

Western Power Trading Forum on the CAISO's PRR-1181 Stakeholder Comment Replies

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The Western Power Trading Forum

The Western Power Trading Forum (WPTF) is a California nonprofit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability. WPTF supports uniform rules and transparency to facilitate transactions among market participants. The membership of WPTF and the WPTF CAISO Committee responsible for providing these comments include CAISO and EIM entities, load serving entities, energy service providers, scheduling coordinators, generators, power marketers, financial institutions, and public utilities that are active participants in the California market, other regions in the West, and across the country.

Comments

WPTF, especially in its capacity representing generation owners and operators in the CAISO market, has followed this proposed Business Practice Manual change closely. Generation owners are acutely attuned to the operating capabilities of their resources since those parameters are directly determined from the actual physical operation of the resources, and inextricably linked to their participation in the wholesale electricity markets. In PRR-1181, the CAISO's chosen language implies that generation owners have the motivation and intent to provide the CAISO with information that is inaccurate. In addition, the proposed revisions require extensive and unwarranted documentation that puts an undue burden on the generation owner.

CAISO Authority to pursue changes

WPTF stresses that it is a long-standing tenant of the CAISO market that the generation-asset owners are required to provide the CAISO with true and accurate information on the characteristics of generation assets – just as demand-side resources are required to provide true and accurate information. In PRR-1181, the CAISO has explicitly asserted that it has the discretion to reject Master File data submissions the CAISO deems them inaccurate. But please note that CAISO Tariff section 4.6.4 states that “[a]ll information registered in the Master File shall be consistent with the offers and services provided by the resources in the CAISO Markets.” Implicit in this construction is the underlying expectation that it is the responsibility of market participants to submit accurate information. The CAISO is the market administrator; it is responsible for the integrity of market solutions, and not for the verification of resource-level information. The CAISO DMM is certainly on point for the latter as needed.

WPTF has expressed concern that the CAISO, with this proposal, is indicating its presumption of superior technical expertise with regard to the existing generation fleet. For the CAISO to reply that it is only intending to do a “sanity check” is to insinuate that generation owners submitting resource information are either less than sane, or are intent on exercising market power. Since neither of these messages is warranted or acceptable, WPTF insists that the CAISO further justify, or change, its “sanity check” policy.

Design Capabilities Questions

WPTF maintains that the CAISO’s “design capabilities” terminology is detrimentally unspecific. In its PRR-1181 comments, WPTF pointed out that the CAISO’s language should explicitly state that it is relative to capabilities of resource performance adjusted for the age of the resource. The CAISO has been quick to point out in its reply comments that its “design capabilities” terminology refers back to Tariff language that does in fact consider resource age. WPTF underscores that the BPM language should fully and accurately reflect the intent of the Tariff language in practical terms.

If, as the CAISO indicates, the intent of the Tariff language is to adjust resource capabilities in the Master File as the resource ages, then the BPM language should be explicitly reflective of such. The CAISO must recognize that it is operationally crucial that the BPM language be reflective of the CAISO Tariff requirements – and vice versa. In this instance, there is a divergence that creates unnecessary confusion, uncertainty, and wariness.

Finally, WPTF has asserted that the proposed requirements are unduly burdensome. WPTF takes issue with the CAISO’s characterization that the proposed requirements are minimally burdensome. Not only do these requirements impact workload whenever a participant needs to make a Master File change, the proposed policy change introduces a tremendous amount of business uncertainty for those market participants. Underlying these onerous requirements is the presumption that the CAISO has more perfect information than the participants in its market.

WPTF thanks the CAISO for consideration of these comments, and encourages the CAISO to extend this PRR process in order to more fully address the significant concerns raised by Stakeholders.