



**COMMENTS OF NV ENERGY
DRAFT FINAL PROPOSAL OF
IMBALANCE CONFORMANCE ENHANCEMENTS
DATED JANUARY 30TH, 2018
CAISO STAKEHOLDER PROCESS**

February 20, 2018

I. NV Energy's Position

a. Load Conformance Limiter Sunset Date

CAISO proposes to add an imbalance conformance tool and a ramping capacity tool that provides additional visibility into the available capacity and an estimated conformance for transmission system operational personnel. NV Energy is supportive of these proposed enhancements. These enhancements have been proposed to eliminate the need of the load bias limiter which has also been proposed to sunset within two years. NV Energy agrees with other stakeholders and CAISO that prices should reflect needed capacity. The load conformance limiter should not restrict price formation when additional capacity is needed to meet demand. However, NV Energy does not agree that a sunset date should be specified within the tariff. Further analysis should be conducted within all Balancing Authority Areas to determine if the enhancements have reduced the need and use of the conformance limiter. Additionally, there should be prescribed performance metrics that are met in each Balancing Authority Area prior to removing the limiter functionality from the market.

b. Governance

The EIM Governing Body's role has been classified as advisory in this initiative. NV Energy does not agree with this designation. CAISO has stated that this initiative proposes enhancements and changes to the market rules that will be applied to all CAISO markets. While this statement may be true, this enhancement will impact each Balancing Authority Area differently. The proposed enhancements within this initiative will impact prices for each EIM Entity at varying degrees. The EIM governance document states that an initiative will fall into the primary authority of the EIM Governing Body "when proposed changes apply differently to EIM Balancing Authority Areas than other areas within the ISO's real time market."¹ Since this market enhancement proposes changes to the overall market design and will impact Balancing Authority Areas differently, NV Energy proposes that this initiative be classified as hybrid not EIM-Specific.

¹ Charter for Energy Imbalance Governance.

<https://www.westerneim.com/Documents/CharterforEnergyImbalanceMarketGovernance.pdf>. (2017). P3.