

**PGE Comments on the
CAISO Energy Imbalance Market Year One Enhancements**
January 22, 2015

Portland General Electric Company (PGE) appreciates the opportunity to comment on CAISO's Energy Imbalance Market (EIM) Year One Enhancements, derived from the Issue Paper and Straw Proposal posted on Nov 10, 2014, and the CAISO meeting in Portland, Oregon, on January 8, 2015. We recognize the challenges that CAISO faces with implementing a market model that consists of many complexities and appreciate the efforts taken. PGE would like to focus on the following topics at this time:

Green House Gas (GHG) Flag and Cost Based Bid Adder

PGE would like clarification on the implementation of the GHG adder, specifically around the "flag" to allow participating resources to opt out of being considered for EIM transfer into California. PGE would like clarification of any differences between the GHG "flag" as it was explained at the January 8th CAISO meeting in Portland, versus in the November 10th Issue Paper. At the Portland stakeholder meeting, it was stated that "the "flag" will be equivalent to bidding 0 MW (January 8th Portland meeting, slide 10) into the GHG MW bid screen; however, the Issue Paper stated that "a participating resource SC can *select the flag to not allow* energy from the resource to support EIM transfers into the ISO. The flag will be included in the Master File" (p. 8). PGE would like to ensure that this "flag" is clearly specified in the Master File in order to limit operator error in bidding erroneously in the GHG bid screen. PGE is particularly concerned that under a contingency event or exceptional dispatch scenario, the EIM market may unintentionally dispatch a resource that cannot be exported out of the State due to operational or regulatory restrictions. With respect to the variable cost option, PGE would like more clarification around how this cost option will be calculated daily. Finally, PGE requests that CAISO clearly identify the information sources used to derive the GHG cost adder.

Use of ATC for EIM Transfers

PGE supports an EIM and its benefits of co-optimization and the efficient dispatch of resources across a shared footprint. PGE understands that CAISO is committed to greater coordination with BPA (the path operator) and the other co-owners of the AC Intertie to ensure that any use of ATC on the AC Intertie for EIM transfers does not create greater seams issues or market disruptions. As a co-owner of the Intertie and a customer with transmission rights on the Intertie, PGE supports that effort for increased coordination.

EIM Transfer Limits

CAISO briefly went over three slides at the Portland meeting on EIM Transfer Limits but deferred to a technical workshop that will be held at the end of this month. PGE requests that CAISO allow for a

reasonable period for stakeholders to digest and comment on this issue after the workshop. CAISO should include this feedback in the post draft final proposal.

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