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COMMENTS OF ARIZONA PUBLIC SERVICE
PRR 1185
UPDATE SETTLEMENT CHARGE CODES FOR
REAL TIME MARKET NEUTRALITY SETTLEMENT INITIATIVE

Submitted by	Company	Date Submitted
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Arizona Public Service (APS) appreciates the opportunity to comment on the California Independent System Operator's (CAISO) PRR1185[1] Update Settlement Charge Codes for Real Time Market Neutrality Settlement Initiative. APS submits the following comments for the CAISO's consideration.

BPM: Real time Energy Quantity Pre-calculation Version 5.20[2]
    3.1 Business Rules
        Bus Req ID 9.2:
            "EIM BAA responsible for Settlement of the after-the-fact (ATF) Interchange Schedules of EIM Transfers between EIM BAA and EIM BAA shall submit the ATF Interchange Schedules as five minute dynamic schedules"

Based on our understanding from the CAISO Draft Final Proposal[3], CAISO has chosen option 3 and communicated to stakeholders that current tagging requirements remain in effect for Market Participants. CAISO will shape the submitted EIM transfer system resource (ETSR) ATF values to reflect RTD ETSR Dispatches. Currently, APS submits CAISO's 5-minute dispatch quantity, not the ATF tag quantity for Transfer value calculation. In order for us to follow the updated business rules, APS would need to shape the ATF hourly tag value based on the 5-minute Market Dispatch before submitting the data to CAISO since ATF tags generated in WebTrans is at the hourly level. If this assumption is correct, the proposed changes may require significant software and system modifications and will likely require alteration to our internal business processes. APS would like CAISO to provide clear directions regarding the proposed changes on ETSR & RTSI payload process for ETSR ATF 5-minute submission to be consistent across the EIM entities.

BPM: Real Time Imbalance offset EIM CC64770 Version 5.2[4]
    3.6 CAISO Formulas
        3.6.6   BAAFMMGHGCreditAmount
        $BAAFMMGHGCreditAmount_{Q'mdhcif} = BAAFMMETSRGHGCreditQuantity_{Q'mdhcif} * BAA15MAverageFMMGHGPrice_{Q'mdhcif}$

        3.6.10   BAARTDGHGCreditAmount
        $BAARTDGHGCreditAmount_{Q'mdhcif} = BAARTDETSRGHGCreditQuantity_{Q'mdhcif} * BAA5MAverageRTDGHGPrice_{Q'mdhcif}$

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[1] https://bpmcm.caiso.com/Pages/ViewPRR.aspx?PRRID=1185&IsDlg=0

[2] https://bpmcm.caiso.com/Lists/PRR%20Details/Attachments/1185/BPM%20-%20CG%20PC%20Real%20Time%20Energy%20Quantity_5.20.doc

[3] http://www.caiso.com/Documents/FinalDraftProposalReal-TimeMarketNeutralitySettlement.pdf

[4] https://bpmcm.caiso.com/Lists/PRR%20Details/Attachments/1185/BPM%20-%20CG%20CC%2064770%20Real%20Time%20Imbalance%20Energy%20Offset%20EIM_5.2.doc

APS reviews the above formulas and notes that the Marginal Greenhouse Gas (GHG) price will be averaged for CC64770 settlement calculation. If the purpose of the average GHG price is directed to the potential growth of different GHG zones, APS is concerned that the "Average" of GHG price may cause discrepancies within the settlement between the GHG awards to the Participated Resource Schedule Coordinator Entity and calculation of the ETSR value that deem to deliver to various GHG zones. Based on the last stakeholders' call, APS believes CAISO should conduct further investigation regarding settlement impact of increasing GHG zones and to establish a new Charge Code to handle the neutrality of the GHG settlement. APS appreciates CAISO stream-lining this component of the GHG calculation that currently is embedded in the CC64770. To "Average" the GHG price on multiple GHG zones, may further raise new, distinct issues regarding charges and compensation of the GHG settlement and further caused settlement issues in the CC64770 Real Time Imbalance Energy Offset (RTIEO).

Conclusion:
APS appreciates the CAISO's consideration of these comments and looks forward to working with the ISO on this effort.