



Stakeholder Comments Template

Intertie Deviation Settlement: Draft Final Proposal

This template has been created for submission of stakeholder comments on the Intertie Deviation Settlement Draft Final Proposal that was published on December 13, 2018. The Intertie Deviation Settlement Draft Final Proposal stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/IntertieDeviationSettlement.aspx>

Submitted by	Organization	Date Submitted
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Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submissions are requested by close of business on **January 8, 2019**.

Please provide your organization's comments on the following topics:

1. Curtailed E-Tags will be excluded from the under/over delivery charge, which allows for removal of the 10% threshold.

Six Cities' Comments: The Six Cities support the proposed exclusion of curtailed E-tags from the under/over delivery charge. The Cities also support the related elimination of the 10% threshold applicable to the currently effective Decline Charge, provided that the exclusion mechanism for the under/over delivery charge is defined appropriately. However, it appears from the description in the Draft Final Proposal that identification of the circumstances that will give rise to an excluded curtailment is unduly narrow. The Draft Final Proposal seems clear that an E-tag curtailment imposed by a Balancing Authority Area operator for reliability reasons will be excluded from the under/over delivery charge. It is not clear, however, whether a curtailment arising from a transmission outage or derate or a generator outage or derate will be excluded from the under/over delivery charge.

In discussing exclusions from the under/over delivery charge, the Draft Final Proposal refers to reasons beyond the SC's control. See, e.g., Draft Final Proposal at pages 41 and 43. Further, the Six Cities understand that the purpose of the under/over delivery charge is to provide incentives for delivery of intertie schedules. Consistent with that purpose, a failure to deliver that the affected SC can demonstrate is attributable to a generation outage or derate or a transmission outage or derate should be excluded from application of the under/over delivery charge, and the Draft Final Proposal should be revised to make that clear.

2. The under/over delivery charge will be evaluated in each fifteen-minute interval as opposed to the decline charge, which is applied on a monthly basis.

Six Cities' Comment: The Cities support this element of the Draft Final Proposal.

3. The logic for the 15-minute market (FMM) will be based on the submission of an E-Tag transmission profile instead of the assumption that an E-Tag will be submitted.

Six Cities' Comment: The Cities support this element of the Draft Final Proposal.

4. Declined and undelivered energy will be subject to the under/over delivery charge = $0.5 \times \text{MAX}(\text{FMM LMP}, \text{RTD LMP})$, with a \$10/MWh minimum

Six Cities' Comment: The Cities support the proposed methodology for calculating the under/over delivery charge, including the \$10/MWh minimum.

Additional comments

Please offer any other feedback your organization would like to provide on the Intertie Deviation Settlement Draft Final Proposal.

The Six Cities have no additional comments at this time.