

WESTERN ENERGY IMBALANCE MARKET

Decision on Western EIM sub-entity schedule coordinator role

Greg Cook

Executive Director, Market and Infrastructure Policy

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Management proposes new *EIM sub-entity* participation category

- Currently, only EIM entities directly settle and interact with the ISO
 - Load is settled under EIM entities' open access transmission tariffs
- New category will provide utilities within an EIM area to settle load and non-participating resource imbalance energy directly with the ISO
 - Enter into a EIM sub-entity agreement with the ISO
 - Make an initial payment of estimated implementation costs
 - Base schedule submission and imbalance energy settlement
 - Forecast, outage, and network model submission

Proposal includes several eligibility criteria for EIM sub-entities to limit its use to utilities that serve load

- Must be an electric utility embedded within an EIM entity's balancing authority area and not receive long-term wholesale full requirements services
- Must own a distribution system or transmission facilities directly connected to the transmission system of the EIM entity
 - For the purpose of providing regulated electric service to eligible retail or wholesale customers, or serving eligible customers as a local publicly owned electric utility
- Must own or control one or more supply resources for the primary purpose of serving its eligible customers

Proposal provides EIM entities with authority to decide eligibility to ensure consistency with operational and business practices


- EIM entities have several options for eligibility:
 - No eligibility
 - Entities that meet the ISO's criteria to be an EIM sub-entity
 - Entities that meet the ISO's criteria and have an existing contractual or tariff based practice for accounting for imbalance energy that is unique among the EIM entity's transmission service customers

EIM entities will retain a role in several aspects of EIM sub-entities' direct participation with the ISO

- Authority to modify EIM sub-entities' base schedules and approve their forecasting methods
 - These items affect the resource sufficiency evaluation conducted for the entire balancing authority area
- Authority to approve whether sub-entities can perform various functions related to balancing authority area operations
 - Manually dispatch resources
 - Submit their own resource and transmission outages
 - Submit their own network model

Stakeholders largely support the sub-entity proposal

- EIM entities initially concerned that widespread proliferation of EIM sub-entities could adversely impact operational and business practices
 - Proposed eligibility criteria address this concern
 - Some entities that will not meet the criteria believe they should also be able to directly settle with the ISO
- Some entities believe the EIM should model energy transfers between entities in the same balancing authority area
 - Inconsistent with the EIM's existing interchange modeling



Management requests the EIM Governing Body approve the new EIM sub-entity scheduling coordinator EIM participant category and associated rules

- Proposal allows entities to directly settle imbalance energy with the ISO
- Proposal includes rules to ensure role is consistent with each balancing authority area's operational and business practices
- Fulfills the ISO's commitment to develop an additional EIM participant category that would provide direct scheduling and settlement