



Sacramento Municipal Utility District – Stakeholder Comments

Day-Ahead Market Enhancements Phase 2 Initiative

This template has been created for submission of stakeholder comments on the issue paper and straw proposal that was published on February 28, 2019. The paper/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/Day-AheadMarketEnhancements.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on April 4, 2019.

Submitted by	Organization	Date Submitted
Andrew Meditz (916) 732-6124	Sacramento Municipal Utility District (SMUD)	April 5, 2019

Please provide your organization’s comments on the following issues and questions.

The Sacramento Municipal Utility District (SMUD) appreciates the opportunity to comment on the CAISO’s Day-Ahead Market Enhancements (DAME) Phase II: Flexible Ramping Product Issues Paper/Straw Proposal, dated February 28, 2019 (Proposal). SMUD, as an active participant in the CAISO’s day-ahead market, has a direct interest in changes to this market.

While SMUD has a few specific comments and questions below, we generally support the Phase II Proposal. Providing a day-ahead flexible ramping product (FRP) will enhance efficient operations and provide better ramping capability given the changing resource mix in California.

1. Proposed Day-Ahead Market Structure

Please provide your organization’s feedback on the proposed day-ahead market structure topic as described in section 3 of the proposal. Please explain your rationale and include examples if applicable.

No comment

Please provide your organization's position on the proposed day-ahead market structure topic as described in section 3 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

Support

2. Day-Ahead Flexible Ramping Product

Please provide your organization's feedback on the Day-Ahead Flexible Ramping Product as described in section 4 of the proposal. Please explain your rationale and include examples if applicable.

SMUD supports the proposal in section 4; however, some aspects are unclear whether they apply to intertie resources in the same manner as internal resources. Specifically, it is not clear under section 4.3 Sub-Regional Deliverability how a separate Balancing Authority (BA) can be allocated a portion of the overall FRP requirement. SMUD therefore requests clarification on this point.

Additionally, under section 4.4 Resource Eligibility, it is not clear for intertie participation whether this is a resource-specific requirement, or if a system resource is eligible (for example, if SMUD can participate using its system as a resource to deliver over the interties).

We have the following additional comments to section 4:

- *Under the section on "Eligibility Certification Process," SMUD supports the CAISO's decision to not have a formal certification, and encourages the CAISO to adopt the first option which includes a minimum performance test.*
- *Under the section on "Eligibility for Interties," we strongly support option 2 for intertie resources. Requiring E-Tag submission after the publication of the day-ahead market run is the current process today. This process works well and entities already have the systems in place, which will enhance FRP participation over the interties. Adopting another option (Options 1, 3, or 4) may unnecessarily limit intertie participation in the FRP market.*

Please provide your organization's position on the Day-Ahead Flexible Ramping Product as described in section 4 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats).

Support with caveats – clarification requested per the comments above.

3. Re-Optimization of Ancillary Services

Please provide your organization's feedback on the re-optimization of ancillary services as described in section 5 of the proposal. Please explain your rationale and include examples if applicable.

While spin and non-spin products require 10-minute ramping capability, the FRP is a 15-minute product. SMUD is not sure how the CAISO intends to address this time difference and therefore requests the CAISO provide additional information on this matter.

Please provide your organization's position on the re-optimization of ancillary services as described in section 5 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

Support with caveat – per our comment above, depends on additional information provided.

4. Energy Imbalance Market Governing Body Classification

Please provide your organization's feedback on the EIM Governing Body classification as described in section 6 of the proposal. Please explain your rationale and include examples if applicable.

No comment

Please provide your organization's position on the EIM Governing Body classification as described in section 6 of the proposal. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

Support

APPENDIX C: DRAFT TECHNICAL DESCRIPTION

5. Assumptions and Mathematical Formulations

Please provide your organization's feedback on the assumptions and mathematical formulations included in Appendix C. Please explain your rationale and include examples if applicable.

No comment

Please provide your organization's position on the assumptions and mathematical formulations included in Appendix C. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

No comment

Additional comments

Please offer any other feedback your organization would like to provide on the Day-Ahead Market Enhancements Phase 2 initiative.

No comment