

## Comments of Powerex Corp. on Rules of Conduct Enhancements Workshop

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Powerex submits the following comments on the CAISO's June 7, 2023 Rules of Conduct Enhancements Workshop. During the workshop, CAISO staff proposed a number of potential enhancements to CAISO's Rules of Conduct (ROC), including potential changes to the methodology for calculating ROC penalties associated with late and/or inaccurate meter data.

Powerex supports market rules that encourage market participants to provide timely and accurate meter data for participation in the WEIM. At the same time, Powerex believes penalties applicable to late meter data corrections should be generally commensurate with the magnitude of the underlying inaccuracy, including consideration of whether the inaccurate data could be reasonably expected to result in a material negative consequence for other market participants.

Currently, CAISO applies a penalty of \$1000 per trading day associated with inaccurate meter data. As an EIM participant, Powerex has occasionally identified very small meter inaccuracies that have resulted in significant ROC penalties because the issue persisted over an extended period. Furthermore, Powerex's load meter is calculated using its generation and interchange meter data, and hence corrections to Powerex's generation meter data submissions have often also resulted in equal and offsetting hourly adjustments to its EIM load, but with no net impact (in MWh terms) on the rest of the EIM area.

Powerex is supportive of further developing the CAISO's proposal to calculate penalties for inaccurate meter data based on the lower of (a) 30% of the value of the error or (b) \$1000/trading day. This approach could help to reduce the likelihood of a very small but persistent error attracting large penalties that far outweigh the materiality of the underlying issue. In order to ensure this change is effective, Powerex believes that the methodology to derive the "value of the error" should be carefully defined to address scenarios as described above in which the change to an EIM participant's generation meter data is offset by corresponding changes to its load meter data. For example, in determining the "value of the error," CAISO could use an hourly calculation of the net MWh impact of all meter data corrections submitted by the relevant Scheduling Coordinator.