

**Portland General Electric Comments:
Imbalance Conformance Enhancements Draft Final Proposal**

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PGE appreciates the opportunity to provide feedback on the ISO's Imbalance Conformance Enhancements Draft Final Proposal (ICE Proposal).

PGE fully supports the ISO's goal of correcting the underlying causes that give rise to the use of the Load Conformance Tool by Balancing Authority Area Operators (Operators), and is encouraged by the ISO's two-year timeline to implement these corrections and associated market design enhancements. Further, PGE supports the ISO's proposal to make tariff changes clarifying the ISO's authority to conform in the real time and day ahead markets. PGE appreciates the ISO's responsiveness to stakeholders on these issues and their balancing of reliability and pricing priorities in making this ICE Proposal.

However, it is unclear from the ICE Proposal how the corrections and enhancements outlined will obviate the need for the Load Conformance Tool *specifically for the EIM Operators outside the ISO BAA*. It is also unclear whether the tariff changes will clarify EIM Operator's load conformance authority.

As shown in Table 2.3 on Page 45 of the "Q4 2017 Report on Market Issues and Performance"¹, EIM Operators continue to rely on the Load Conformance Tool to greater and lesser extents in both the 15-min and 5-min market intervals to correct for system conditions that are not captured appropriately in the ISO's market software.

PGE therefore requests that the ISO revise its ICE Proposal to address the impact of proposed changes to EIM Operators. Specifically, PGE requests the ISO address whether the improvements to the conformance process outlined on Page 12 of the ICE Proposal (Real-Time Dispatch Persistence Market Model Enhancement, Day Ahead Market Enhancements, and Flexible Ramping Product Improvements, along with implementation of an Imbalance Conformance Tool and Ramping Capacity Tool) are applicable to EIM Operators, and if so, whether and how the improvements will address the specific causes of load conformance as experienced by EIM Operators. To the extent the improvements will not apply to EIM Operators, or will not address the underlying causes, PGE requests the ISO work with EIM Operators to understand what additional improvements or market enhancements are needed to address these causes such that a reliability gap will not be opened by removal of the Load Conformance Tool as proposed in 2020.²

PGE is unable to support the ISO's ICE Proposal *as it applies to the EIM Operators* until these issues are addressed. Further, while PGE appreciates the ISO's reasoning for setting the EIM Governing Body's authority on this initiative as "Advisory", PGE's support for the final determination could turn based on the scope of changes that could result from the work requested above.

¹ <http://www.caiso.com/Documents/2017FourthQuarterReport-MarketIssues-PerformanceFebruary2018.pdf>

² For example, PGE understands that latency in the incorporation of VERs forecasts is a significant driver for use of the Load Conformance Tool by EIM Operators, and would request that the ISO address this issue prior to removing the ability for EIM Operators to use the Load Conformance Tool to correct for this market process and software disconnect.