

Western Power Trading Forum Comments

eTagging Requirements

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WPTF is please to offer these comments on the CAISO's December 7, 2009 eTagging proposal.

- Declined Charges
 - WPTF does not believe it prudent to decrease the exemption threshold as that threshold was established in order to ensure that SCs are not penalized when there are reasonable bases for declining instructions. Lowering the threshold would result in penalties applied in the absence of misbehavior and that would be inappropriate.
 - WPTF supports a penalty that is consistent with the burden that an SC creates in real time by declining a dispatch. Setting the penalties at this level establishes proper economic incentives and aligns the consequences of a failure to deliver in real time at the interties with those applied to physical suppliers in state. WPTF does not support penalties that exceed the CAISO's anticipated RT costs – penalties that are punitive in nature.
- CRR Rule Applied to Intertie HASP Reversals
 - WPTF requests that the CAISO provide further information about how the CRR rule would apply to intertie transactions. For example, indicating how the CAISO will “match” DA and HA schedules (e.g., do the schedules need to be exactly matching in location and quantity?) and whether the CRR rule will be applied only if there is no DA tag. WPTF would like an opportunity to provide comments after the CRR rule details are made available by the CAISO.
- Comments General to Both Declined Charges and CRR Rule Application
 - The CAISO indicates that the purpose of the additional scheduling/settlement provisions is to ensure that there are not counter incentives to submitting virtual schedules at the interties, that is that when virtual bidding is in place that SCs are not incented to continue to submit physical schedules when their intent may be to simply have financial transactions that are reversed in the HASP. At the same time, the paper seems to imply that the CAISO is considering the application of these provisions prior to the implementation of convergence bidding. Having provisions to ensure that SCs use convergence bidding for financial transactions makes no sense when convergence bidding is not yet available. The timing of any additional requirement or settlement provisions should coincide with the implementation of convergence bidding.