



Western Energy Imbalance Market Benefits and Market Update – Q4 2024

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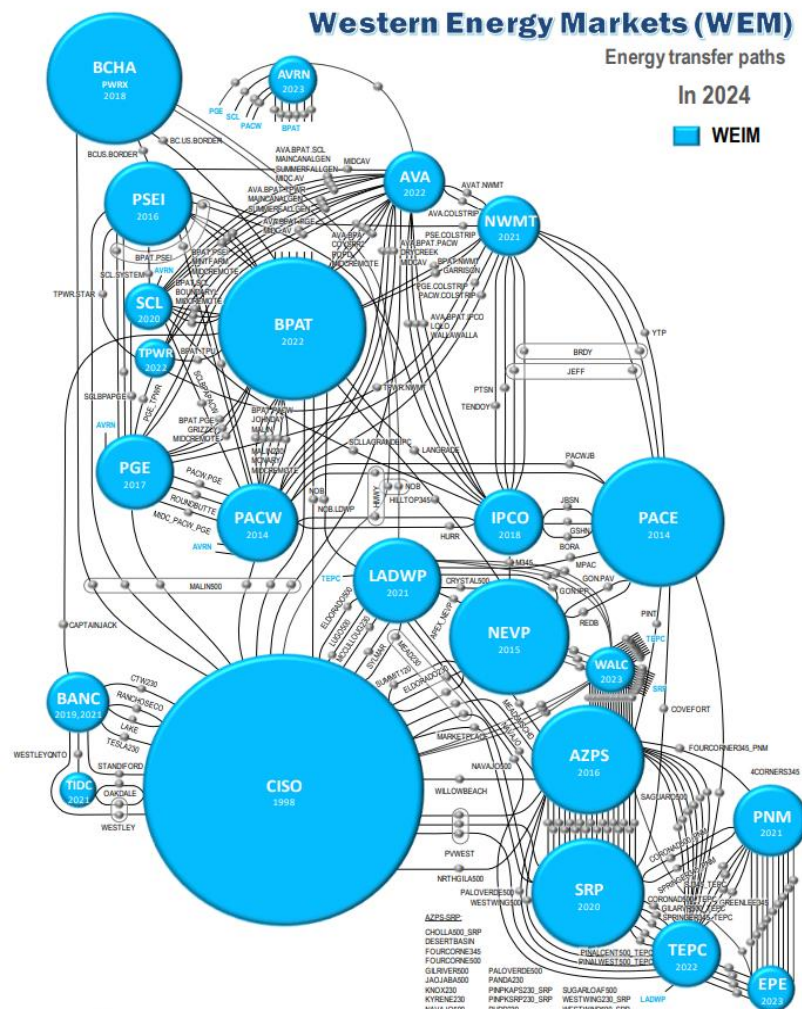
BOSR Meeting
February 14, 2025

The Western Energy Imbalance Market consists of 23 balancing areas

The market provides:

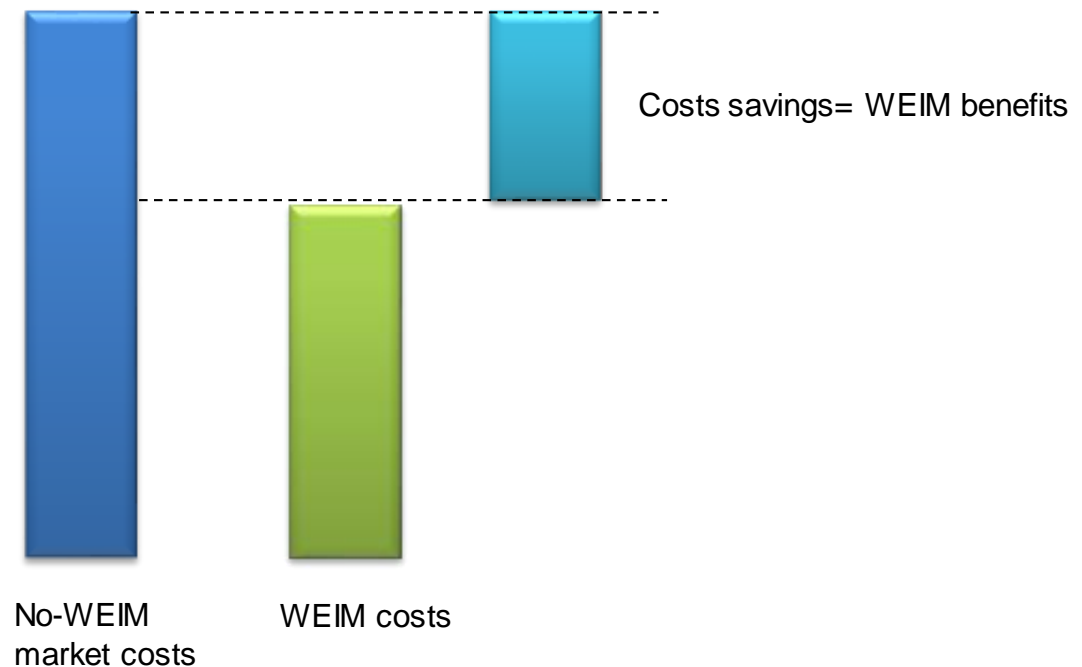
- Economic benefits from
 - transfers
 - diversity
 - flexible capacity
 - green-house gas avoidance
- Operational benefits from
 - resource diversity
 - management of variability
 - efficient balancing
 - situational awareness
- CAISO reports quarterly on the Economic Benefits

Information available at
<https://www.westerneim.com/pages/default.aspx>

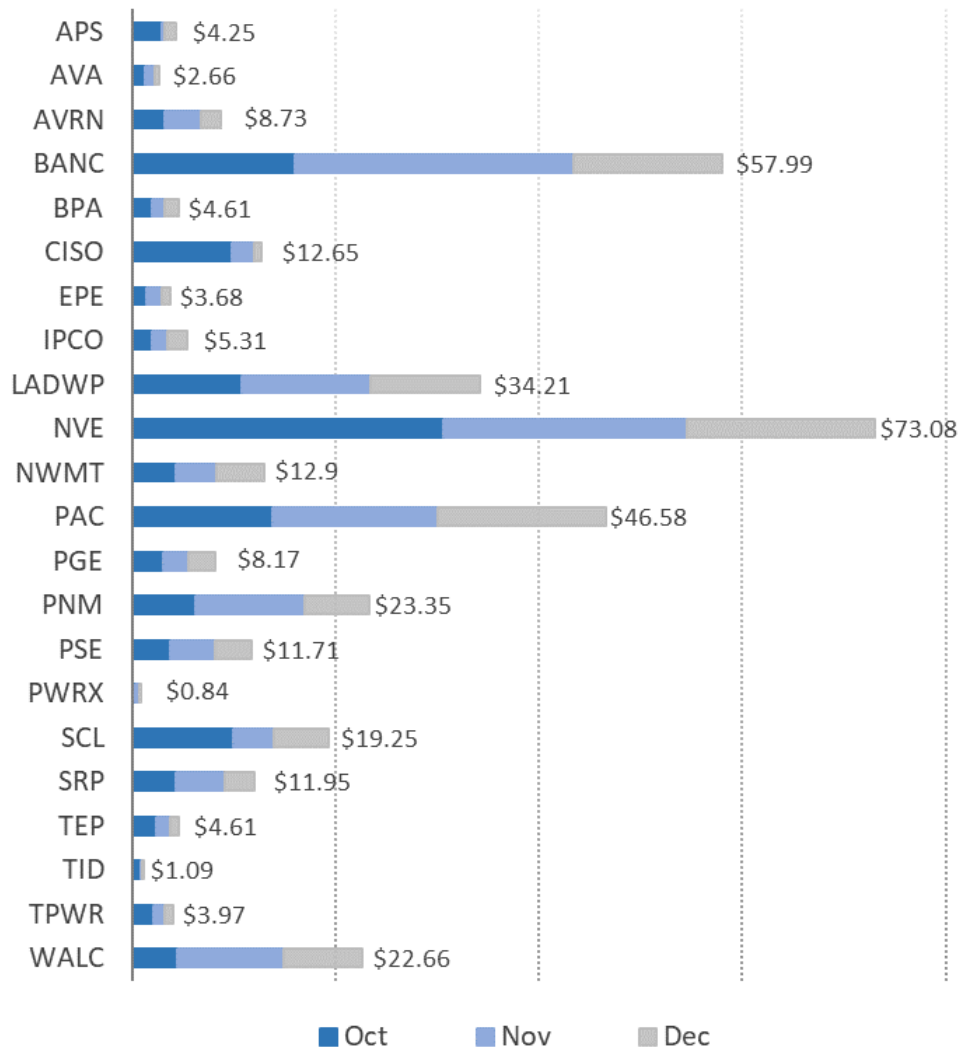


CAISO uses a well established and agreed upon methodology with all balancing areas to estimate benefits

The benefits of the western energy imbalance market is the cost saving or (economic surplus gain) with and without the market



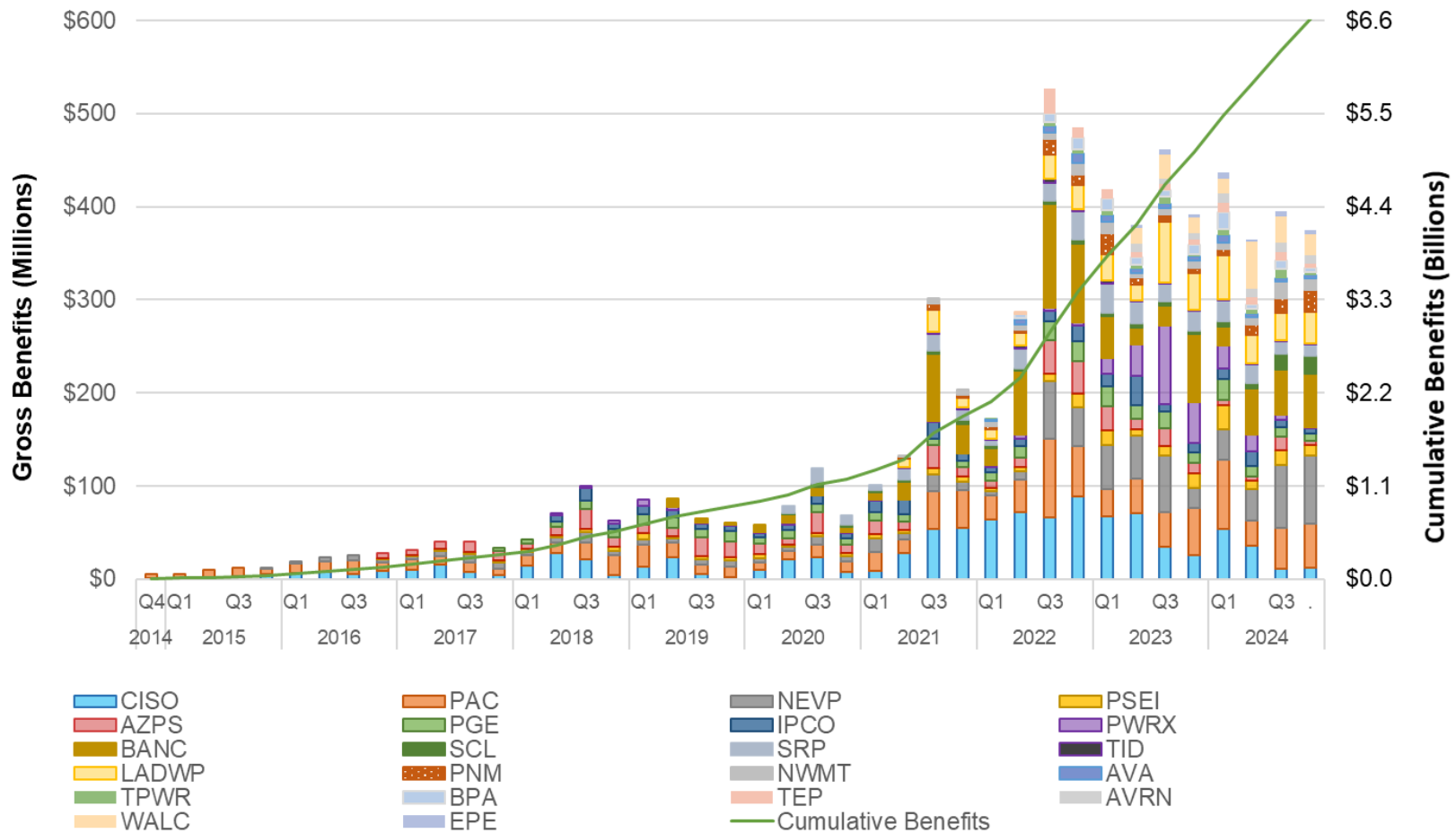
Economic benefits total \$374.25 million in Q4 2024



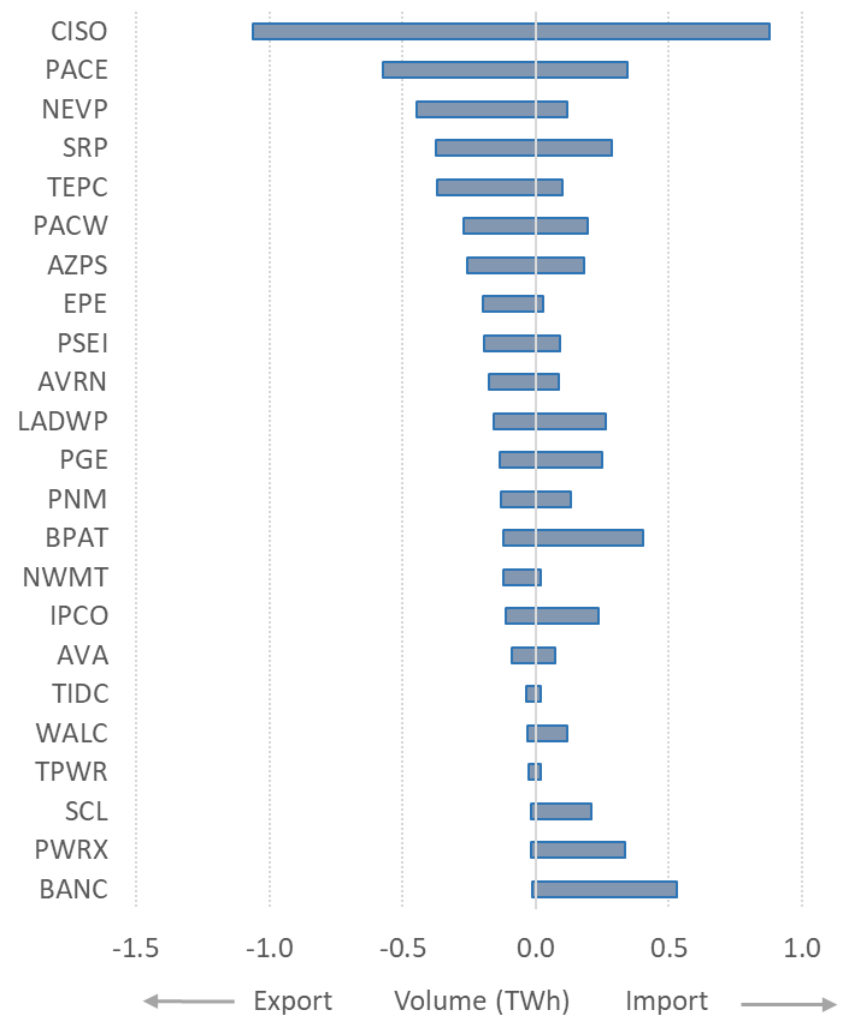
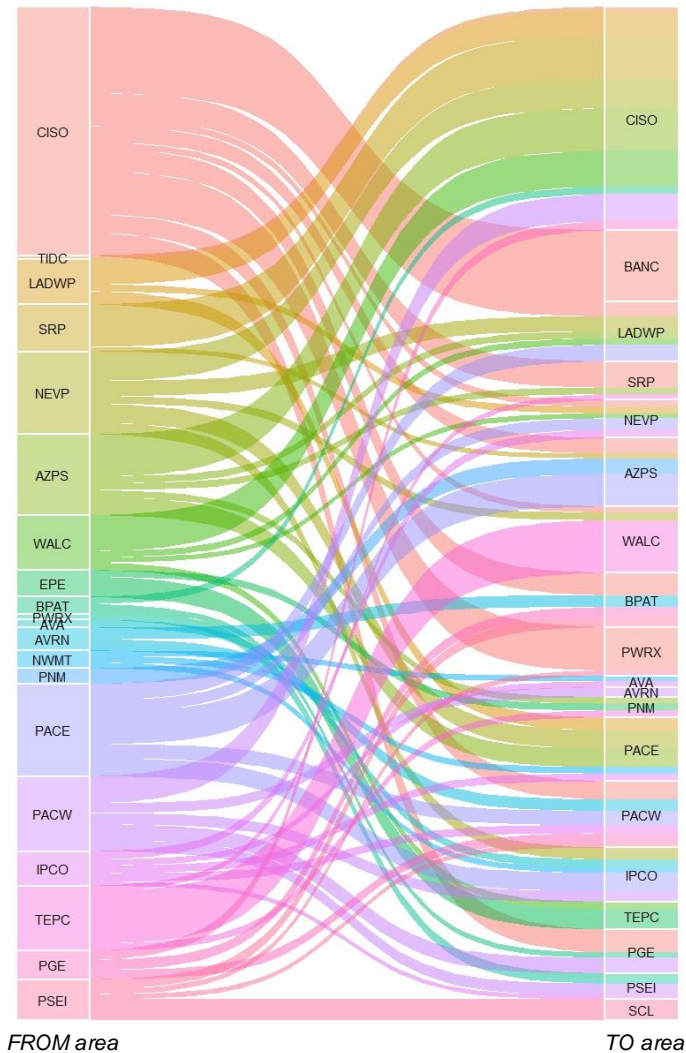
Gross economic benefits driven by:

- Wide footprint consisting of 23 balancing areas
- Economic transfers among areas
- Energy prices and economic displacement of high-value energy

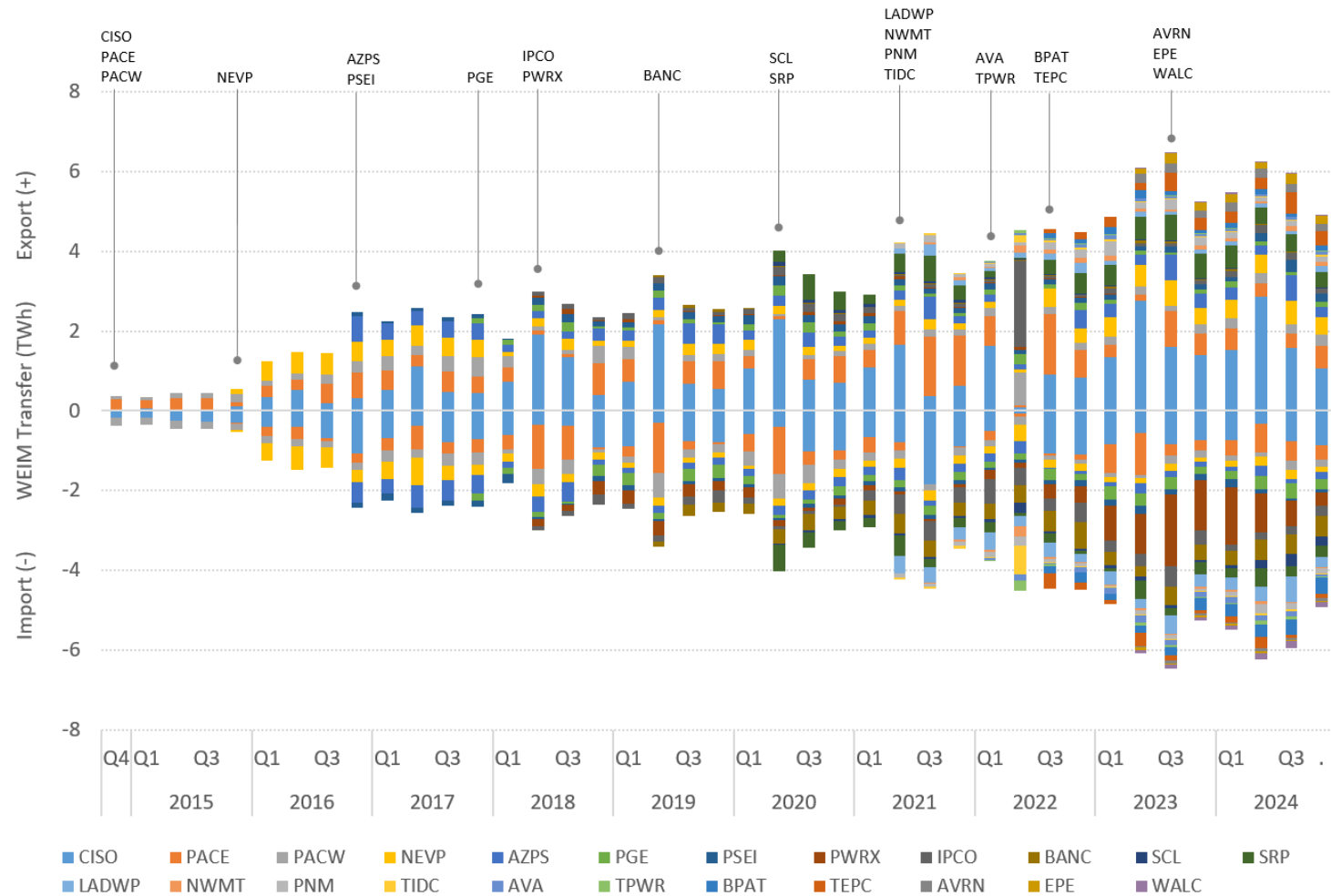
\$6.62 billion cumulative benefits through Q4 2024



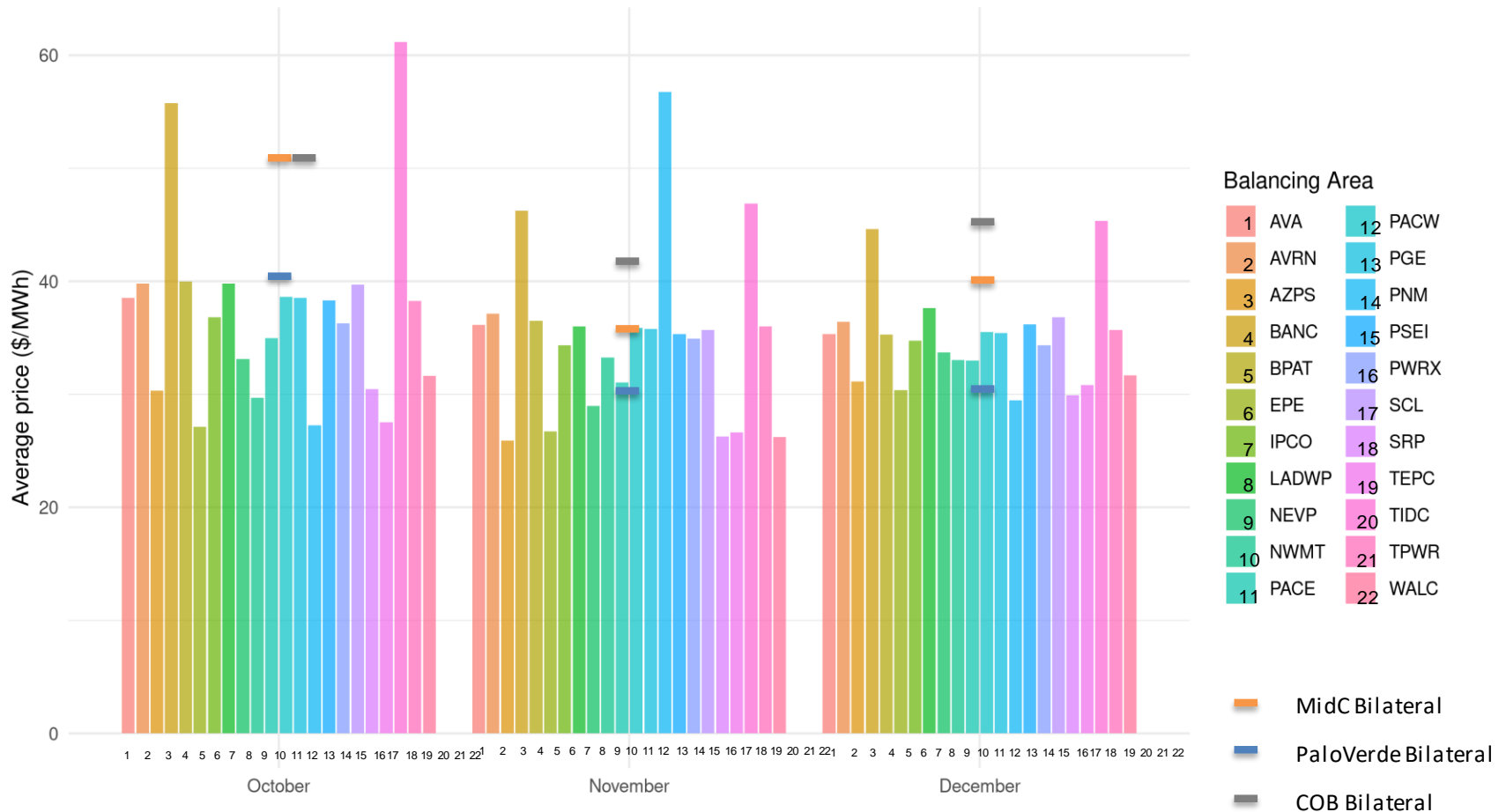
Market saw robust volumes of transfers in Q4 2024



Expansion of the western energy imbalance market has unlocked increasing volumes of economic transfers



Prices trended down, reflecting mild winter conditions





Update on 2025 Policy Initiatives Catalog and Roadmap

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Body of State Regulators Meeting

February 14, 2025

CAISO Public

Annual Policy Catalog & Roadmap Process

Policy Initiatives Catalog

- ISO accepts policy initiative proposals from stakeholders and documents stakeholder support for proposed initiatives
- Catalog reflects shared priorities of ISO stakeholders and Regional Issues Forum (RIF)
- Input to the Policy Roadmap prioritization process

Policy Initiatives Roadmap

- Work plan that describes the policy initiatives the ISO will undertake over the next 3 years
- Final Roadmap represents intersection of stakeholder-identified priorities from the Catalog, [ISO Critical & Strategic objectives](#), initiative feasibility, urgency, and ISO resources.
- Includes initiatives identified by both stakeholders and the ISO

Policy Roadmap & Catalog Timeline



Policy initiative proposal template

- Submission template released January 30
 - Available via comment template on [2025 Catalog & Roadmap website](#)
- Submissions accepted January 30 to February 28
- Requested information:
 - Issue description
 - Initiative description
 - Market impact
 - Timing/urgency
 - Data availability/needs

Categorizing Potential Submissions

1. **Discretionary market design initiatives** – candidates for the Catalog
2. **Non-discretionary initiatives** (e.g. FERC Orders)
3. **Issues being addressed** in current initiatives / working groups
4. **Transmission and Infrastructure Planning**
5. **Process improvements**

Process change for 2025: Submissions that are **not** discretionary market design initiatives will be directed to the relevant ISO process for prioritization

Opportunities for BOSR participation & input

1. Submit policy initiative proposals to Catalog

- Accepting submissions through Feb. 28
- BOSR as an organization, or individual entities may submit

2. Comment on Catalog submissions

- Describe BOSR support for specific initiative proposals submitted to the Catalog, or categories of initiatives submitted
- Provide feedback to inform initiative prioritization, such as assessment of potential impacts, benefits, or concerns.
- 2024 [BOSR comments](#) on Catalog & Roadmap
 - Specific & actionable recommendations are most helpful in prioritization – e.g. [2024 Roadmap](#) features accelerated Price Formation Enhancements timeline

3. Complete prioritization ranking survey

- Indicative voting on the prioritization of Catalog submissions
- Released in May

Catalog & Roadmap Schedule: Next Steps

- **January 30:** Catalog submissions template posted
- **January 30 - February 28:** ISO accepting Catalog submissions for new discretionary market design policy initiatives from all stakeholders
- **March & April:** Stakeholder prioritization workshops for Catalog submissions
 - Regional Issues Forum Roundtable discussion: April 9
 - Clarify purpose of submissions
 - Develop understanding of breadth of stakeholder support for individual submissions
 - Identify logical groupings of submissions
- **May:** Stakeholders submit prioritization rankings

Resources

- Visit process webpage for more information: [2025 Catalog & Roadmap webpage](#)
- View 2024 submissions, presentations, and draft/final products on the [2024 Catalog & Roadmap webpage](#)
 - [Final 2024 Roadmap](#) and [Final 2024 Catalog](#)
- Questions? Please contact:
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