California ISO

Stakeholder Comments Template

Day-Ahead Market Enhancements Phase 1 Initiative

This template has been created for submission of stakeholder comments on the straw proposal that was published on February 7, 2020. The proposal, February 10, 2020 Stakeholder meeting presentation, March 5, 2020 Stakeholder call presentation, and other information related to this initiative may be found on the initiative webpage at: http://www.caiso.com/StakeholderProcesses/Day-ahead-market-enhancements

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on March 26, 2019.

Submitted by	Organization	Date Submitted
Mike Evans	*Shell Energy*	*March 26, 2020*

Please provide your organization's overall position on the DAME straw proposal:

☐ Support
☐ Support w/ caveats
x☐ Oppose
☐ Oppose w/ caveats
☐ No position

Please provide written comments on each of the straw proposal topics listed below:

1. **New day-ahead market products, including reliability energy, reliability capacity, and imbalance reserves.**

   We are concerned with the level of complexity with the current proposal and the ability to meet the proposed implementation scope and timeframe.

   Further, the proposed changes will require extensive changes to bidding, scheduling and settlements. We are concerned that price signals will be opaque with the proposed design. The ISO has spent considerable effort to implement 5-minute and 15-minute scheduling, and to improve forecasting of renewables.

Stakeholders have also spent considerable time vetting and implementing many changes. At this point, we believe that a more simplistic and achievable solution to meeting the need to balance between DA forecasts and RT is for the ISO to procure a DA flexible capacity product, a DA imbalance energy product or to simply procure more regulation reserve capacity to meet the RT need.

2. **Settlement and cost allocations.**

3. **Bidding rules and offer obligations.**

4. **Scheduling rules for variable energy resources.**

5. **Deliverability approach for reliability capacity and imbalance reserves.**

6. **Approach for congestion revenue rights.**

7. **Approach for local market power mitigation.**

8. **Regression approach to determine the imbalance reserve requirement.**

9. **Additional comments:**

   We are members of WPTF and support their comments.