

Submitted by	Company	Date Submitted
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Commitment Costs and Default Energy Bid Enhancements Comments on March 30 and April 20 Working Groups

On October 1, 2017, PGE will become the fifth entity to join the Western EIM. At that time, PGE will begin managing its diverse generation and transmission assets according to the rules of the EIM, while also continuing to participate in the ISO's forward markets. As such, PGE has a vested interest in the price-formation policies of the ISO and Western EIM.

PGE thanks the ISO staff, DMM, and the participants in this working group for their time and effort contributed to date. PGE sees significant value in engaging in this type of exploratory dialogue and encourage the ISO to continue using this process on the front-end of appropriate initiatives. PGE also appreciates the ISO's work to put these issues in front of the Market Surveillance Committee (MSC) early in the policy development process, and look forward to their discussion on May 5, 2017.

At this time, PGE is submitting summary comments on the CCDEBE initiative. Following the MSC meeting, PGE will answer the detailed questions distributed by the ISO last week.

PGE's policy considerations related to the CCDEBE initiative:

- Market efficiency increases alongside market liquidity, and therefore end-use customers benefit long-term when policies drive increased market participation
- A supplier in a competitive market should be able to bid a price representing their supply valuation, subject to anti-market manipulation rules and a circuit-breaker bid-cap/floor
- When mitigated, suppliers should not be forced to sell to the market at a price that does not cover the calculated *ex ante* value of dispatching their resource
- EIM Participating Resource Scheduling Coordinators manage their flexible capacity and energy supply resources in part to support their Balancing Authority's reliability requirements, as well as certain non-power obligations – flexible market pricing policies allow them to manage storage-related fuel-supply/cost risk for both thermal and hydroelectric generation associated with these activities while still maximizing their market participation
- DMM's proposal to use updated gas indices within the existing commitment cost and default energy bid structure should be adopted as a "bridge solution"
- Long-term structural changes to the ISO's commitment and default bid policies should continue to be explored
- Specific policy decisions should be weighed on a cost/benefit basis for the ISO, DMM, and stakeholder perspectives, taking into account potential trade-offs in design complexity, as well as the multiple cost factors, staff bandwidth, and timing constraints that need to be managed

PGE looks forward to submitting detailed comments following the MSC meeting, and to continuing its participation in this initiative at the next working-group meeting scheduled for May 23, 2017.