

EIM Resource Sufficiency Panel Discussion

March 9, 2021





Why does the EIM/EDAM need a Resource Sufficiency test?

Is it Economic or Reliability or Both?

- Originally designed for “comparable treatment” between participants and protections against BAAs “leaning” on the capacity of neighboring systems
- CAISO’s resource sufficiency framework approved by FERC in 2014 included several measures to ensure that each EIM Entity has sufficient resources including:
 - (1) requirement that EIM Entities’ base schedules be balanced;
 - (2) feasibility of EIM base schedules and
 - (3) flexible ramping capacity requirements.

FERC’s Order approving the EIM found “each BAA’s native resource adequacy programs and obligations to comply with NERC reliability standards will provide an adequate resource sufficiency framework for the EIM.”

What are the lessons learned and is it doing more harm than good?

Rethinking the incentive structure and consequences: Can the RS test incentive structure move from sticks (being punished if the test fails) to carrots (increasing the EIM promise of shared benefits of more efficient dispatch, reduced reserve needs, etc)?

Resource Adequacy's interaction with Resource Sufficiency: Can the RS test account for structural differences in the resource adequacy and resource planning regimes among the different EIM BAAs and the CAISO BAA on a more forward basis?

Voluntary participation: What are the implications of EIM and EDAM participation being voluntary versus a longer term commitment?

Operational Implications: What other impacts might occur if a BAA is cut off from the EIM during a system emergency?