

**Portland General Electric Comments**  
**CAISO Day-Ahead Market Enhancements Issue Paper and Straw Proposal**

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Portland General Electric Company (“PGE”) appreciates the opportunity to provide comments on the California Independent System Operator’s (“ISO”) Day-Ahead Market Enhancements Issue Paper and Straw Proposal.

PGE supports the ISO’s goals of improving the ability for their day-ahead market to optimally position available supply and demand to address the net-load ramping and imbalance management challenges currently stressing the real-time market. PGE appreciates the ISO’s efforts to include Western Energy Imbalance Market (“EIM”) stakeholders in this initiative, as well as their commitment to assessing the potential issues and opportunities presented by the proposed changes as they relate to the upcoming “Extend Day-Ahead Market to EIM” effort. PGE expects the changes proposed will have a significant impact on price formation, reliability, and long-term resource planning in the western energy markets and will shape the wholesale energy market landscape of our region for years to come. For that reason, PGE encourages the ISO and stakeholders to commit adequate resources to this and associated initiatives to ensure thorough vetting of each aspect of the proposal, both in isolation and in the context of associated expected market changes<sup>1</sup>.

At the conceptual level, PGE supports the ISO’s proposals related to the 15-minute day-ahead market, combining of the integrated forward market and residual unit commitment processes, and establishment of a biddable day-ahead imbalance reserve product. PGE looks forwarding to reviewing the technical details and analysis the ISO is preparing, and PGE will likely have additional questions at that time. For now, PGE requests the ISO consider addressing the following comments in its next draft or at its next stakeholder meeting on the Proposal:

- The ISO should consider incorporating software changes into this proposal that would extend the short-term unit commitment process timeline such that it will be able to factor dual-peaking requirements intra-day. PGE expects this could improve intra-day unit commitment decisions, promote increased participation for fast-start EIM resources, and reduce balancing demands related to wind resources’ unique forecasting challenges (as opposed to solar).
- The ISO should share more information on the technical challenges associated with processing 15-minute bidding granularity in the day-ahead market, and explain the cost-benefit calculus behind their decision to only support hourly bidding in the straw proposal.
- The ISO should share technical analysis that shows it is sufficiently capable of accurately forecasting 15-min variable supply and demand in the day-ahead timeframe to reduce average uncertainty error as compared to current practices. The ISO’s analysis should assess forecasting capabilities associated with each type of uncertainty driver, and should differentiate between resources that have distinct forecasting challenges, such as solar, wind, and geothermal, rather than considering them only as a broad category.

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<sup>1</sup> These may include: FRAC-MOO-2, Intertie Deviation Settlement, Extend Day Ahead Market to EIM, Imbalance Conformance Enhancements, FRP enhancements, persistency forecast model enhancements, CCDEBE, CCE-3, ESDER-3, CPUC RA proceedings, and others.

- The ISO should work with stakeholders, including the Department of Market Monitoring, to identify additional drivers of net-load ramping and imbalance management challenges related to the existing day-ahead and intra-day market processes that could be addressed through this initiative.
- The ISO should consider requiring day-ahead awards for energy or capacity sourced from outside the ISO's BAA (e.g., intertie awards) to be tagged day-ahead, or alternatively in the short-term unit commitment window, to reduce potential reliability exposure related to a physical failure-to-deliver of the awarded market product in the real-time market and to prevent adverse impacts from off-system transmission constraint management issues that could surface just prior to the operating hour.

Again, PGE appreciates the opportunity to provide comments, and looks forward to working with the ISO and stakeholders to develop and implement efficient, effective solutions to the issues identified.