

WESTERN ENERGY IMBALANCE MARKET

Briefing on Policy Outlook

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EIM Governing Body Meeting

General Session

March 12, 2019



Overview

- Review EIM related initiatives
- Review updated 2019 annual policy development plan

Local Market Power Mitigation Enhancements

- Scope:
 - Addresses both EIM-specific and market wide local market power mitigation issues:
 - Default energy bid for EIM use-limited hydro resources
 - Real-time market power mitigation process changes to prevent additional exports due to mitigated bids
 - Default energy bid and commitment cost bid cap adjustment process
- EIM Governing Body role
 - Primary approval authority for one component and advisory role for remainder
- Status:
 - March 2019 EIM Governing Body and ISO Board decisions

Primary approval authority for most of initiative under proposed changes to EIM Governing Body approval authority

Day-Ahead Market Enhancements Phase 1: Fifteen-Minute Granularity

- **Scope:**
 - Day-ahead market and EIM base schedule 15-minute granularity
 - 15-minute granularity energy and ancillary services bids
- **EIM Governing Body role:**
 - Hybrid non-EIM driven approval role
- **Status:**
 - Third revised straw proposal posted on February 28
 - Assessing technical feasibility
 - June 2019 EIM Governing Body and July 2019 ISO Board decisions

Day-Ahead Market Enhancements Phase 2: Day-Ahead Flexible Ramping Product

- **Scope:**
 - Day-ahead flexible ramping product
 - Re-optimize ancillary services in the real-time market
- **EIM Governing Body role:**
 - EIM Governing Body Charter specifies advisory role for components that change real-time market rules
 - However, Management will recommend EIM Governing Body have advisory role for entire initiative
 - Foundational to extending day-ahead market to EIM entities
- **Status:**
 - Issue paper/straw proposal posted on February 28
 - Q4 2019 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:
 - Issue paper posted on February 7
 - Q4 2019 EIM Governing Body briefing and ISO Board decision

Market Settlement Timeline Transformation

- **Scope:**
 - Revise market settlement timelines to be more efficient and better accommodate business needs
- **EIM Governing Body advisory role**
- **Status:**
 - Issue paper to be published May 2019
 - Q4 2019 EIM Governing Body briefing and ISO Board decisions

System Market Power Mitigation

- Scope:
 - Review results of ISO's analysis of system-level market power
 - Determine if measures are necessary to address system-level market power
- EIM Governing Body advisory role
- Status:
 - Issue paper and analysis report to be published late-March 2019
 - Q3 2019 EIM Governing Body briefing and ISO Board decision if changes are needed

2019 Annual Plan

*Timeframes are approximate and are subject to change

