

**PACIFICORP’S COMMENTS ON THE CALIFORNIA ISO’S
DRAFT 2018 POLICY INITIATIVES ROADMAPS AND PLAN**

Submitted by	Company	Date Submitted
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I. INTRODUCTION

PacifiCorp hereby submits the following comments to the California Independent System Operator Corporation (“ISO”) on the draft 2018 Policy Initiatives Roadmap that was published December 11, 2017, (“Roadmap”). PacifiCorp appreciates the ISO’s efforts to identify priorities for market enhancements and welcomes the opportunity to provide these comments on this initiative for the ISO’s consideration.

II. COMMENTS

A. Day-Ahead Market Initiatives

In November of 2017, the ISO added several initiatives to its 2018 Policy Initiatives Catalog (“Catalog”) related to enhancing the ISO’s day-ahead market and extending day-ahead market services to EIM entities. The ISO also prioritized those day-ahead market initiatives on the draft Roadmap. PacifiCorp is supportive of further increasing regional grid coordination and market expansion opportunities and believes that the opportunity for EIM entities to participate in the ISO’s day-ahead market would likely result in additional customer and system benefits. However, PacifiCorp recommends that the ISO thoroughly review its plan to determine whether or not other initiatives in the Catalog should be considered in 2018 that may either support or interact with the contemplated day-ahead market policy and technology changes. For example, PacifiCorp supports, and requested priority of, the Export Charges initiative set forth in Section 6.1.38 of the Catalog, which would exempt real-time exports from transmission access and measured demand uplift charges and improve real-time intertie liquidity by increasing the quantity of export bids in the real-time market. PacifiCorp requests that the ISO evaluate how this initiative, and any others, could interact with the day-ahead market initiatives (i.e., the Export Charges initiative may need to be discussed as part of the Aligning Transmission Access Charge (“TAC”) Paradigms initiative).

PacifiCorp also requests that the ISO proactively address any concerns that expanding day-ahead market services to the EIM entities at the same time as making fundamental day-ahead market policy and design changes may not be technologically feasible on the schedule proposed. Specifically, PacifiCorp requests that the ISO explain how the proposed timelines on the Roadmap for stakeholder processes on the day-ahead initiatives can be accomplished, given that the

fundamental day-ahead enhancements include four separate initiatives, and an additional five initiatives are planned for the market's expansion to EIM entities. Moreover, during the same timeframe, the ISO is scheduled to continue stakeholder processes and conduct new stakeholder processes on another 13 initiatives related to resource adequacy, integration of renewables, the interconnection process, congestion revenue rights, the real-time market, greenhouse gas compliance, and transmission access charges. While PacifiCorp is confident that the ISO can manage this myriad of inter-related market initiatives, it would also be helpful to the stakeholder community to understand how the ISO plans to manage and resource these efforts.

B. Generator Modeling Enhancements Initiative

Section 6.1.5 of the Catalog describes PacifiCorp's submitted generator modeling enhancements initiative, which would examine, update, and improve the modeling of generating units and curtailable metered load, and improve the flexibility that could be offered into the market if those products were able to be modeled to better fit with the unique attributes of each type of generator. Currently, the ISO's model does not account for the operational reality of combined cycle, hydro, and coal generators, but rather allows only for static ramp rates. These types of resources have the potential to be fast ramping, potentially requiring multiple ramp rate functionality, and could provide additional benefits to the EIM, if they were not limited by the ISO's modeling capabilities. PacifiCorp requested priority of this initiative in its comments on the Catalog and reiterates its request for prioritizing this initiative on the Roadmap.

C. EIM Initiatives

PacifiCorp appreciates the ISO's prioritization of the real-time resource sufficiency enhancements and encourages the ISO to evaluate whether or not any of the enhancements can be made without conducting a policy initiative stakeholder process. Additionally, it is PacifiCorp's understanding that while the real-time market enhancements initiative has been deferred to begin in 2019, the ISO still plans to move forward in 2018 with efforts to move the real-time market timeline closer to the T-20 Western Electricity Coordinating Council ("WECC") e-tagging deadline (presumably to T-30). PacifiCorp supports this change and further understands that the ISO believes that such efforts would not require a policy stakeholder process (nor ISO Board approval) and may be implemented by filing clarifying tariff revisions with the Federal Energy Regulatory Commission ("FERC").

There are also a number of issues that many of the EIM entities collectively support, such as the proposal from Powerex for a fourth Default Energy Bid Option. PacifiCorp continues to support these items and believes they may have more merit in the stakeholder initiatives in the context of the extended day-ahead market initiative. It would be helpful to understand how these items might be further discussed or incorporated into the Roadmap.

III. CONCLUSION

PacifiCorp looks forward to continuing its work with stakeholders and the ISO on market enhancements and appreciates the ISO's consideration of these comments.