



**PACIFICORP'S COMMENTS ON THE
EIM GO-LIVE ENHANCEMENTS
DRAFT FINAL PROPOSAL**

I. INTRODUCTION

Pursuant to the schedule established by the California Independent System Operator Corporation ("ISO") for its EIM Go-Live Enhancements Stakeholder Process, PacifiCorp submits the following comments to the ISO on the Draft Final Proposal dated June 9, 2014 ("Draft Final Proposal"). PacifiCorp appreciates the opportunity to provide comments on this initiative for the ISO's consideration.

II. COMMENTS

**A. EIM Transfer Limits to be Included in the ISO Department of Market Monitoring's
Local Market Power Mitigation Procedures**

In its order issued June 19, 2014, in Docket ER14-1386-000, the Federal Energy Regulatory Commission ("FERC") provided direction on the ISO's recommendation to perform market power mitigation on Energy Imbalance Market ("EIM") transfer limits. FERC authorized the ISO to propose in a tariff filing the implementation of "... real-time local market power mitigation on EIM interties if it believes, and can demonstrate, that such mitigation is warranted after the Department of Market Monitoring completes its assessment of structural market power in PacifiCorp's BAAs."¹ Since filing the ISO EIM tariff, the Department of Market Monitoring ("DMM") performed a structural competitive assessment analysis, and based on the analysis, has recommended that EIM transfer limits into an EIM balancing authority area ("BAA") be subject to the local market power mitigation ("LMPM") process. The ISO is proceeding with the DMM's recommendation and proposes to make a filing with FERC upon approval by the ISO's Board of Governors.

PacifiCorp supports the ISO's proposal to include EIM transfer limits in the DMM's LMPM process to mitigate EIM bids when the process identifies non-competitive constraints on the interties between EIM BAAs. PacifiCorp understands that such mitigation will lower EIM bids to the maximum of the competitive system price or the default energy bid. Further, PacifiCorp supports the DMM's recommendation that the ISO pursue options for reducing unnecessary mitigation, and that the structural competitive assessment should be performed again in at least

¹ See *California Independent System Operator Corporation*, 147 FERC ¶ 61,231 (2014) at P 220.

one year utilizing actual EIM data. PacifiCorp looks forward to participating in future stakeholder processes regarding enhancements to the LMPM process for EIM transfers.

B. Tariff Amendment for Multi-Stage Generation Model for Coal-Fueled Resources

PacifiCorp appreciates and supports the ISO's proposal to amend its Tariff to allow coal-fueled multi-stage generation ("MSG") resources to negotiate a transition cost multiplier, consistent with the procedures in ISO Tariff Section 39.7.1.3. In addition, PacifiCorp supports the ISO's proposed tariff language written to apply to any resource that is not natural gas-fueled, so that the amendment is not limited to coal-fueled resources, to allow any MSG resource not fueled by natural gas that participates in the EIM in the future the opportunity to negotiate a transition cost multiplier.

III. CONCLUSION

PacifiCorp appreciates the ISO's consideration of these comments and understands that the ISO plans to present its proposals to the ISO's Board of Governors for decision at its July, 2014 meeting.