

COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE DRAFT TARIFF LANGUAGE FOR THE ENERGY IMBALANCE MARKET

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") submit the following comments on the ISO's Energy Imbalance Market ("EIM") First Draft Tariff, posted on November 12, 2013.

Section 29.1(a) At the end of the section, insert "with the CAISO ("EIM Entity")."

Section 29.1(b)(2) There is significant ambiguity with regard to the application of CAISO Tariff provisions other than those in Section 29 to EIM Market Participants. It appears from the definitions that EIM Scheduling Coordinators and EIM Participating Resources are also Market Participants. Under Section 29.1(b)(2)(C), are all CAISO Tariff provisions that are applicable to Market Participants applicable to such entities?

Section 29.1(c) The Six Cities do not support the order of priority proposed in this section. Other CAISO Tariff provisions generally have been in place and, therefore, tested by time. The new, untested provisions of Section 29 should not trump other CAISO Tariff provisions.

Section 29.1(d)(1) In the first line of the section, change "thirty (30) days" to "ninety (90) days". The window for potential reversion to pre-EIM operations should be longer than thirty days to allow the ISO to address issues that may not arise during the first thirty days of EIM operations.

In the second line of the section, delete "implementation date" and insert in its place "commencement of transactions or operation". This language makes clear that the commencement of the period for potential temporary reversion begins with actual transactions under the EIM.

Change the last phrase in the section to read ". . . if market or system operational issues adversely impact the EIM Area, the CAISO Balancing Authority Area, or any EIM Entity Balancing Authority Area." The ISO should have the ability to revert to pre-EIM operations if there are adverse impacts on the CAISO Balancing Authority Area as well as on any EIM Entity Balancing Authority Area.

- Section 29.1(d)(2) At the end of the first line, insert “EIM related” after “the”.
- Section 29.2(a)(2) Modify the last phrase of the section to read “based on its transmission ownership and /or its contractual or administrative rights.
- Section 29.2(b)(2) In the second line, insert “within” after “FERC.”
- Section 29.4(a)(2) Revise this section to read:
- Operating Responsibilities.** ~~During any interruption of the normal operation of the EIM, the~~ CAISO as Balancing Authority shall remain responsible for managing the resources in its Balancing Authority Area, and the flows on transmission lines internal to the CAISO Balancing Authority Area, including imports and exports, regardless of the operational status of the EIM ~~for the duration of the interruption.~~
- Section 29.4(b)(1)(D) Once the EIM is implemented, would there be any inadvertent energy flows between an EIM Entity and other Balancing Authority Areas participating in the EIM? If not, the Cities suggest clarifying this section as follows:
- “An EIM Entity remains responsible for tracking inadvertent energy between its Balancing Authority Area and other Balancing Authority Areas that are not participating in the EIM and administering the payback of inadvertent energy for its Balancing Authority Area through processes established by WECC.”
- Section 29.4(c)(3)(A) For clarity and consistency, change the first phrase to read “may represent a Market Participant other than an EIM Entity that is not an EIM Participating Resource, . . . ;”
- Section 29.4(c)(4) Consider modifying this section to delete sub-sections (C) through (H). Sub-sections (A) and (B) are general and comprehensive. In contrast, sub-sections (C) through (H) are simply some of the more important examples of the obligations encompassed under (A) and (B). If, however, the ISO prefers to retain sub-sections (C) through (H), consider adding a sub-section on the obligation to submit Base Schedules for the EIM Entity Balancing Authority Area.
- Sections 29.4(d)(1)(C) and (d)(3)(D) Conform the terminology for references to the Air Resources Board

<u>Section 29.4(e)(3)(A)</u>	For clarity and consistency, change the first phrase to read “may represent a Market Participant other than an EIM Participating Resource that is not an EIM Entity, . . . ;”
<u>Section 29.4(e)(4)(E)</u>	Conform the terminology for the reference to the Air Resources Board to the term used in Sections 29.4(d)(1)(C) and (d)(3)(D)
<u>Section 29.11</u>	As a general matter, this section is ambiguous with regard to the application and/or allocation of the various charges, credits, adjustments, or transfers discussed in the section to the CAISO Balancing Authority Area. Based on the terminology used in other sections of the draft Tariff language, the definition of EIM Balancing Authority Area does not appear to include the CAISO Balancing Authority Area. But it appears that the items discussed in this section should be applicable to the CAISO Balancing Authority Area as well as to EIM Balancing Authority Areas. This should be clarified either by a general provision or by specific references to the CAISO Balancing Authority Area.
<u>Section 29.11(d)(1)(A)</u>	In the first line, change “remand” to “demand”.
<u>Section 29.11(e)(4)(A)</u>	In the third line, insert “the” before “sum”.
<u>Section 29.11(e)(4)(B)(ii)</u>	In the third line, change “calculation” to “calculations”.
<u>Section 29.11(j)(1)</u>	In the first line, change “Coordinator” to “Coordinators”.
<u>Section 29.34(o)(5)(B) and (C)</u>	The sufficiency evaluation for an EIM Entity Balancing Authority Area with a net outgoing EIM Transfer (sub-part (B)) does not appear symmetric with the sufficiency evaluation for an EIM Balancing Authority Area with a net ingoing EIM Transfer (sub-part (C)). The Cities request that the ISO explain the reasons for this asymmetry and explain why this asymmetry will not result in a shortfall of available flexible ramping capacity.
<u>Definition of Energy Imbalance Market (EIM)</u>	The definition refers to procurement of imbalance energy “through economic bids submitted by EIM Participating Resource Scheduling Coordinators,” which appears to exclude resources located within the CAISO Balancing Authority Area. It is the Six Cities’ understanding that the EIM optimization includes resources within the CAISO BAA. If that is the case, this definition should be revised to so clarify.
<u>Definition of EIM Base Schedule</u>	Add “for” at the end of the second line of the definition.

Definition of EIM
Market Participant

Should this definition include Market Participants within the CAISO Balancing Authority Area that submit economic bids into the Real-Time Market?

EIMEA §5.1

Add at the end of the section “and for all costs allocated or assigned to it pursuant to the CAISO Tariff.”

EIMESCA §2.1.4

In the second line, delete “the” before “Section”.

EIMESCA §2.1.5

In the first line, delete “the” at the end of the line.

EIMESCA §8.1

Add at the end of the section “and for all costs allocated or assigned to it pursuant to the CAISO Tariff.”

EIMPRA §3.2.1

In the fifth line, change “Entity” to “Participating Resource”.

EIMPRA §3.2.2

In the fifth line, insert “remove” after “to”.

EIMPRA §6.1

Add at the end of the section “and for all costs allocated or assigned to it pursuant to the CAISO Tariff.”

EIMPRSCA §8.1

Add at the end of the section “and for all costs allocated or assigned to it pursuant to the CAISO Tariff.”

Submitted by,

Bonnie S. Blair
Thompson Coburn LLP
1909 K Street N.W., Suite 600
Washington, D.C. 20006-1167
bblair@thompsoncoburn.com
202-585-6905

Attorney for the Cities of Anaheim, Azusa,
Banning, Colton, Pasadena, and Riverside,
California