

Submitted by	Company	Date Submitted
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I. Introduction.

Seattle City Light thanks CAISO for the opportunity to provide these comments on the Straw Proposal for Commitment Costs and Default Energy Bid Enhancements issued June 30, 2017. Seattle City Light thanks CAISO for developing a survey of other organized markets' bidding flexibility and market power mitigation methods in Appendix B, and providing stakeholders copies of other markets' reference level manuals at the working group meetings.

II. Seattle City Light supports the implementation of this straw proposal.

Seattle City Light supports the implementation of the straw proposal because it represents an improvement in the ability of EIM Participating Resources to submit bids at which they are willing to sell energy and recover their costs. Seattle City Light concurs that the use of hourly-varying and market-based commitment costs will more accurately reflect generators' costs.

Seattle City Light shares CAISO's concern that entities may be able to exercise local market power through commitment cost bids, and thus it is necessary to mitigate bids when market power concerns are identified. We support the implementation of dynamic market power mitigation in a way that limits the mitigation period to as few intervals as possible while effectively addressing local market power concerns. Seattle City Light supports the use of a negotiated option for mitigated commitment costs.

Finally, Seattle City Light appreciates CAISO's efforts to make the language of its proposal technology agnostic whenever possible. We note that the discussions to date have focused primarily on natural gas resources. Seattle City Light respectfully requests that CAISO's next written proposal and workshop include a discussion that identifies which aspects of the proposal are applicable to resources with non-commodity fuel costs, such as hydro generators.

III. Conclusion

Seattle City Light encourages CAISO to continue to focus on implementing policies that will increase EIM participation and liquidity in the market. Seattle City Light supports implementing the June 30, 2017 straw proposal.