



**COMMENTS OF NV ENERGY
LOCAL MARKET POWER MITIGATION ENHANCEMENTS
ISSUE/STRAW PROPOSAL
DATED SEPTEMBER 13, 2018
CAISO STAKEHOLDER PROCESS**

October 3rd, 2018

NV Energy appreciates the opportunity to comment on the CAISO Issue/Straw proposal paper and is supportive of the effort to reevaluate the local market power mitigation methodology as applied to EIM Entities. Additionally, NV Energy is looking forward to the CAISO stakeholder workshop to further discussions on the CAISO proposals.

I. Prevention of Flow Reversal

At this time, NV Energy cannot comment on or express an opinion with regard to this proposal as it is too early in the process and more data is needed to make a determination. For instance, more information is needed on the parameter that will be added to the competitive LMP. Will this parameter always be the same price or will the parameter change? If the latter, what will be the basis for any adjustments to the parameter? In addition, more information on the competitive LMP is needed. How is the competitive LMP derived, what nodes are used and in what location?

II. Prevention of Economic Displacement between Mitigated Balancing Authority Areas

CAISO proposes to prevent economic displacement when mitigation is occurring. NV Energy has concerns about aspects of this proposal. In particular, additional information is needed about the interval that the transfers will be locked at and whether this would increase the amount of potential reliability issues that can arise from locking transfers. CAISO should consider the important question of whether this level of prevention is needed when the default energy bid accurately represents the resource and its missed opportunity costs.

III. EIM Use-Limited Default Energy Bid

NV Energy is supportive of the proposal for the new resource type, EIM use limited resource. This proposal would allow use-limited resources to better represent its use-limited opportunity costs by reflecting this opportunity at a later time at an electric price.

IV. Reference Level Adjustments

CAISO proposes to manually review reference level adjustments in light of this summer's gas volatility. NV Energy agrees with the new proposed approach and appreciates the recent proposed revision to the commitment costs and default energy bid enhancements prior to implementation. Moreover, CAISO proposes to allow a reference level adjustment by an EIM



Use-Limited Resource. NV Energy supports this proposal as long as the DMM has the appropriate mechanisms in place to monitor this level adjustment.