Ahead Market Enhancements workshop. Information related to this initiative is available on the initiative webpage at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/Day-AheadMarketEnhancements.aspx>.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on July 11, 2019.

Submitted by	Organization	Date Submitted
<i>Lindsey Schlekeway (702)-402-1847</i>	<i>NV Energy</i>	<i>July 11, 2019</i>

Please provide comments on the proposed formulation options described below. In your comments, please explain your rationale and include examples if applicable. Also, recommend any analysis and data that your organization believes would be helpful to review on these option. Include details and explain your reasoning for the type of analysis and data that you suggest.

NV Energy appreciates the opportunity to comment on the discussions from the Market Surveillance Committee meeting and the stakeholder workshop that was held on June 20, 2019. Additionally, NV Energy is very appreciative that CAISO has taken a step back to analyze the flexible ramping issue and to extend the stakeholder schedule to allow for a more robust stakeholder process. Moreover, NV Energy agrees with CAISO that the solutions developed in this stakeholder initiative should address the issues identified for the initiative.

- At this time, does your organization support moving forward with **Option 1: Sequential Integrated Forward Market followed by an after-market Reliability and Deliverability Assessment (Sequential IFM-RDA)**, **Option 2: Integrated IFM and Residual Unit Commitment (Integrated IFM-RUC)**, or **undecided**. Provide supportive comments (in favor of, or in opposition to) below.

Please double click on check box below to select your position:

<u>Option 1:</u>	<u>Option 2:</u>
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<input type="checkbox"/> Support <input type="checkbox"/> Support with caveats <input type="checkbox"/> Oppose <input checked="" type="checkbox"/> Undecided	<input type="checkbox"/> Support <input type="checkbox"/> Support with caveats <input type="checkbox"/> Oppose <input checked="" type="checkbox"/> Undecided
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NV Energy has determined that the company can not weigh into the two Day Ahead Market timeline options. Currently, it is unclear whether the EDAM market will clear the day ahead market off of bid in demand or a BAA forecast, because the EDAM stakeholder initiative has not begun. Additionally, it is unclear whether the EDAM market will allow a virtual market. For these reasons, NV Energy will not be able to assess impacts to either method until the initial design of the EDAM market is formed.

Option 1: Sequential IFM-RDA

Please provide comments to explain your position on Option 1:

Please see above statement.

Option 2: Integrated IFM-RUC

Please provide comments to explain your position on Option 1:

Please see above statement.

2. Please identify any specific data analysis that your organization recommends. Indicate the data request(s), the purpose of the request(s), and how the request(s) will advise the determination of the day-ahead market formulation, or will assist with determining the procurement target for the new day-ahead product.

Comments:

At this time NV Energy is recommending analysis to better understand the CAISO determination that a day ahead flexible ramping product is needed.

NV Energy recommends that CAISO provide the following analysis:

- a. Available Capacity in Day Ahead Market (IFM) and the Available Capacity in the Real Time Market (STUC/FMM)
 - i. More specifically, NV Energy recommends comparing the average available day ahead market bid in capacity to the uncertainty between the day ahead integrated forward market and the fifteen minute market. This analysis will allow stakeholders to see the capacity that is currently available in the day ahead

market. Additionally, a second analysis should be conducted to compare the average capacity available in the real time market to the uncertainty between the day ahead integrated forward market and the fifteen minute market. The second analysis will show whether there is enough available capacity in the real time market to meet the changes in forecast from the day ahead market solution. These combined analyses should provide stakeholders a baseline of the capacity that currently exists today and may show the lack of capacity that exists. Finally, this analysis could be refined to provide the available ramping capacity in both the day ahead and real time markets.

NV Energy is not convinced that a Day Ahead Market Flexible Ramping Product (DAFRP) is needed. Moreover, NV Energy is concerned that a DAFRP may only increase the costs to serve load without providing additional benefits for customers. The real-time market was designed with multiple market optimization runs starting 4.5 hours prior to the operating hour to handle the forecast differences between the day ahead market solution and the final real-time market solution. The issues identified by CAISO imply that there is either not enough biddable capacity within the real-time market to handle these forecast uncertainties or that the real-time market optimization is not accurately positioning resources to meet the large ramps that occur. Stakeholders need to understand whether the issues stated by CAISO are caused by a lack of market bid in capacity or a market optimization unit commitment issue that does not consider needed ramp, because a market solution might be implemented that increases costs and provides no benefit. Additionally, NV Energy urges CAISO to analyze whether enhancements are needed in the STUC run to properly position fast ramping resources to meet future hour net load ramps. Otherwise, the STUC market run may re-position the resources reducing the unloaded ramping capacity that was procured in an earlier commitment run.

3. Please offer any other feedback your organization would like to provide on presentation materials and discussion for the June 20, 2019 Day-Ahead Market Enhancements stakeholder workshop.

Comments:

Please see response for question 2 and 3.