

Stakeholder Comments Template
Extended Day-Ahead Market Issue Paper

Submitted by	Organization	Date Submitted
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The Eugene Water & Electric Board (EWEB) appreciates the opportunity to comment on the Extended Day-Ahead Market (EDAM) issue paper that was posted on October 10, 2019. EWEB is the largest publicly-owned electric and water utility in Oregon, and is the owner operator of 5 hydro facilities, representing a collective nameplate of 150 MW. EWEB's electric system supplies service to 93,000 residential, commercial, and industrial customers in and around the city of Eugene.

EWEB is interested in the potential development of an EDAM from a number of perspectives. As a load serving entity within the Bonneville Power Administration (BPA) Balancing Authority, EWEB is within the potential EDAM footprint. Further, as an owner operator of flexible generation, and active participant in all western bilateral markets, any organized day-ahead market would be highly disruptive to our current practices and procedures. Finally, as a purchaser of preference power and transmission services from BPA, we are very interested in the potential impacts that the EDAM could have on BPA as a load serving entity and market participant, and also as the operator of roughly 15,000 miles of high voltage transmission throughout the western interconnect.

As a member of both the Public Power Council (PPC) and Public Generating Pool (PGP), EWEB was engaged in the development of the "Northwest Public Power Interests for a Day-Ahead Market," ("*NW Interests*") and we would encourage CAISO to reflect on those interests as the stakeholder process moves forward. Finally, we would like to note our support for the comments submitted by both PPC and PGP, as well as the interests represented in the document itself.

1. Transmission Provision

EWEB is in support of CAISO staff's position that the current approach to transmission in the EIM needs to be reconsidered. As a BPA transmission customer, we are concerned with the difficulty that BPA may have with making available the transmission necessary for a functional EDAM, in particular given the need for a high curtailment priority given that efficient and reliable load service is the functional intent of the EDAM.

EWEB would also like to highlight the language in the *NW Interests* document in support of continuing the principles of Open Access, in that equitable access and assignment of costs among transmission customers, including those participating in EDAM, is essential. Further, it is essential to EWEB that transmission costs are allocated to users based on cost causation, and that implementation and expansion of the EDAM does not result in any material costs shifts, or adverse impacts to existing physical transmission rights.

Finally, EWEB shares the concerns that have already been raised by a number of other parties in regards to fair compensation to EIM/EDAM participants for the large number of wheel throughs that inevitably occur.

2. Distribution of congestion rents

EWEB would like to learn more about how CAISO anticipates implementing congestion rents, and congestion revenue rights (CRRs) with TSPs that do not utilize a transmission access charge to recover costs.

3. Resource sufficiency evaluation (including forward planning and procurement; trading imbalance reserves and capacity; EIM resource sufficiency evaluation)

EWEB is in support of the concepts included in the EDAM Issue Paper specific to resource sufficiency (RS), and is especially supportive of the concept that participant BAAs not “lean” on each other.

Given numerous parties’ experience in the EIM, EWEB is concerned about how a day-ahead resource sufficiency evaluation will consider deliverability, and to what extent. We believe it is essential that any robust resource sufficiency framework consider congestion, and specifically whether a given set of resources will be deliverable to a given set of loads.

4. Ancillary services

EWEB supports further exploration of the inclusion of ancillary services in EDAM, consistent with the principles laid out in the *NW Interests* paper as well as those addressed elsewhere in relation to price formation, resource sufficiency (i.e., “leaning”), and transmission utilization and compensation.

5. Modeling of non-EDAM imports and exports

EWEB would like to learn more about how the CAISO intends to model non-EIM imports and exports before exploring expansion and utilization of the same construct in an EDAM.

6. External participation

EWEB is very supportive of the concept of external resource participation in EDAM, and believes that it will be essential to the initiatives' near-term success.

Recognizing that not all eligible entities will be ready to participate in the initial EDAM onboarding scheduled for Spring 2022, external participation would likely serve as a useful and important bridge to full EDAM participation in the future. Further, external resource participation, assuming a robust and comprehensive resource sufficiency framework, would both enhance the ability of an EDAM participating entity to meet its RS obligations, while also increasing liquidity and ensuring the most efficient market dispatch of resources to serve load throughout the EDAM footprint.

7. Accounting for greenhouse gas costs

EWEB agrees with CAISO that the GHG accounting paradigm utilized in the EIM is inappropriate for use in an EDAM. EWEB would be very supportive of any effort to improve upon the existing methodology to solve the many "leakage" and "deeming" issues that negatively impact the market today.

We believe development of a flexible methodology that takes into account the various needs of the many potential participating entities is essential, and would support a program that provided for reporting that is as close to actual flows as is possible. Finally, the *NW Interests* paper provides additional detail in this area as well.

8. Convergence bidding

EWEB would like to better understand the implications of convergence bidding in EDAM. Further, similar to PGP, EWEB requests that CAISO begin with a thorough description of convergence bidding today, as well as what the benefits and drawbacks of enabling convergence bidding in EDAM would be.

9. Price formation

EWEB supports CAISO's approach to the discussion of price formation, and fully believes that co-optimization of reliability capacity necessary for extension of the day-ahead market to EIM entities. Further, the *NW Interests* paper provides additional detail on EWEB's position in regards to price formation in an extended day-ahead market.

10. EDAM administrative fee

EWEB supports the assignment of administrative fees consistent with the principle of cost causation.

11. Review of day-ahead settlement charge codes

EWEB has no comments.

12. Miscellaneous (inter SC trades)

EWEB has no comments.

13. EIM Governing Body classification

EWEB supports the "joint authority" concept proposed by CAISO, and believes that the EIM Governing Body should be involved in the approval of all aspects of EDAM market design.

14. Additional items to be added to scope:

No additional comments, outside of those included in the *NW Interests* paper.