

WESTERN ENERGY MARKETS

Decision on Western Energy Imbalance Market assistance energy transfer proposal

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Management proposes two changes to assistance energy transfer rules

1. Remove the December 31, 2025, sunset provision for the assistance energy transfer feature to ensure this reliability tool does not expire.
2. Create an exemption so surcharges will not apply to any transfers that arise because a WEIM balancing authority takes actions for the purposes of ensuring continued reliable operations, working with a reliability coordinator.

Assistance energy transfers: background

- Assistance energy transfers are an optional feature where a balancing area that fails a resource sufficiency evaluation test can receive energy transfers through the market at a surcharge.
- Without this option, when entities fail the sufficiency evaluation, their transfers are limited to the last amounts they were able to transfer before they failed.
- Market-based alternative for providing energy during stressed or emergency operating conditions.
- Approved by WEM Governing Body and ISO Board of Governors in December 2022.

Eliminating the sunset provision ensures this reliability feature does not expire

- Management proposes to remove the December 31, 2025, sunset provision for the assistance energy transfer feature.
- The assistance energy transfer feature is widely supported and broadly understood to improve the reliability of WEIM balancing areas.
- Does not preclude the ISO from working with stakeholders on further refinements.

Assistance energy transfers and reliability actions

- Management proposes to create an exemption for assistance energy transfer surcharges that are due to actions taken working with the Reliability Coordinator.
- Ensures that balancing areas are not compelled to weigh potential surcharge liabilities against reliability-driven actions.

Stakeholders universally support the proposal

- All stakeholders who have participated in the initiative support the ISO's proposed changes.
- Stakeholders agree directionally with the exemption for reliability coordinated actions but request better understanding of how exemptions would be applied.
 - Management commits to specifying relevant scenarios within business practice manuals.

Management recommends approval of the WEIM assistance energy transfer proposal

- Proposal removes December 31, 2025, sunset provision for the assistance energy transfer feature to ensure this reliability tool does not expire.
- Proposal creates an exemption for assistance energy transfer surcharges that arise following a WEIM balancing area taking actions with a reliability coordinator.
- Proposal is supported by stakeholders and enables balancing areas to continue to leverage the market's efficient dispatch that enhances western interconnection reliability.