



**COMMENTS OF NV ENERGY
LOCAL MARKET POWER MITIGATION
DRAFT TARIFF LANGUAGE**

April 30, 2019

NV Energy appreciates the opportunity to comment on the draft tariff language implementing the Locational Marginal Price Enhancements posted on April 16, 2019.

With respect to the draft new section 29.29(e) of the CAISO Tariff, the CAISO proposes that the timelines for an EIM Entity to opt into or out of the Net EIM Transfer Limit program will be included in the EIM Business Practice Manual. This is a practice that can significantly affect rates, terms, and conditions of service and is readily susceptible to specification. Accordingly, under FERC's "rule of reason" policy, the timeline should be in the tariff and not the BPM.

In addition, the tariff should require the CAISO to post a list of the EIM Entities that have imposed the Net EIM Transfer Limit. This election should be transparent to all market participants. Moreover, certain of the FERC-jurisdictional EIM Entities may elect not to implement this limit as a condition of their continued ability to sell at market-based rates in the EIM. The posting requirement will give regulators the visibility and assurance that the commitment is being implemented.

A number of issues are not clear from the draft tariff language and should be specified:

- Will a third-party EIM Participating Resource be permitted to continue to sell into the EIM at their respective Default Energy Bid price, if they are located in the Balancing Authority Area of an EIM Entity that has elected to implement the Net EIM Transfer Limit option? In other words is the election only applicable to the merchant of the EIM; is it a customer-by-customer choice; or does the EIM Entity's protection of its own merchant sales restrict potential sales by third parties?
- Will the transmission, either capacity donated by the EIM Interchange Rightsholder or ATC identified by the EIM Entity, continue to be available for import and wheel through, even if the EIM Entity elects the Net EIM Transfer Limit option?

NV Energy supports the Competitive LMP Parameter limit being set at \$0.01 in the CAISO Tariff.