



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

July 10, 2015

NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By Tuesday, July 21, 2015)
and
NOTICE OF WORKSHOP
(Set for Thursday, July 30, 2015, at 1:30 p.m.)

Re: Investigation of Pacific Power and Light Company's Participation in the Energy Imbalance Market, Docket UE-151273

TO ALL INTERESTED PERSONS:

On June 16, 2015, the Washington Utilities and Transportation Commission (Commission) established Docket UE-151273 to review the participation of Pacific Power and Light Company (Pacific Power or Company) in the California Independent System Operator's (CAISO) Energy Imbalance Market (EIM). The purpose of the docket is for the Commission to gain a more detailed understanding of Pacific Power's participation in the EIM and any impact on Washington ratepayers, including economic benefits as well as costs and risks. The Commission also seeks information about the Company's actions and plans to correct issues arising during its initial EIM operations that result in unexpectedly high prices.

WRITTEN COMMENTS

The Commission solicits written comments on this matter. The Commission requests that Pacific Power respond to the questions below and make a presentation at the workshop concerning its EIM operations and its plans to correct any operational and pricing issues. Stakeholders are also encouraged to submit written comments to the Commission on these issues.

Benefits to the company and ratepayers

Under the EIM, the CAISO dispatches Pacific Power's resources within the Company's Balancing Area Authorities (BAAs) based on the bids Pacific Power submits for its resources. Please provide information concerning the estimated benefits to Pacific Power and

its Washington ratepayers from participation in the EIM, as well as any actual benefits calculated since the EIM began in November 2014.

Market performance

Within two weeks of the launch of Pacific Power's participation in the EIM, CAISO filed a waiver with the Federal Energy Regulatory Commission (FERC) to reprice certain EIM settlements. In part, CAISO asks for the waiver to resolve transitional conditions that resulted in high prices that were not always indicative of physical conditions on the system but were due to "challenges in [Pacific Power] providing timely and complete data to ensure system visibility" and exacerbated by resource availability and force outages of certain EIM participating resources.¹

The Commission seeks to understand the market infeasibilities and the specific remedies Pacific Power and the CAISO are pursuing to resolve them. In FERC filings, the CAISO identified renewable deviations, load changes, import/export changes, and resource outages as some of the root causes of market infeasibility.² Please identify any additional root causes and describe the actions CAISO or PacifiCorp are taking with respect to each such root cause to reduce the frequency and severity of market infeasibilities.³

What reduction in the level of market infeasibilities is realistic for the EIM? What actions can Pacific Power take to further reduce market infeasibilities?

Written comments must be filed with the Commission no later than **5:00 p.m., Tuesday 21, 2015**. The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. Comments should be in .pdf Adobe Acrobat or in Word 2010 or later version. Comments may be submitted via the Commission's Web portal at www.utc.wa.gov/e-filing or by e-mail to the Commission's Records Center at records@utc.wa.gov. Alternatively, comments may be submitted by mailing or delivering an electronic copy to the Commission's Records Center on a flash drive, DVD, or compact disk. Comment submissions should include:

- The docket number of this proceeding (UE-151273)
- The commenting party's name.
- The title and date of the comment or comments.

¹ *Order Conditionally Accepting Proposed Tariff Revisions to Participate in the Energy Imbalance Market*, FERC Docket Nos. ER15-1196-000 and ER15-1196-001, ¶ 3 (May 14, 2015).

² March 2015 Informational Energy Imbalance Market Price Waiver Report, April 24, 2015 Docket ER15-204, Attachment A, Page 5-8.

³ *Id.*

Comments delivered by mail or courier should be addressed to: Steven V. King, Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, WA 98504-7250. The Commission will post on its website all comments that are provided in electronic format. The website is located at www.utc.wa.gov.

STAKEHOLDER WORKSHOP

In addition to receiving written comments, the Commission has scheduled a workshop to allow Pacific Power to present information to the Commission and for discussion among interested parties. Interested persons are invited to attend the workshop on **Thursday July 30, 2015, beginning at 1:30 p.m., in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.**

The Commission prefers that interested persons participate in person and share ideas in a workshop setting, but if this imposes a hardship, interested persons may participate in the workshop via the Commission's teleconference bridge at **(360) 664-3846**.

If you have questions regarding this docket, you may contact staff lead, Steve Johnson, at (360) 664-1346, or by email at sjohnson@utc.wa.gov.

STEVEN V. KING
Executive Director and Secretary