



California ISO

WESTERN ENERGY MARKETS

# Briefing on annual policy roadmap process - 2025

Amelia Blanke

Principal Economist & Director, Market Strategy and Governance

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General Session

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# Goals for the policy catalog and roadmap

- Meaningfully engage external stakeholders
  - Stakeholders propose and advocate for their own initiatives
  - Final catalog includes stakeholder prioritization
- Transparent
  - Clear methods to identify and prioritize proposals
  - Open and transparent access to all stakeholders to influence policy enhancements roadmap
- Allows stakeholder prioritization to be considered in the ISO's internal planning processes, together with:
  - Alignment with ISO strategic goals and already planned work
  - Project impact on market efficiency and system reliability
  - Implementation cost
  - Other ISO commitments
- Incorporate urgent requests

# Expedited initiative on EDAM congestion revenue allocation

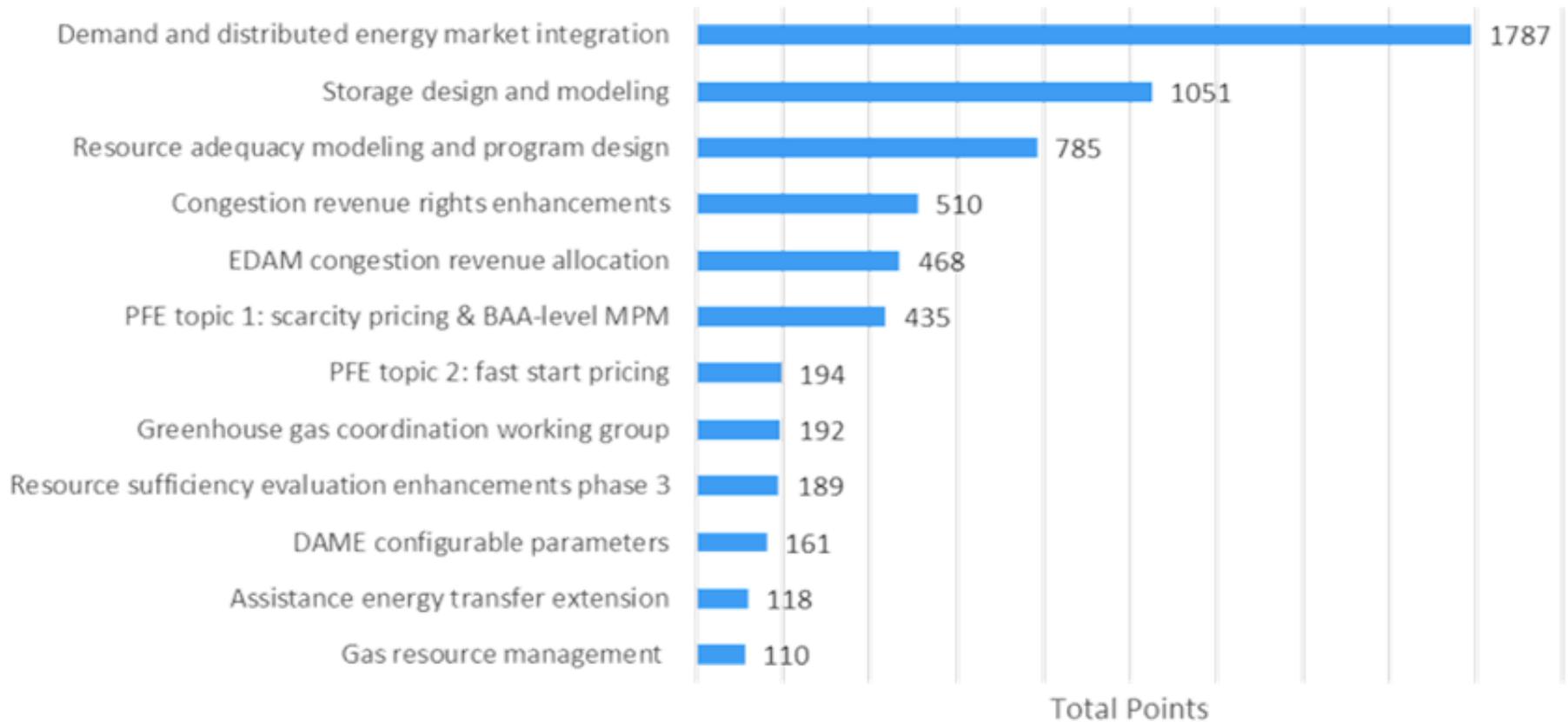
- Prompted the ISO to recalibrate the 2025 policy roadmap
  - Shifted the schedules of existing initiatives to accommodate new initiative workload
- ISO updated 2025 policy roadmap based on stakeholder-identified priorities
  - Stakeholder prioritization survey
    - Stakeholders prioritized both existing initiatives & new initiatives proposed via catalog submissions
    - Stakeholders asked to allocate a budget of 100 points across existing initiatives to indicate priorities
  - Regional Issues Forum (RIF) report

# Revised 2025 roadmap is a new step in the process

January	<ul style="list-style-type: none"><li>• 2025 kickoff stakeholder meeting</li></ul>
February	<ul style="list-style-type: none"><li>• Stakeholders submit policy initiatives to Catalog</li></ul>
April	<ul style="list-style-type: none"><li>• Stakeholder prioritization workshops + RIF roundtable</li></ul>
April	<ul style="list-style-type: none"><li>• Stakeholders submit prioritization rankings</li></ul>
 May	<ul style="list-style-type: none"><li>• Publish updated 2025 Policy Initiatives Roadmap + present at governance meetings</li></ul>
June	<ul style="list-style-type: none"><li>• Publish 2025 policy initiatives catalog</li></ul>
July	<ul style="list-style-type: none"><li>• Begin 2026-2028 policy initiatives roadmap development</li></ul>
November	<ul style="list-style-type: none"><li>• Draft policy roadmap released</li></ul>
December	<ul style="list-style-type: none"><li>• Final policy roadmap released</li></ul>

# Stakeholders support for current initiatives

## 2025 Stakeholder Prioritization Survey Results: Current Policy Initiatives

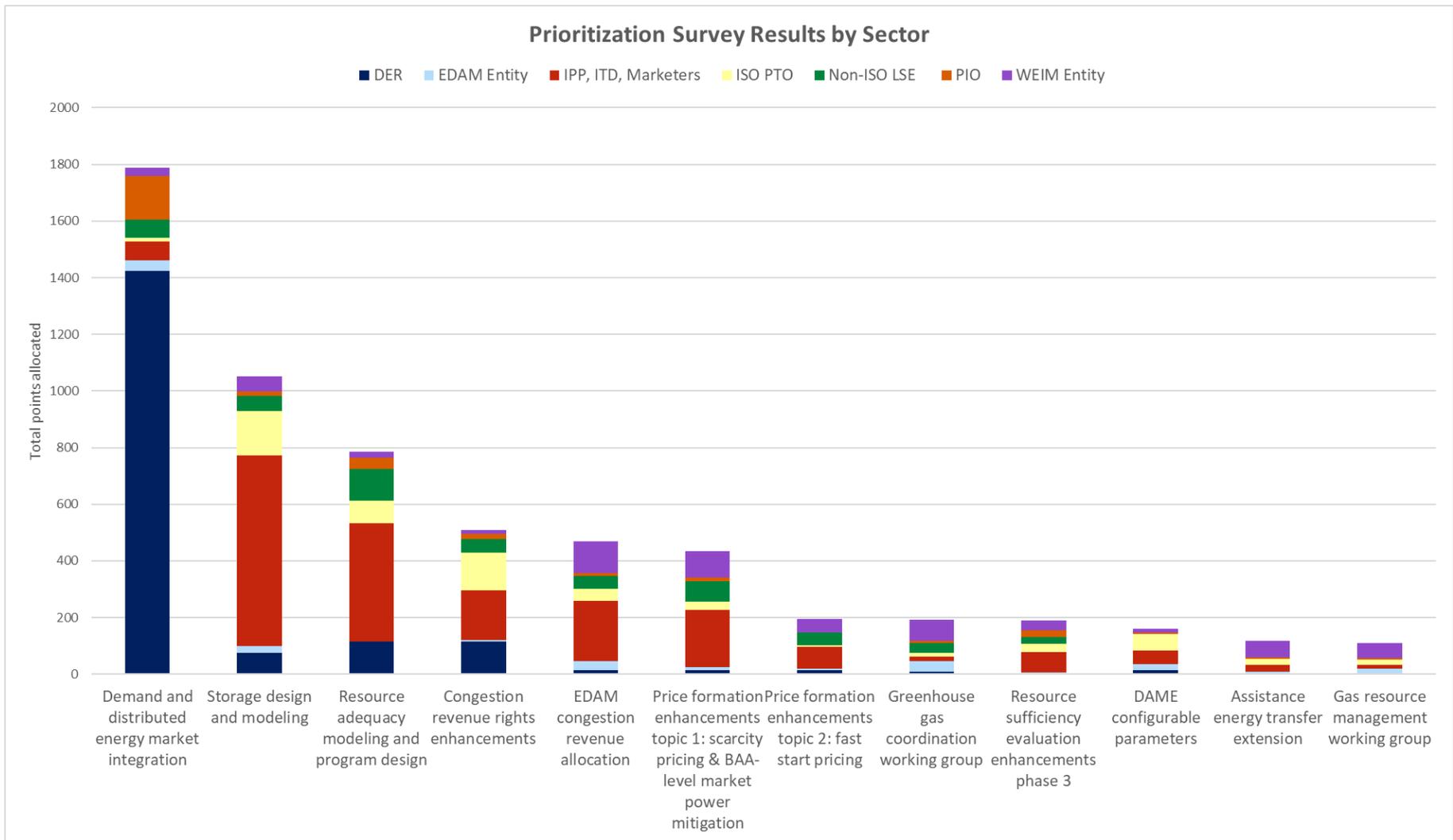


N=64, up to 100 points each

## Top priorities, by stakeholder sector

Sector	Top Priority	Total Points Top Priority	Number of responses
Distributed energy resources	Demand and distributed energy market integration	1425	18
Independent power producers, independent transmission developers, marketers	Storage design and modeling	672	21
ISO participating transmission owners	Storage design and modeling	157	6
Public interest organizations	Demand and distributed energy market integration	154	5
Non-investor owned utility load serving entities	Resource adequacy modeling and program design	113	5
WEIM entities	EDAM congestion revenue allocation	111	7
EDAM entities	Demand and distributed energy market integration & greenhouse gas	35	2

# Stakeholder support for existing initiatives, by sector



# Summary of roadmap changes

## Major changes

- Added EDAM congestion revenue allocation initiative
- Split WEIM assistance energy transfer extension from resources sufficiency evaluation phase 3
- Postponed resource sufficiency evaluation phase 3
- Postponed fast start pricing
- Postponed track 2 of demand and distributed energy market integration

## Minor changes

- Congestion revenue rights working groups extended additional quarter
- Greenhouse gas topic 3 concluded and topic 1 postponed to 2026 or later
- Greenhouse gas topic 2 decision moved from Q2 to Q4
- Resource adequacy track 1 decision postponed from Q3 to Q4
- Resource adequacy track 2 and 3b decisions postponed to 2026

# Revised 2025 policy roadmap

		2025			
		Q1	Q2	Q3	Q4
<b>Congestion Revenue Rights</b>		Scoping working groups		Policy development	
<b>Demand and Distributed Energy Market Integration</b>		Scoping working groups			Policy Development
<b>EDAM Congestion Revenue Allocation</b>			Policy Development & Decision		
<b>Gas Resource Management</b>		Proposal working groups	Straw proposal	Policy development	Decision
<b>Greenhouse Gas Coordination</b>					
	Topic 1: WEIM/EDAM GHG design	Scoping working groups		Postponed	
	Topic 2: Non-priced approaches for GHG reduction	Policy development	Straw proposal	Policy development	Decision
	Topic 3: Additional GHG-related metrics	Addressed & closed out			

# Revised 2025 policy roadmap (cont.)

		2025			
		Q1	Q2	Q3	Q4
<b>Price Formation Enhancements</b>					
	Scarcity pricing & market power mitigation	Proposal working groups	Straw proposal	Policy development	
	Fast start pricing	Postponed			
<b>Resource Adequacy Modeling and Program Design</b>					
	Track 1: Modeling, Defaults, and Accreditation	Policy development			Decision (Default Counting Rules/PRM)
	Track 2: Outage & substitution and availability and incentive mechanisms	Policy development			
	Track 3a: RA status visibility	Policy development			
	Track 3b: Backstop reform and long-term EDAM RSE solutions		Postponed		Policy development

# Revised 2025 policy roadmap (cont.)

		2025			
		Q1	Q2	Q3	Q4
<b>Storage Design and Modeling</b>		Scoping working groups Issue papers & straw proposals		Policy development	
<b>WEIM Resource Sufficiency Evaluation Enhancements</b>		Postponed			
<b>WEIM Assistance Energy Transfer</b>			Policy development	Decision	

## Next steps

- May: Publish revised 2025 policy roadmap
- June: Update schedules of current policy initiatives to accommodate roadmap changes
- June/July: 2025 policy catalog
  - Describes all proposed policy initiatives submitted by stakeholders in February 2025
  - Summarizes stakeholder prioritization survey results and stakeholder support for each proposed initiative
  - Will be used as input to 2026-2028 policy roadmap development
- Q3-Q4: 2026-2028 policy roadmap development
  - Will include all postponed items from revised 2025 roadmap