

Seattle City Light's Comments on CAISO's Imbalance Conformance Enhancements Draft Final
Proposal
February 20, 2018

About Seattle City Light

Seattle City Light (Seattle) is the tenth largest consumer-owned electric utility in the nation, providing electrical service to more than 415,000 residential, commercial, and industrial customers in the City of Seattle, Washington and six adjacent cities. Seattle owns and operates resources with approximately 2,000 MW of flexible, fast-ramping, hydroelectric capacity. We regularly transact in the wholesale energy and transmission markets. Seattle executed an Implementation Agreement with the California Independent System Operator (CAISO) and intends to begin participating in the Energy Imbalance Market (EIM) in April 2020.

Comments

Seattle thanks CAISO for the opportunity to provide comments on its Imbalance Conformance Enhancements (ICE) Draft Final Proposal, dated January 30, 2018. Seattle reviewed the draft final proposal and is generally supportive of this initiative.

Conformance

CAISO proposes to make tariff changes clarifying its ability to conform in the real-time and day-head markets. Conforming is a standard practice of ISOs and balancing authorities, and Seattle is supportive of clarifying CAISO's ability to conform in its tariff.

As a result of stakeholder feedback, CAISO expanded the scope of this initiative to include improvements to the conformance process in the ISO BAA. CAISO has agreed to address the frequency, magnitude and pattern of CAISO conforming and to improve its tools used for conforming. Seattle agrees that improvements and clarifications regarding ISO conformance would be beneficial and appreciates CAISO's responsiveness to stakeholder comments.

Imbalance Conformance Limiter

CAISO proposes to make enhancements to improve the imbalance conformance limiter currently used in the real-time market and then phase out the limiter over two years, by fall of 2020. Seattle is supportive of CAISO's approach to phase out the limiter. CAISO reasons that its coarse adjustments for conformance justify the use of the limiter presently, but the limiter will no longer be necessary after the proposed enhancements to the conformance process and tools. CAISO also acknowledges a shortcoming of the limiter, which is that a valid scarcity condition cannot be recognized or used in the limiter logic. Seattle agrees with the comments of PGP and others that it appears that the limiter may at times suppress valid penalty prices. For these reasons, Seattle supports an approach that phases out the limiter.