

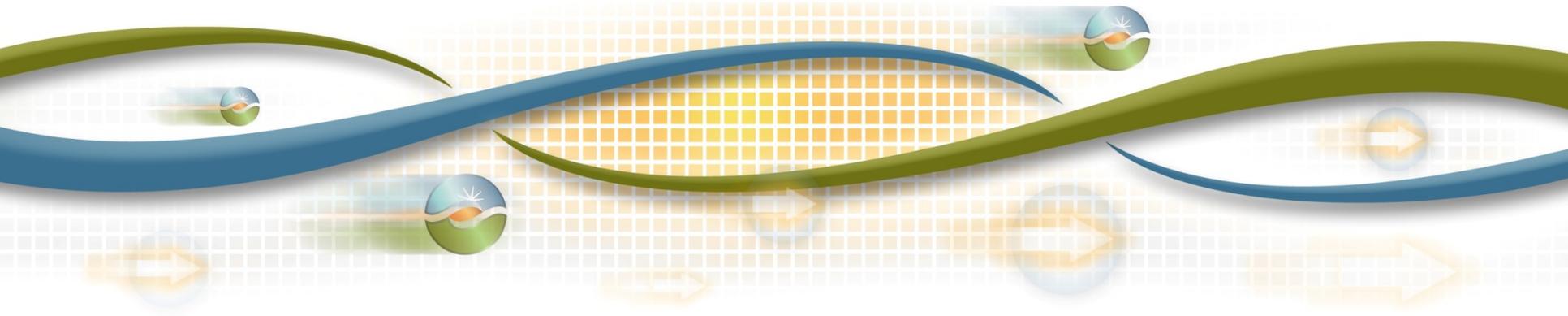


California ISO  
Shaping a Renewed Future

# Briefing on ISO tariff framework

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Balancing authorities outside the ISO participate in the EIM to satisfy their needs for imbalance energy.

## Energy Imbalance Market



imbalance energy is not the only service the real-time market provides



- ancillary services
- capacity procurement
- emergency dispatch



design accounts for differences from the ISO real-time market

## Extending the ISO real-time market to EIM participants relies upon a defined tariff framework.

- Embedded in the ISO tariff and extends to EIM participant OATTs
- Accounts for differences between the ISO real-time market and its extension to EIM participants
- Ensures consistency of real-time market rules for the benefit of all market participants
- Allows flexibility for EIM participants
- Establishes a reference point for scope of separate, independent governance of EIM market rules

The framework reflected in the ISO tariff follows a few fundamental rules of construction and organization.

- Rules unique to the EIM are set forth in section 29
  - numbering is consistent with the same subject matter in the balance of the ISO tariff
- Rules applicable to the EIM and the real-time market are incorporated by reference in section 29
- Rules applicable to the real-time market but not the EIM are excluded by reference in section 29
- Rules that allocate costs between the real-time market and the EIM are reflected in section 11
  - limited to three rules: offset costs, bid-cost recovery, and flexible ramping constraint costs

## Each participant OATT must enable operation of the EIM in accordance with the ISO tariff.

- Amendment of each participant's OATT is required to a provide imbalance energy service pursuant to the EIM
  - eligibility of resources
  - availability of transmission
  - allocation of neutrality and uplift costs
  - settlement of imbalance energy costs
- PacifiCorp developed a new OATT Attachment T that includes most EIM rules applicable to their customers
  - Attachment T references key ISO tariff provisions
  - Attachment T governs over other OATT provisions

FERC's June 19 orders recognize the tariff framework as an important element of the EIM.

*“The proposal encompasses—within one realtime balancing market—entities within an ISO market and entities outside an RTO/ISO market operating BAAs pursuant to OATTs. The structural differences between these areas require differences in treatment within the context of a single EIM . . .”* (ISO at PP 76)

*“Specifically, we find that PacifiCorp's proposal to include cross-references in its OATT to the relevant provisions of CAISO's tariff is appropriate to ensure PacifiCorp's seamless integration into the EIM.”* (PacifiCorp at PP 101)