



## Stakeholder Comments Template

### Extended Day-Ahead Market Issue Paper

This template has been created for submission of stakeholder comments on the **Extended Day-Ahead Market (EDAM) issue paper** that was posted on October 10, 2019. Information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/ExtendedDay-AheadMarket.aspx>.

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com) by close of business on November 22, 2019.

Submitted by	Organization	Date Submitted
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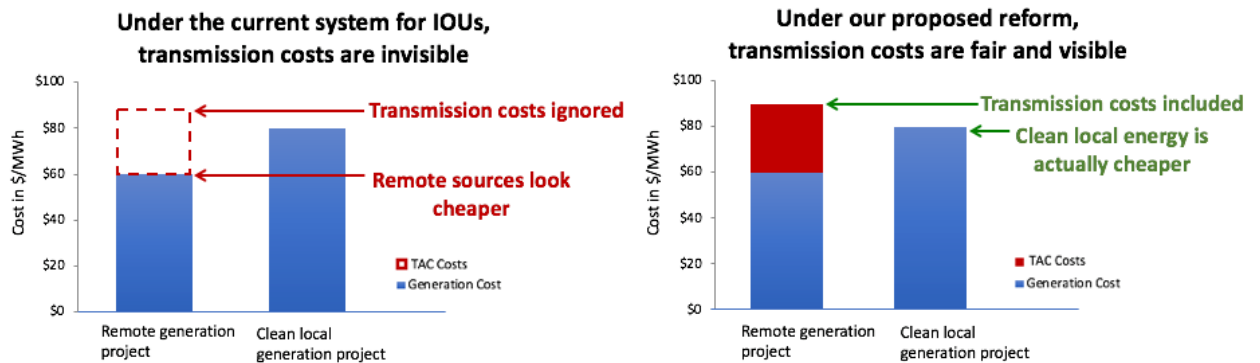
For the topics below described in the issue paper, please provide your organization's comments on whether the item is within the scope of this initiative. If so, suggestions for how to address the the issue. Also, include suggestions for additional topics to be added to the scope of this initiative. Include detailed examples to support your organization's comments.

**Please note**, the EIM Governing Body and the ISO Board of Governors have jointly established an EIM Governance Review Committee (GRC) that is charged with leading a public process, separate from this initiative, to develop proposed refinements to the current EIM governance. The GRC's role includes considering and developing any proposed changes to EIM governance that may be necessary for EDAM. Comments related to the governance topic should be provided in that process and not in the EDAM initiative.

#### 1. Transmission Provision

In California, Transmission Access Charges (TAC) create a massive market distortion since the PTOs calculate TAC at the customer meter, rather than at the T-D substation, adding 3 cents per kWh to clean local energy projects — raising the cost of this energy by as much as 50%. By aligning pricing with reality, [TAC reform](#) will

correct the existing market distortion that has led to explosive growth in transmission spending and depressed the proliferation of clean local energy.



Source: Clean Coalition, 2019

**Clean**⚡**Coalition**

*The real costs of local and central generation when Transmission Access Charges are considered*

As part of this stakeholder process, the Clean Coalition advocates for separate transmission costs for each balancing authority involved in EDAM (and EIM should retain this feature). Within California, transmission costs should be made consistent through the state, to ensure that extra transmission capacity is valued based on its location (or distance of energy traveled), rather than based on the PTO in charge of the area.

TAC are already being assessed correctly in most of California's municipal utility territories, so this fix is already proven to work and does not require reinventing the wheel. The Clean Coalition advocates that the CAISO reactivate the stakeholder process on Transmission Access Charge Structure Enhancement, which will also help to properly value DER in EDAM markets. Considering that transmission-constrained areas will have to pay a greater Locational Marginal Price for using dispatchable resources, changing the way in which TAC are calculated will increase the value of DER. Throughout California, but especially in transmission-constrained areas, DER will replace the need to expand the transmission system, saving ratepayers billions. In 2017-2018, Californians [saved \\$2.6 billion in avoided transmission costs](#) because of increased energy efficiency and

DER. An influx of DER will increase the amount of transmission capacity available for EDAM since transmission access is used as a reserve (i.e., there is extra capacity).

It is also worth mentioning that a current CPUC proceeding, Rulemaking 19.09.009 Regarding Microgrids Pursuant to Senate Bill 1339, could consider the issue of Transmission Access Charges, which would provide a forum to coordinate action with the CAISO.

**2. Distribution of congestion rents**

No comment at this time.

**3. Resource sufficiency evaluation (including forward planning and procurement; trading imbalance reserves and capacity; EIM resource sufficiency evaluation)**

This process should focus on evaluating the location of resources as part of planning for day-ahead procurement of resources. Energy that is being procured close to where it is needed and does not need to use the transmission system should be prioritized over energy that needs to travel long distances before it can be used.

**4. Ancillary services**

No comment at this time.

**5. Modeling of non-EDAM imports and exports**

No comment at this time.

**6. External participation**

No comment at this time.

**7. Accounting for greenhouse gas costs**

No comment at this time.

**8. Convergence bidding**

No comment at this time.

**9. Price formation**

No comment at this time.

**10. EDAM administrative fee**

No comment at this time.

**11. Review of day-ahead settlement charge codes**

No comment at this time.

**12. Miscellaneous (inter SC trades)**

No comment at this time.

**13. EIM Governing Body classification**

No comment at this time.

**14. Additional items to be added to scope:**

No comment at this time.