

## 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](mailto:ISOStakeholderAffairs@caiso.com) by end of day March 15<sup>th</sup>, 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.

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)

Tacoma Power maintains a robust integrated resource planning process as well as risk management processes. As a result, we have high confidence in our ability to serve our load 45 days in advance without reliance on the day-ahead market. Accordingly, we see only limited value in a 45-day advisory check. However, we do believe that a tool that allows an EDAM entity to test its resource sufficiency standing on an advisory basis in the hours prior to close of the day-ahead market would be useful.

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)

Tacoma Power believes that it is critical that all load serving entities have secured in advance sufficient resources to serve their net peak load in advance of day-ahead trading. Generally, we believe that financial penalties assessed in the day-ahead trading horizon represent insufficient incentives to achieve this goal; however, in the rare event an entity does find itself resource deficient in the day-ahead timeframe, we think it is appropriate for the entity to be able to access the market to help cure the deficiency. Systematic or repetitive deficiencies, especially during tight system conditions, should not be allowed to persist.

3. Please share your organizations perspective on whether there is merit to creating 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)

While we appreciate the notion of bid range trading, we believe that it is more important that a transition to centralized day-ahead trading accommodate the ability of entities to continue to transact bilaterally and schedule energy using OATT transmission as is done today. Unless and until we are able to transfer our registered balancing authority reliability obligations to the market operator or some other entity, we will need to preserve these tools, at least on day-1 of market participation.

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)

Generally, we believe that if an entity has submitted e-tags during the preschedule horizon, then it has provided evidence of adequate performance for day-ahead market energy awards.

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)

We believe that the IFM and RUC processes should be combined into a single procurement of day-ahead energy, capacity, and flexibility so these attributes may receive concurrent compensation with a single market award. We do not agree with the approach of separating RUC from IFM and running successive market processes.

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)

While we recognize that convergence bidding and virtual bids may provide a desirable market efficiency function, we are concerned about their potential effect on actual resource dispatch. This concern is heightened by the fact that unlike load serving entities in CAISO, we will not be transferring our balancing authority reliability responsibilities to CAISO.

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)

Dependability of EDAM transfers both in the import and export direction are important for our organization. While the hydroelectric generation resources operated by Tacoma Power generally offer significant flexibility, there are times and circumstances when a dependable day-



ahead schedule is essential to maintain a safe and reliable operation.