



Stakeholder Comments Template

System Market Power Mitigation

This template has been created for submission of stakeholder comments on the Revised Straw Proposal for the System Market Power Mitigation. The paper, stakeholder meeting presentation, and all information related to this initiative is located on the [initiative webpage](#).

Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submitted by	Organization	Date Submitted
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Submissions are requested by close of business **May 4, 2020**.

Please provide your organization's general comments on the following issues and answers to specific requests.

1. Pivotal Supplier Test Trigger

Please provide your organization's specific feedback on the ISO's proposal to perform the Pivotal Supplier Test when its Balancing Authority Area (BAA) is in the highest priced import-constrained region in the energy imbalance market.

CalCCA supports the CAISO's revised proposal to determine the potential existence of market power based on the intervals when balancing area power balance constraint shadow prices separate in the real-time market's energy imbalance market, indicating constrained transfer conditions, and the CAISO balancing area is in the highest priced region.

2. Pivotal Supplier Test Design

¹ California Community Choice Association represents local government Community Choice Aggregation electricity providers in California members, including Apple Valley Choice Energy, CleanPowerSF, Clean Power Alliance, East Bay Community Energy, King City Community Power, Lancaster Choice Energy, MCE, Monterey Bay Community Power, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Jacinto Power, San Jose Clean Energy, Silicon Valley Clean Energy, Solana Energy Alliance, Sonoma Clean Power, Valley Clean Energy.

Please provide your organization's specific feedback on the ISO's proposal to consider suppliers with resources within the CAISO BAA as potentially pivotal, treat economic import offers and offers from participating resources within the energy imbalance market as fringe supply, and account for net seller load-serving obligations.

CalCCA supports the proposed pivotal supplier test but encourages the CAISO to explore ways to ensure determinations of net seller load serving obligations use data that is most appropriate for the trading period under consideration, rather than using a rolling average of historical data. Significant load migration should not be ignored if it might otherwise reveal actual pivotal supplier status from a net seller.

3. Determining competitive LMP

Please provide your organization's feedback on the proposal to determine the competitive Locational Marginal Price (LMP) when the ISO mitigates bids for resources located within its BAA.

CalCCA supports the CAISO's proposal to calculate the competitive locational marginal price as the lower of its next constrained un-cleared economic import offer or the lowest power balance constraint shadow price outside the highest priced region of balancing areas in the energy imbalance market.

4. Applying mitigation to internal supply offers

Please provide your organization's feedback on the proposal to mitigate pivotal supplier resource offers within the ISO's BAA.

CalCCA supports the CAISO proposal to mitigate energy bids for resources within the CAISO balancing area to the higher of the resource's default energy bid or the newly calculated competitive locational marginal price. If RA Imports are required to be resource-specific in the future, CalCCA urges the CAISO to consider developing a methodology for determining default energy bids and mitigating pivotal RA Import resources to their default energy bids, rather than just mitigating pivotal internal resources. This would put RA Import resources on a more level playing field with internal resources. It also would better align with CAISO's system market power mitigation for EIM resources.

5. Additional comments

Please offer any other feedback your organization would like to provide on the revised straw proposal and topics discussed during the web meeting.

CalCCA appreciates the CAISO's attention to issues of potential system-wide market power, given the near-term potential for tightening supply capacity. Balancing the pace of retirements with new capacity buildout will be a delicate task, and it is essential that that all California ratepayers are protected from high electricity supply costs that could result from the exercise of market power. CalCCA firmly believes that what the CAISO is proposing is appropriate and necessary. CalCCA encourages the CAISO to work quickly to refine and enact the

proposed market rule changes in this Stakeholder Initiative to ensure power prices reflect competitive market conditions.