

COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE WORKSHOP ON PENALTY PRICES AND SCHEDULING PRIORITIES IN CAISO MARKETS

In response to the CAISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide their comments on the November 20, 2020 Workshop on Penalty Prices and Scheduling Priorities in CAISO Markets, organized in accordance with the comment template posted by the CAISO.

1. Provide summary of your organization's comments on the workshop and the scope of the material presented:

Six Cities' Summary: The Six Cities generally support the changes in practice the CAISO adopted on September 5, 2020 to use schedules from the scheduling run instead of schedules from the pricing run in the RUC process and to use RUC schedules for exports as the reference protected into real-time markets based on their understanding that these changes in practice will provide greater assurance that day-ahead export schedules will be adequately supported by physical resources. However, in view of the complexities of the interactions among the various Day-Ahead and Real-Time Market runs, the policy issues associated with applying scheduling priorities to RA resources versus non-RA resources, and the potential impact of both exports and imports during times when grid conditions are stressed, the Six Cities recommend that the CAISO promptly establish a new initiative to explore on a holistic basis the policies that should apply to exports when grid conditions are stressed and whether different policies should apply to exports from RA capacity versus non-RA capacity under such conditions.

2. Provide your organization's comments on change in practice the CAISO adopted on September 5, 2020, to use schedules from scheduling run in the day-ahead residual unit commitment (RUC) process instead of schedules from pricing run:

Six Cities' Comments: The Six Cities generally support the change in practice the CAISO adopted on September 5, 2020 to use schedules from the scheduling run in the RUC process instead of schedules in the pricing run based on their understanding that this change in practice will provide greater assurance that physical resources will be sufficient to support RUC schedules.

3. Provide your organization's comments on the change in practice the CAISO adopted on September 5, 2020, to use RUC schedules for exports as the reference protected into real-time markets:

Six Cities' Comments: The Six Cities support the change in practice the CAISO adopted on September 5, 2020 to use RUC schedules for exports as the reference protected into real-time markets based on their understanding that this change in practice will provide greater assurance that day-ahead export schedules will be adequately supported by physical resources.

4. Provide your organization's comments on current priority assigned to the various types of export self-schedules as described in Section 31.4 and 34.12 of the CAISO tariff:

Six Cities' Comments: The Six Cities have questions regarding references in Section 31.4(e) and (f) and in Section 34.12.1(a) to “exports explicitly identified in a Resource Adequacy Plan to be served by Resource Adequacy Capacity explicitly identified and linked in a Supply Plan to the exports.” The Six Cities request that the CAISO explain: (a) the circumstances under which a Resource Adequacy Plan would include exports to be served by Resource Adequacy capacity (with examples if helpful), and (b) the process by which the CAISO would identify such exports in the course of implementing the priorities identified in the tariff sections.

5. Provide your organization’s comments on what additional detail regarding today’s practices should be included in the BPM language to better describe business practice change adopted on September 5, 2020.

Six Cities' Response: The Six Cities have no comments regarding the BPM language in PRR 1282.

6. Provide your organization’s comments on what additional details regarding scheduling priorities and the treatment of self-schedules should be discussed in subsequent stakeholder meetings.

Six Cities' Comments: The discussion during the November 20, 2020 workshop of the priorities applicable to exports highlighted the complexities of the interactions among the various Day-Ahead and Real-Time Market runs as well as the policy issues associated with applying scheduling priorities to RA resources versus non-RA resources. Given the potential impact of both exports and imports during times when grid conditions are stressed, the Six Cities recommend that the CAISO promptly establish a new initiative to explore on a holistic basis the policies that should apply to exports when grid conditions are stressed and whether different policies should apply to exports from RA capacity versus non-RA capacity under such conditions.

Submitted by,

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