

July 21, 2015

***VIA ELECTRONIC FILING***

Steven V. King

Executive Director and Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive SW

PO Box 47250

Olympia, WA 98504-7250

**RE: Docket UE-151273—Pacific Power & Light Company Comments**

Pacific Power & Light Company, a division of PacifiCorp (PacifiCorp or Company), submits the following comments in response to the Washington Utilities and Transportation Commission’s (Commission) Notice of Opportunity to File Written Comments and Notice of Workshop (Notice) issued July 10, 2015, in Docket UE-151273.

**Benefits to the Company and Customers**

Enclosed as Attachment 1 is a copy of the Energy and Environmental Economics (E3) study estimating the PacifiCorp-ISO energy imbalance market (EIM) benefits. Washington customers receive a share of the benefits associated with the PacifiCorp West (PACW) balancing authority area (BAA) participation; however, results were only presented on a PacifiCorp system basis.

Attachment 2 provides the California Independent System Operator’s (CAISO) reports of estimated actual benefits from EIM for the fourth quarter of 2014 and the fifth quarter of 2015. These results include separate breakouts for the Company’s east and west BAAs.

**Market Performance**

Root Causes and Actions Taken to Reduce Market Infeasibilities

Attachment 3 contains the following informational reports filed with the Federal Energy Regulatory Commission (FERC) in Docket No. ER15-402.

|  |  |  |
| --- | --- | --- |
| **Dated** | **Period of EIM Operations** | **Beginning Page** |
| 12/15/14 | 11/1/14 – 11/30/14 | 12 |
| 01/15/15 | 12/1/14 – 12/31/14 | 19 |
| 02/19/15 | 01/01/15 – 02/12/15 | 21 |
| 03/26/15 | 02/13/15 – 03/16/15 | 23 |
| 04/24/15 | 03/01/15 – 03/31/15 | 15 |
| 06/03/15 | 04/01/15 – 04/30/15 | 15 |
| 07/14/15 | 05/01/15 – 05/31/15 | 15 |

These reports identify the root causes and describe the actions the CAISO or PacifiCorp are taking with respect to each root cause to reduce the frequency and severity of market infeasibilities. In reports dated December 15, 2014, through March 26, 2015, please refer to Attachment A for descriptions of issues prompting the pricing waiver, remedial actions taken, status and outstanding items, and Attachment B for descriptions of market performance related to the issues that prompted the CAISO’s waiver request. Beginning in the report dated April 24, 2015, and forward, please refer to Attachment B for remedial actions taken and planned by the CAISO and PacifiCorp, and Attachment C for a discussion of whether the cause was due to transitional issues or insufficient supply of resources bid into the EIM, including the time of the instance, the duration, the cause, and the affected node(s) and load. The document was reorganized and refined beginning with the April 24, 2015 report in compliance with FERC’s March 16, 2015 order in Docket Nos. ER15-861 and EL15-53.

Reduction in Market Infeasibilities

Enclosed as Attachment 4 is CAISO’s comments regarding a proposed operational solution to reduce market infeasibilities, which was filed with FERC on April 23, 2015, in Docket No. EL15-53.

PacifiCorp is confident that the operational solution proposed by the CAISO will substantially reduce the remaining price infeasibilities from the already low levels that occurred at initial go-live. There is always the possibility of limited pricing infeasibilities due to true scarcity, which could occur, for example, if a participating resource failed to respond to a dispatch operating target.

Company Actions to Further Reduce Market Infeasibilities

Actions that the Company is undertaking to reduce infeasibilities are increasing the number of participating resources to increase market depth, improving data transfers and interface of information between systems to reduce discrepancies in data, and improving display of information for better system awareness.

When known issues are resolved, planned enhancements are implemented, and the EIM footprint is expanded, it is reasonable to expect sustained infeasibilities to disappear. Momentary infeasibilities will likely continue due to variability of real-time system conditions and the reliance of the market on accurate and timely data as these conditions change. The Company continues to work with the CAISO on improving the management of data and the tools for operators to respond to changing conditions.

PacifiCorp appreciates the opportunity to provide these comments and looks forward to the workshop scheduled for July 30, 2015. If you have any questions regarding these comments, please contact Ariel Son, Manager, Regulatory Projects, at (503) 813-5410.

Sincerely,

R. Bryce Dalley

Vice President, Regulation

Enclosures

Attachment 1: E3 Study—PacifiCorp-ISO Energy Imbalance Market Benefits

Attachment 2: CAISO Reports—Benefits for Participating in EIM (February 11, 2015 report and April 30, 2015 report)

Attachment 3: Informational reports filed with FERC in Docket No. ER15-402.

Attachment 4: April 23, 2015 CAISO Comments