

WESTERN ENERGY IMBALANCE MARKET

Briefing on hybrid resources phase 1 and decision on advisory role (co-located resources)

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EIM Governing Body Meeting

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Management is developing two different models for generation with different technology types at the same location

- Co-located Resource – Individual resource ID for each generator behind a single point of interconnection
 - Each component will be modelled similar to other resources on the grid today
 - ISO Board decision in July, Fall 2020 implementation
- Hybrid Resource – A single resource ID aggregating multiple generators at a single point of interconnection
 - ISO has visibility to a single resource which can allow flexibility for hybrid resource management
 - ISO Board decision in November, Fall 2021 implementation

Co-located resources proposal falls under the EIM Governing Body's advisory role

- Under the co-located resources proposal, the ISO will provide new functionality to manage multiple resources behind a point of interconnection
- New functionality will be available to the ISO and EIM balancing authority areas
- Rules apply generally to the entire market, therefore proposal falls under EIM Governing Body's advisory role

Management proposes that co-located resources be constrained by limits at the point of interconnection (POI)

- Under current rules, resources are constrained so aggregate Pmax values are less than the POI limits
- Proposal manages dispatches of co-located resources to be within POI limits allowing Pmax of each resource up to POI limit
 - POI limit will be implemented as a constraint in market model
 - Resources will be priced at the POI
- Initial implementation in Fall 2020 will limit new functionality to energy dispatches
 - Full constraint, including AS, planned for Fall 2021

Stakeholders support new policy for managing co-located resources, but have remaining concerns

- Concern over policy implementation timeline
 - Some stakeholders believe policy is moving too fast
 - Some stakeholders want ancillary services functionality available for 2021 operational year
- Some stakeholders requested additional functionality to allow storage resources to absorb differences between VER forecasts and actual output
 - Due to operational concerns, management proposes conservative path for implementations
 - Consider additional functionality for later enhancements
- DMM concerned pricing resources at POI instead of resource nodes could incent resources to deviate from dispatch instructions
 - POI is not part of the ISO controlled grid
 - Would price co-located resources different than hybrid resources
 - Physical equipment required to maintain dispatch within POI limit

Management recommends EIM Governing Body support proposal for co-located resources

- Co-located proposal will provide new functionality to efficiently manage resources located at the same POI
- Conservative implementation approach will allow for the ISO and market participants to learn how to best manage these new resource configurations before addition additional functionality
 - ISO will provide a report out after the first year of experience with co-located resource operations
- Management will consider new functionality for 2023 interconnections