

**Comments of Powerex Corp. on
Aliso Canyon Gas-Electric Coordination Straw Proposal**

Submitted by	Company	Date Submitted
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Powerex appreciates the opportunity to submit comments on CAISO’s April 15 Straw Proposal on Aliso Canyon Gas-Electric Coordination (“Straw Proposal”). Powerex wishes to reiterate its strong support for CAISO’s efforts to identify effective measures to address the gas restrictions imposed as a result of the issues experienced at the Aliso Canyon facility. CAISO’s diligent engagement with stakeholders is commendable, especially given the pressing nature of the concerns presented by the gas restrictions.

Powerex believes this stakeholder engagement has helped reduce the risk of unintended consequences. For instance, Powerex supports CAISO’s decision to not modify the timelines for its Day Ahead Market (“DAM”). While earlier timelines may have helped better align day-ahead awards with gas nomination deadlines for internal gas-fired generators, CAISO appropriately recognized that this would not address—and may actually exacerbate—the risk that real-time re-dispatch would differ significantly from the day-ahead schedules.¹ Powerex also believes that changing the DAM timelines could reduce DAM participation by inertie resources. Powerex therefore supports the Straw Proposal decision to not modify the DAM timelines.

The Straw Proposal also explains that CAISO considered reserving transfer capability on interties with other balancing authority areas into Southern California.² This would effectively set aside flexible intertie capacity that could be used to balance real-time re-dispatch, whereas this flexibility would not be available if intertie capability were fully encumbered in the DAM. The Straw Proposal explains that CAISO ultimately decided to not proceed with this proposal because of the limited amount of real-time economic import bids on the interties.³ Powerex agrees with the CAISO that setting aside intertie capacity for use only in real-time may not be efficient, particularly considering that real-time economic bids on the interties are limited at present. This is compounded by the fact that the CAISO markets currently lack a framework for committing real-time participation at the interties. At this time, Powerex concurs with the Straw Proposal’s conclusion that setting aside intertie capacity for use only in real-time is unlikely to be effective in ameliorating the challenges posed by the Aliso Canyon restrictions.

Powerex does believe, however, that increased intertie participation in CAISO’s real-time market could provide significant additional flexibility. In a separate stakeholder process, CAISO is exploring modifications to the application of the CRR Clawback rule on the interties. Powerex strongly supports these modifications, and believes they will remove an important barrier to the

¹ Straw Proposal at 17.

² *Id.* at 16.

³ *Id.*

real-time re-bidding of day-ahead intertie awards. Powerex is hopeful that removing this barrier will materially increase real-time economic bidding at the interties.

However, participation in the real-time market at interties connecting into Southern California is further impaired by the fact that the Pacific DC Intertie (“PDCI”) currently does not support 15-minute scheduling at all. The PDCI is the only intertie connecting the clean, flexible hydro resources of the Pacific Northwest to Southern California. Enabling 15-minute scheduling on the PDCI is therefore a critical pre-requisite to making flexible external resources available to the CAISO locations most affected by the Aliso Canyon restrictions. Powerex therefore strongly encourages CAISO to work with Bonneville Power Administration and Los Angeles Department of Water and Power to explore ways to enable 15-minute scheduling on the PDCI as soon as possible, even if this initially entails a more labor-intensive operational process. Powerex believes 15-minute scheduling on the Pacific DC Intertie could play a very valuable role in mitigating the flexibility challenges in the region most affected by the Aliso Canyon situation.