



## Stakeholder Comments Template

### Day-Ahead Market Enhancements (DAME) Initiative

This template has been created for submission of stakeholder comments on the revised straw proposal that was published on June 8, 2020. Materials related to this initiative can be found on the ISO website at: <http://www.caiso.com/StakeholderProcesses/Day-ahead-market-enhancements>.

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on July 6, 2020.

Submitted by	Organization	Date Submitted
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**Please provide your organization's overall position on the DAME revised straw proposal:**

- Support
- Support w/ caveats
- Oppose
- Oppose w/ caveats
- No position

Wellhead is concerned with the delay of the Imbalance Reserve Product (IRP) due to the time required to achieve a proposal on the on the market formulations that a majority of stakeholder can support. Clearly there is support for the IRP product in 2021 while maintaining the current RUC process. Wellhead believes that unbundling the IRP product from the rest of the problematic portions of this enhancements proposal at this time will only help facilitate the discussions on some the more difficult concepts.

**Please provide written comments on each of the revised straw proposal topics listed below:**

**1. Updated market formulation:**

Wellhead believes that this latest proposal, while well intended, is an unnecessary compromise which may provide problematic incentives.

- Wellhead still strongly supports the proposal made in the February working group which included both Reliability Capacity (RC) and Reliability Energy (RE).
  - Wellhead does not hold the view that co-optimizing the financial and physical markets will do anything except provide for the most efficient dispatch while limiting some of the gaming opportunities available to virtuals today.
- Wellhead is open to further discussions about the impact of dropping RE, but at present we do see that this could lead to bidding behavior that would disincentivize resources from providing marginal bids for DA energy and instead favor a RC bid that would be combined with RT energy later.

**2. Accounting for energy offer cost in upward capacity procurement:**

If the CAISO does move forward with the current proposal, then Wellhead strongly supports this method as the most efficient way to manage the problematic incentives mentioned above.

**3. Variable energy resources:**

No comments at this time

**4. Market power mitigation for reliability capacity and imbalance reserves:**

Wellhead supports the market power mitigation for reliability capacity and imbalance reserves at \$30, provided that the \$30 value based on the 90<sup>th</sup> percentile be updated on an annual basis.

**5. Please include additional comments including considerations for other possible solutions or concerns to any of the above topics:**

None at this time