



## NCPA Stakeholder Comments

### Day-Ahead Market Enhancements Initiative 2020 Straw Proposal

This template has been created for submission of stakeholder comments on the straw proposal that was published on February 7, 2020. The proposal, February 10, 2020 Stakeholder meeting presentation, March 5, 2020 Stakeholder call presentation, and other information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/StakeholderProcesses/Day-ahead-market-enhancements>

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on March 26, 2020.

Submitted by	Organization	Date Submitted
Mike Whitney (916) 781-4205 mike.whitney@ncpa.com	NCPA	March 26, 2020

**Please provide your organization’s overall position on the DAME straw proposal:**

- Support
- Support w/ caveats
- Oppose
- Oppose w/ caveats
- No position

**Please provide written comments on each of the straw proposal topics listed below:**

NCPA understands the uncertainty and variability challenges CAISO encounters when transitioning from market to market, particularly from DAM to FMM. NCPA also understands the solution to the problem will require advanced levels of complexity. As CAISO has long recognized, NCPA has managed its own MSS Demand uncertainty and variability within the CAISO framework for many years. NCPA very much appreciates CAISO’s long-term recognition of the unique nature of Load Following Metered Sub-System Aggregators and the benefits they provide to CAISO. Such recognition must continue to be documented in this initiative, the CAISO Tariff, and the NCPA MSSAA as this initiative evolves.

**1. New day-ahead market products, including reliability energy, reliability capacity, and imbalance reserves.**

NCPA's primary position in this initiative is that, as a Load Following Metered Sub-System required to submit sufficient bids of capacity and energy in the Day Ahead Market to meet forecasted MSS Demand (as opposed to bid-in demand) and balance MSS Demand with matching supply in each 5-minute interval in real time or else be assessed severe financial penalties, NCPA already provides assurance that its loads and resources will balance over the course of the day and achieves the same result that CAISO seeks for the market as a whole with the new day-ahead products, which are therefore not necessary to meet NCPA's MSS Demand. MSSAA 12.16, CAISO Tariff 4.9.13 and other sections as applicable will require replacing provisions on RUC applicability with provisions addressing the MSSA treatment for reliability energy and reliability capacity products.

NCPA manages its MSS Demands' variability and uncertainty in real time with a generation fleet consisting of multiple flexible resources. These resources utilize energy from Load Following Up and Down reserve capacity to balance the MSSA portfolio as per the MSSA Load Following Deviation Energy Formula and any resulting deviations above or below the formula specifications result in severe financial penalties. Due to these LF-MSSA obligations, CAISO will not be required to procure RE, RCU, RCD, IRPU, or IRPD on behalf of MSS Demand and such costs must be allocated accordingly.

**2. Settlement and cost allocations.**

Please see item 1.

**3. Bidding rules and offer obligations.**

No comment at this time.

**4. Scheduling rules for variable energy resources.**

No comment at this time.

**5. Deliverability approach for reliability capacity and imbalance reserves.**

No comment at this time.

**6. Approach for congestion revenue rights.**

No comment at this time.

**7. Approach for local market power mitigation**

No comment at this time.

**8. Regression approach to determine the imbalance reserve requirement.**

No comment at this time.

**9. Additional comments:**

No comment at this time.