

Background:

This document provides an opportunity for interested stakeholders to submit informal comments and perspectives on various topics discussed during the working group process. There is recognition that additional details are needed on these topics that will be developed throughout the initiative, and stakeholders will have opportunities to provide more comprehensive and formalized comments on these topics to the extent these become part of a formal proposal. Please be brief in any written responses to facilitate review, recognizing these represent informal reactions at this early stage.

Please submit your comments using this template to ISOStakeholderAffairs@caiso.com by end of day March 15th, 2022.

Question:

For each question please provide your perspectives on the concepts based on the information discussed in the working groups to date, recognizing that additional detail will be provided through the straw proposal that will allow you to consider the concepts in a more complete light. If desired, please provide additional context and/or identify additional aspects for consideration.

PPC appreciates the opportunity to submit initial comments on the questions discussed by the Supply Commitment and Resource Sufficiency working group. We are glad that the CAISO has heard stakeholder requests for the opportunity to submit written comments. The one week turn around for these comments, along with the pace of the ongoing discussions among the workgroups creates a challenge for PPC to fully vet and explore the questions below with our membership. We offer this caveat as context for these initial comments and look forward to the opportunity to more fully consider these questions as part of CAISO's straw proposal for EDAM. Additional time, as well as the ability to further assess these proposals as part of a package will be important for additional vetting of these issues.

1. Please share your organizations perspective on the need for, and value of, a month ahead (45-day) advisory submission of a general resource plan by the EDAM Entity to provide some level of confidence in meeting day-ahead resource sufficiency throughout the month. (discussed 1.5 & 1.10)

PPC does not see specific value in a month ahead (45-day) ahead advisory resource plan submission at this time. This far in advance, it does not seem likely that the information submitted in the month ahead advisory showing would be accurate enough to provide helpful information to participants. We understand that this showing may have additional value for those complying with California's resource

adequacy requirements. If a month ahead advisory showing is adopted it must be clear that no findings from that test are binding, and all entities must pass the day ahead test, independent of any results of the advisory showing results.

2. Please share your organizations perspective on the nature of the consequences for failing to pass the Day Ahead resource sufficiency evaluation. Should the consequence be physical freezing of transfers, or a form of financial consequence? (discussed 2.23)

PPC is open to a range of potential failure consequences for not passing the Day Ahead resource sufficiency test. We share the concern raised by other stakeholders that these consequences should not result in unintended consequences. The RSE policy for EDAM should include a built-in review after EDAM goes live to evaluate whether the failure consequences are functioning as intended.

To the extent that financial consequences are applied for failing the test they should: 1) be significant enough that they deter regular failure of the test - that is, this financial consequence should not be such that entities regularly choose the financial penalty option; and 2) the level of the financial penalty should be informed by a larger discussion on scarcity pricing. It will be important that the CAISO take a holistic approach to developing these failure consequences, including considering how they pair with future failure consequences in the EIM.

3. Please share your organizations perspective on whether there is merit to creating a platform to facilitate intra-day, before the day-ahead market is run, trading of bid range and imbalance reserve capacity with between EDAM BAAs. (discussed 2.23)

PPC sees potential value in such a platform, which should provide additional tools to participants to avoid failing the day a head RSE. It also provides a mechanism to ensure that those providing capacity to the market are compensated for that capacity. This could potentially help address equity concerns that PPC has given that there is not a specific, consistent compensation proposed for capacity supplied within the EDAM footprint. PPC would appreciate additional discussion on the proper format for such a platform including who should operate that platform.

4. Please share your organizations perspective on whether a penalty structure needs to be developed to incent performance of firm energy contracts supporting imports (i.e., WSPP Schedule C arrangements) utilized to demonstrate resource sufficiency and sources from non-EDAM BAAs. (discussed 2.23)

A penalty structure for non-performance of firm contracts used to demonstrate resource sufficiency from non-EDAM BAAs could potentially be a tool to improve performance of that supply. More discussion is needed to see if such a penalty is required ensure that entities participating in EDAM can confidently rely on the capacity used to pass the RS test. PPC is still considering the best structure for such a

penalty, and we look forward for additional opportunity to comment on that framework as part of CAISO's straw proposal. Any penalty adopted should be revisited after the EDAM goes live to evaluate any unintended consequences.

5. Please share your organizations perspective on the Residual Unit Commitment (RUC) as an integral component of the EDAM framework based on the working group discussions to date. Should RUC be part of the EDAM? (discussed 2.25, 2.28)

PPC suggests that this question should be addressed in coordination with the day ahead market enhancements proposal to assess the need for RUC and to better understand how RUC fits in with new products proposed through that process. We still believe that co-optimized procurement of energy and capacity is the optimal starting point for EDAM. PPC is still working to understand the proposed application of the RUC outside of the EDAM based on recent discussions.

6. Please share your organizations perspectives on convergence bidding (virtual bidding) as a feature of the EDAM based on the working group discussions to date. Should convergence bidding be a feature of the market, Day 1, at the start of EDAM? (discussed 2.25, 2.28)

PPC would like to better understand the potential impacts of convergence bidding and is not ready to comment at this time.

7. Please share your organizations perspective on the topic of dependability of EDAM transfers. What is the level of confidence and/or priority that should be afforded to EDAM transfers relative to other transactions? (discussed in upcoming 3.9 meeting)

It is critical that EDAM transfers be firm and treated as firm in order to provide the confidence required for participants to actually decommit resources. This confidence to decommit resources will be essential to capture the potential benefits of day ahead market expansion across the west.