

**Portland General Electric Comments:
Imbalance Conformance Enhancements Proposal made December 8, 2017**

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PGE appreciates the opportunity to provide feedback on the ISO's December 8, 2017 presentation of their Imbalance Conformance Enhancements (ICE) Straw Proposal and offers the following comments in two distinct areas. PGE offers these comments from the perspective of an Energy Imbalance Market (EIM) Entity (i.e., Balancing Authority) charged with maintaining system reliability, and an EIM and ISO Integrated Forward Market (IFM) participant that leverages the ISO's markets to serve its customers at least cost.

Use of the Load Conformance Tool:

PGE recognizes the critical need for system operators to have access to the load conformance tool in order to reconcile actual current system conditions with disparities that may arise with the automated market systems, and supports discretionary use of this tool by system operators.

PGE believes documentation of the reasons driving discretionary use of this tool could provide an opportunity for the ISO to uncover areas where process, business practice, or software enhancements could reduce the need for discretionary out-of-market adjustments and thereby bolster overall system reliability. To that end, PGE encourages the ISO to incorporate periodic review of operator notes and direct survey of operators on use of the tool, and work to align best-practices among operators for consistent, accurate, and effective use of the tool. PGE requests the ISO present its findings periodically to its general market stakeholders and report on how lessons-learned are to be incorporated in the ISO's change-management process going forward.

Impacts of the Load Conformance Pricing Limiter:

PGE shares concerns expressed by the Market Surveillance Committee, the Western Power Trading Forum, Powerex, and others that the load conformance tool *pricing limiter function* may asymmetrically impact price formation in the day-ahead and real-time markets. PGE supports Powerex's request, made during the December 8, 2017 meeting, asking the ISO to release additional data related to instances where the current load conformance tool pricing limiter has been triggered; specifically, whether false positives/negatives or real positives that would have otherwise triggered scarcity pricing were suppressed by use of the limiter. PGE believes it is critical that actual scarcity in the market is reflected in IFM and EIM prices in order to send supply and demand signals to market participants. In PGE's view, these price signals, even when for limited quantity and duration, are critical for market health and long-run system reliability.

Conclusion:

PGE looks forward to continuing to work with the ISO and fellow stakeholders on these issues with a goal of enhancing the efficiency and reliability of the ISO's markets.