

## Southern California Edison's (SCE) Comments on BPM PRR1667

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Section 7 should make it explicitly clear that all RC eligible resources submitting economic bids for energy must also submit bids for RCU or a bid will be inserted on their behalf, regardless of whether the resource is under an RA obligation or not.

Section 9.2 incorrectly states that "...After Market Close for the DAM, to the extent that SCs fail to enter a Bid for certain resources that are required offer RA capacity, CAISO creates Energy, Ancillary Service, and **Imbalance Reserve** Bids for these resources, called a Generated Bid." The tariff does not include the use of generated bids for imbalance reserves (Section 40.6.8).

In STAGE OASIS, the **Imbalance Reserve Scheduling Constraint Shadow Prices** report is located under **PRICES->Shadow Prices**, rather than **PRICES->Index Prices** as indicated in version 93 of the Market Instruments BPM. Accordingly, the BPM reference appears inconsistent with the current STAGE OASIS implementation and should place this report in **Section 13.1.2 Shadow Prices** instead of **Section 13.1.4 Index Prices**, unless CAISO intends to relocate the report to the Index Prices section.

In addition, the **Aggregate Capability Constraint Shadow Prices** report is available under **PRICES->Shadow Prices** in both Production and STAGE OASIS; however, it is not referenced in Version 92 or 93 of the Market Instruments BPM. CAISO should include this report in **Section 13.1.2 Shadow Prices** of the latest version 93 of Market Instruments BPM.

In **Section 13.1.1 Energy Prices**, the "LMP Marginal Cost of Green House Gas (MGHG)" LMP component is missing. Per previous CAISO CIDI responses for the DAME/EDAM, "...the LMP value is MEC+MCC+MCL+MGHG. With the transition of using local MEC instead of System MEC, the GHG component can now be seen directly in California. Previously, with CAISO's LMP being used as the SMEC, a negative GHG component was seen outside of California to represent GHG payments. Now that every BAA has its own MEC, the GHG component will be seen within the GHG area". SCE requests the CAISO team ensure the "LMP Marginal Cost of Green House Gas (MGHG)" is included in this "Energy LMP" section.

Also, should there be GHG components for HASP, FMM and Contingency Dispatch LMPs?

**Section 8.1** and **Section 8.2** of the BPM for Market Instruments share the same header name, “Procurement of Imbalance Reserves”, but contain slightly different contents. Section 8.1 contains general information on IR while Section 8.2 contains further details on IR bidding requirements. SCE requests that CAISO either consolidate these two sections or name these sections distinctly based on the contained content to mitigate possible future confusion when referencing the BPM.

**Exhibit 11-1.1: Summary of CMRI Reports** in the BPM for Market Instruments contains a reference to “(REN)” when describing RUC Capacity and RUC Awards from the Residual Unit Commitment process. The “(REN)” acronym is not described elsewhere in the document. SCE requests CAISO please clarify what “REN” is or please correct the intended acronym to be used. Additionally, the “Content” description for “Lost Opportunity Cost and Overlapping Resource Adequacy Capacity” does not begin with a capital letter; please capitalize the “N” at the beginning of the description. “SC” is not capitalized in the “Default Availability Bid Curves” content description within this same summary, please capitalize “sc” as “SC” as it refers to Scheduling Coordinators.

And many of the report descriptions fail to include Imbalance Reserves. Please update to include mention of all DAME products as appropriate.

In the BPM for Market Instruments, **Section 14.6.4 Imbalance Reserve**, the word “Requirement” is misspelled in the report description for “Imbalance Reserve Requirement Input Polynomials”; please correct the name of the report being referenced in the BPM to match the name of the same report in the Parallel Operations STAGE environment in OASIS, which is “Imbalance Reserve Requirements Input Polynomials”.

There are select resources whose generator characteristics or programs, such as certain CPUC mandated Proxy Demand Response Resource programs, make them incapable of providing Reliability Capacity. SCE requests that CAISO update Section **B.2.2 RESOURCE tab – Reference-only Data** CERT\_RCU (Certified for Reliability Capacity Up) and CERT\_RCD (Certified for Reliability Capacity Down) with information on a path forward for how resources may be deemed ineligible to provide RCU and RCD should they be incapable of providing these products (e.g. via CIDI ticket process or some form).