

# Comments on FERC Order 764 Compliance Straw Proposal

## 15 Minute Scheduling and Settlement

Olivine appreciates the opportunity to comment on the CAISO FERC Order 764 compliance straw proposal and offers these brief comments in general support of the proposal.

The proposal does a good job of balancing the tension between overdue reform of the CAISO market timelines within the context of interchange scheduling in the WECC interconnection while meeting the directives of FERC Order 764. Alignment of the 15 minute RTUC and RTD is an essential element of market refinements designed to address price inequities and volatility unrelated to supply and demand conditions. From its inception, the CAISO has been at the leading edge of advancing WECC scheduling practices and the proposal provides enough flexibility to continue to adapt to any future WECC scheduling practices without completely disregarding existing practices.

Moving from 10-minute settlement to 5-minute settlement eliminates the need to calculate 10-minute prices from 5-minute market outputs and in and of itself is a simplification to the myriad settlement calculations. Since it will require changes to market participant business processes and software, it needs to be fully vetted with market participants to determine the scope of the changes and to determine the time required to make those necessary changes.

To the extent that the option to schedule at 15-minute granularity improves the scheduling accuracy of Variable Energy Resources, the opportunity to eliminate PIRP is timely. PIRP was an early concession to encourage the integration of wind and solar resources and has served its purpose. The more comprehensive changes in this initiative and the broader renewable integration efforts more appropriately and universally address the inclusion of VERs into the wholesale market.

In the absence of more granular and frequent demand scheduling, the approach of weighted average 15 and 5 -minute procurement for settling imbalance energy is fair so long as the forecasting accuracy and procurement balance the volume of energy procured in the 15-minute market versus the 5-minute market are as consistent as the supplied data suggests.