

WESTERN ENERGY IMBALANCE MARKET

Briefing on Policy Outlook

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EIM Governing Body Meeting

General Session

March 12, 2020



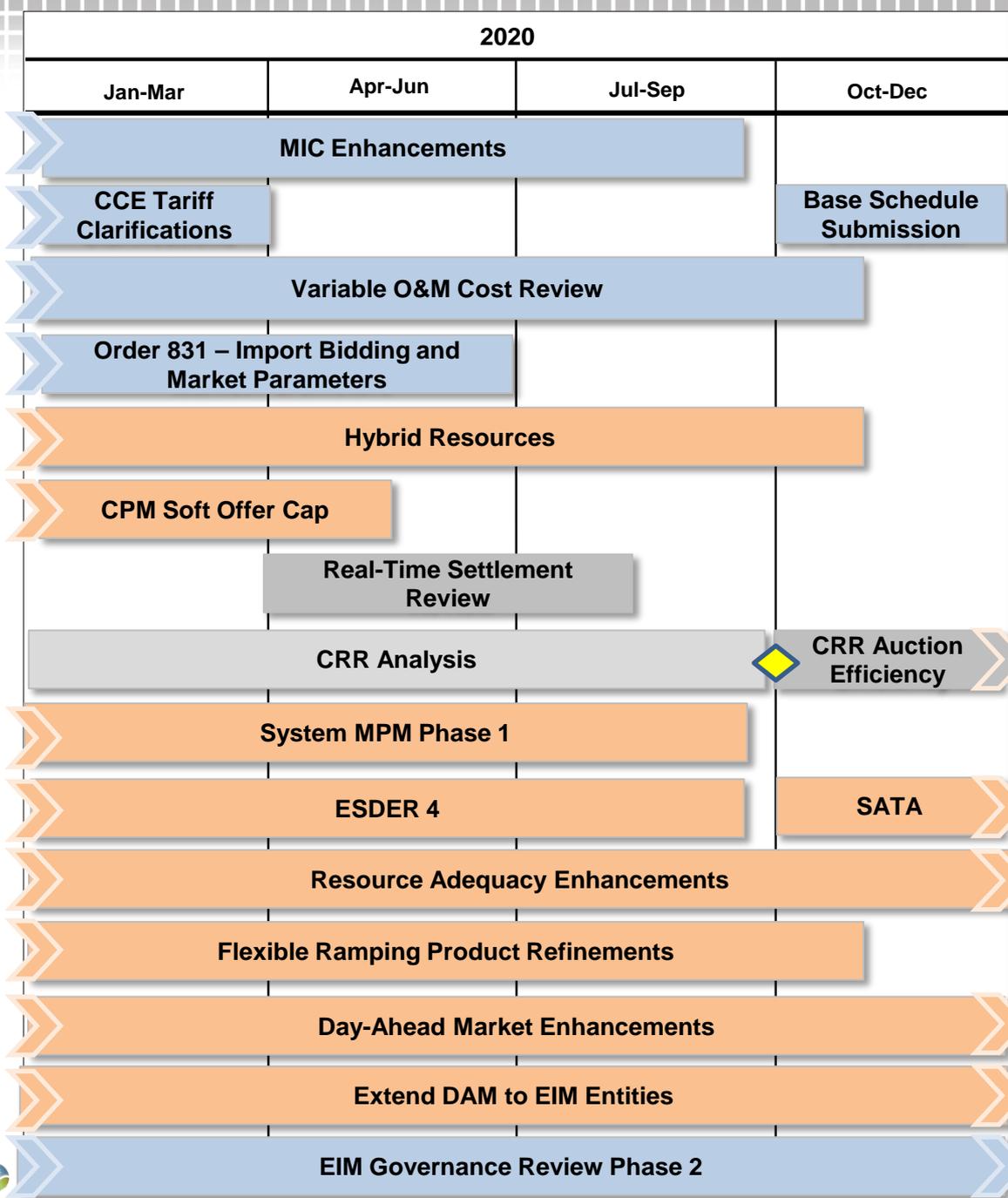
Overview

- 2020 annual policy development plan updates
- EIM-related initiatives updates

2020 Annual Plan

*Timeframes are approximate and subject to change

	Major Initiatives
	Initiatives
	Potential Initiatives
	Decision Point



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 to be published April 8
 - June 2020 EIM Governing Body briefing and July 2020 ISO Board decision

Hybrid Resources

- Scope:
 - Enhancing hybrid resource ISO market participation model
 - Phase 1: Refinements to maximum output used by the ISO market
 - Phase 2: More extensive market refinements
- EIM Governing Body advisory role
- Status:
 - Second revised straw proposal to be posted April 22
 - 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

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:
 - Revised straw proposal to be posted March 31
 - September 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 to be posted April 9
 - September 2020 EIM Governing Body briefing and ISO Board decision

Flexible Ramping Product Enhancements

- Scope:
 - Deliverability
 - Eligibility to provide
 - Ramp management between 15- and 5-minute markets
- EIM Governing Body advisory role
- Status:
 - Revised straw proposal to be posted March 16
 - November 2020 EIM Governing Body briefing and ISO Board decision

Variable O&M Cost Review

- Scope:
 - Updates to the ISO's calculation of variable operations and maintenance costs it uses to calculate default energy bids and commitment costs
- EIM Governing Body advisory role
- Status:
 - Draft final proposal to be posted June 15
 - November 2020 EIM Governing Body briefing and ISO Board decision

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:**
 - Straw proposal posted in February
 - Revised straw proposal to be posted May 22
 - 2021 EIM Governing Body briefing and ISO Board decision

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:**
 - Received comments on February workshops on March 4
 - Straw proposal to be posted April 14
 - 2021 EIM Governing Body and ISO Board decisions