Briefing on Policy Outlook

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EIM Governing Body Meeting

General Session

June 30, 2020

California ISO
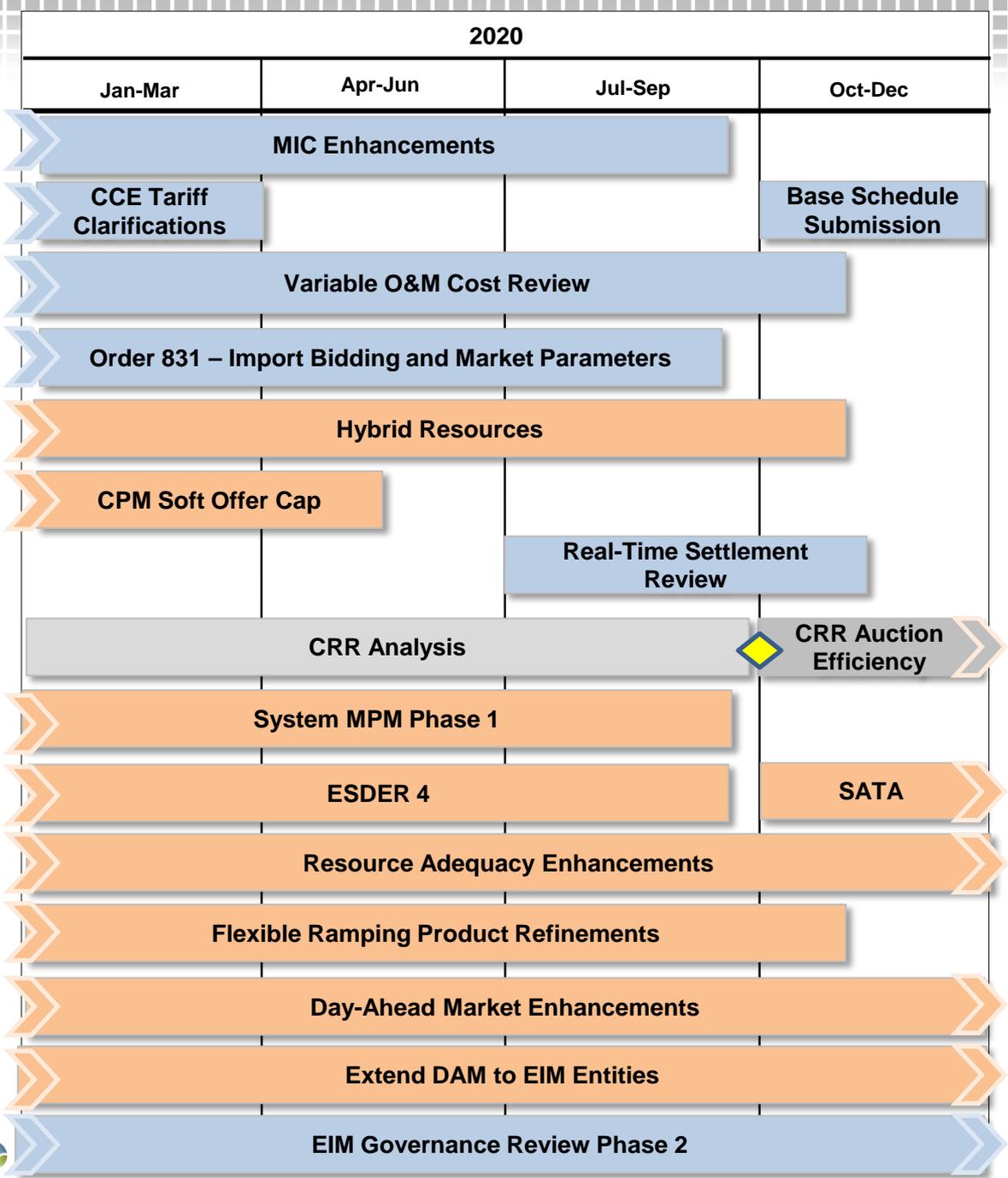
Overview

- 2020 annual policy development plan updates

- EIM-related initiatives updates

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2020 Annual Plan

*Timeframes are approximate and subject to change

Legend:
- Major Initiatives
- Initiatives
- Potential Initiatives
- Decision Point

2020

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
MIC Enhancements				
CCE Tariff Clarifications				Base Schedule Submission
Variable O&M Cost Review				
Order 831 – Import Bidding and Market Parameters				
Hybrid Resources				
CPM Soft Offer Cap				
			Real-Time Settlement Review	
CRR Analysis				CRR Auction Efficiency
System MPM Phase 1				
ESDER 4				SATA
Resource Adequacy Enhancements				
Flexible Ramping Product Refinements				
Day-Ahead Market Enhancements				
Extend DAM to EIM Entities				
EIM Governance Review Phase 2				

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Hybrid Resources

- Scope:
  - Enhancing hybrid resource ISO market participation model
    - Phase 1: Policy for dispatching co-located hybrid resources
    - Phase 2: Policy for dispatching hybrid resources as a single resource

- EIM Governing Body advisory role

- Status:
  - Second revised straw proposal for phase 2 posted in April
  - Phase 1: June 2020 EIM Governing Body briefing and July 2020 ISO Board decision
  - Phase 2: November 2020 EIM Governing Body briefing and ISO Board decision

Energy Storage and Distributed Energy Resources - Phase 4

- Scope:
  - Enhancements to energy storage and distributed energy resource model and rules

- EIM Governing Body advisory role

- Status:
  - Draft final proposal posted in April
  - September 2020 EIM Governing Body briefing and ISO Board decision

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FERC Order 831 – Import Bidding & Market Parameters

- Scope:
  - Cost verification for import bids above $1,000/MWh
  - ISO market constraint relaxation prices

- EIM Governing Body advisory role

- Status:
  - Draft final proposal published late April
  - Revised draft final proposal to be published in July
  - Sep 2020 EIM Governing Body briefing and ISO Board decision

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System Market Power Mitigation

- Scope:
  - Develop real-time market system-level market power mitigation for the ISO balancing authority area

- EIM Governing Body advisory role

- Status:
  - Draft final proposal posted in June
  - September 2020 EIM Governing Body briefing and ISO Board decision

Real-Time Settlement Review

- Scope:

  - Review real-time market settlement charges to ensure consistency with cost allocation principles

  - Address identified EIM settlement issue associated with wheeling

- EIM Governing Body primary approval authority for identified EIM settlement issue

- Status:

  - Issue paper/straw proposal to be posted in July

  - November 2020 EIM Governing Body and ISO Board decision regarding EIM settlement issue

Flexible Ramping Product Enhancements

- Scope:
  - Nodal modeling to improve deliverability and pricing

- EIM Governing Body advisory role

- Status:
  - Draft final proposal posted in May
  - November 2020 EIM Governing Body briefing and ISO Board decision
  - Targeting Fall 2021 implementation

Day-Ahead Market Enhancements

- Scope:
  - Co-optimizing supply based on both cleared demand and demand forecast
  - Day-ahead imbalance reserve product

- EIM Governing Body role:
  - EIM Governance Charter specifies advisory role for components that change generally applicable real-time market rules
  - However, Management will recommend that the ISO Board of Governors give the EIM Governing Body an advisory role for entire initiative

- Status:
  - Revised straw proposal posted in June
  - Second revised straw proposal to be posted in August
  - 2021 EIM Governing Body briefing and ISO Board decision
  - Targeting Fall 2022 implementation

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Extended Day-Ahead Market

- Scope: Extending day-ahead market to EIM entities
  - Bundle 1: transmission provision, resource sufficiency evaluation, distribution of congestion rents
  - Bundle 2: accounting for GHG costs, ancillary services, full network model enhancements, administrative fee
  - Bundle 3: price formation, convergence bidding, external resource participation, and other items
- EIM Governing Body role:
  - Management will recommend that the ISO Board of Governors give the EIM Governing Body joint approval authority for entire initiative
- Status:
  - Held stakeholder workshops in February
  - Bundle 1 straw proposal to be posted in July
  - 2021 EIM Governing Body and ISO Board briefings
  - Targeting Fall 2023 implementation

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