



# Briefing on Policy Outlook

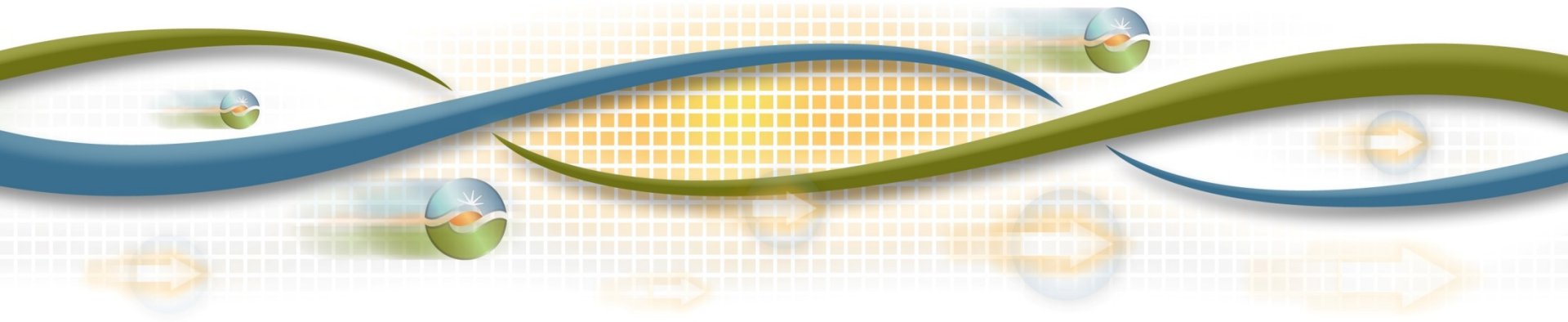
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EIM Governing Body Meeting

General Session

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# Overview

- EIM-related policy initiatives status
- 2017 policy roadmap process status

# Self schedule bid cost recovery allocation and bid floor

- Scope:
  - Examined lowering bid floor but deferred
  - Changes to day-ahead market bid cost recovery
- Day-ahead market component will be presented at October 2016 ISO Board meeting
- Lowering bid floor would be *advisory* EIM Governing Body role

# Metering rules enhancements

- Scope:
  - Changes to make energy metering requirements more flexible
- Stakeholder process in draft final proposal stage
- EIM Governing Body *advisory* role
- November 2016 EIM Governing Body and December 2016 ISO Board meetings

# Regional integration California greenhouse gas compliance

- Scope:
  - Develop import accounting approach for California greenhouse gas regulation compliance under multi-state ISO balancing area
  - Examine California Air Resources Board's EIM transfer greenhouse gas accounting concerns
- Stakeholder process in issue paper stage
- EIM Governing Body *primary* role if ISO market changes needed to address EIM concerns
- Q1 2017 EIM Governing Body and ISO Board meetings if market changes needed

# Bid cost recovery enhancements

- Scope:
  - Change allocation of real-time bid cost recovery costs to two tiers
  - Change exceptional dispatch bid cost recovery cost allocation
- Revised straw proposal stage
- EIM Governing Body *advisory* role
- Q1 2017 EIM Governing Body and ISO Board meetings

# Energy storage and distributed energy resources phase 2

- Scope:
  - Enhance non-generator resource and proxy demand response models
  - Develop rules for distributed energy resources provide wholesale and retail services
  - Define wholesale charging energy versus retail energy
- Stakeholder process in revised straw proposal stage
- EIM Governing Body *advisory* role
- Q1 2017 EIM Governing Body and ISO Board meetings

# Stepped constraint parameters

- Scope:
  - Changes to prices at which market relaxes power balance and transmission limit constraints
  - Alternative to freezing transfers when EIM balancing area fails hourly resource sufficiency evaluation
- Stakeholder process in issue paper stage
- *Hybrid* initiative
- 2017 Q2 EIM Governing Body and ISO Board meetings



# Generator contingency and remedial action scheme modeling

- Scope:
  - Market modeling changes to ensure a generator contingency does not cause transmission limits to be exceeded
  - Modeling changes to incorporate remedial action schemes
- Stakeholder process in issue paper stage
- EIM Governing Body *advisory* role
- Q2 2017 EIM Governing Body and ISO Board meetings

# Commitment cost and default energy bid enhancements

- Scope:
  - Changes to the gas price basis for ISO's calculation of commitment costs and default energy bids
  - Market power mitigation alternative to commitment cost bid caps
- Stakeholder process in issue paper stage
- EIM Governing Body *advisory* role
- Q2 2017 EIM Governing Body and ISO Board meetings

# 2017 policy roadmap process status

- Sep 29 - ISO received comments on draft 2017 *Stakeholder Initiatives Catalog*
  - Proposed additional initiatives, proposed deletions, clarifications
- Oct 19 – ISO posts revised *Stakeholder Initiatives Catalog* with proposed initial discretionary initiative ranking
  - Nov 10 – Stakeholder comments due
- Nov 30 – ISO posts draft 2017 *Policy Initiative Roadmap*
  - Dec 21 – Stakeholder comments due
- Present *Policy Initiative Roadmap* at February 2017 EIM Governing Body and ISO Board meetings

# Energy imbalance market initiatives in stakeholder initiative catalog

- Transmission compensation
  - *Potential EIM-wide Transmission Rate*
  - *Compensation for Third Parties Making Capacity Available for EIM Transfers*
  - *Donation by Third Party for Transmission Capacity Available for EIM Transfers*
- External participation
  - *Enhancing Participation of External Resources*
  - *Bidding Rules on External EIM Interties*
- Other enhancements
  - *Flow Entitlements for Base/Day-Ahead Schedules*
  - *Real-Time Market Enhancements*