

# WESTERN ENERGY IMBALANCE MARKET

## Briefing on 2019 Policy Initiatives Roadmap and Annual Plan

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EIM Governing Body Meeting

General Session

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# 2019 Policy Initiatives Roadmap process

- *Policy Initiatives Catalog* process updates descriptions, categorization and status of all identified policy initiatives.
- *Final Policy Initiatives Catalog* published on August 29
- *2018 Policy Initiatives Roadmap* process
  - Draft three-year roadmap and annual plan posted September 10
  - Final roadmap and annual plan posted November 19
  - Roadmap briefing to EIM Governing Body on November 29
  - Roadmap briefing to ISO Board of Governors on December 13
    - Post final roadmap following ISO Board Meeting

## Primary drivers of proposed three-year roadmap

- Operational challenges pointing to day-ahead market enhancements that will help manage net load in real time
- Continued improvements to EIM to meet the needs of an expanding market
- Extending day-ahead market enhancements to EIM balancing areas provides regional benefits
- Increasing risk of retirement leading to increase in RMR driving need to reform the RA program
- Lower barriers to DER and storage market participation

# Extending DAM to EIM Entities provides additional regional benefits

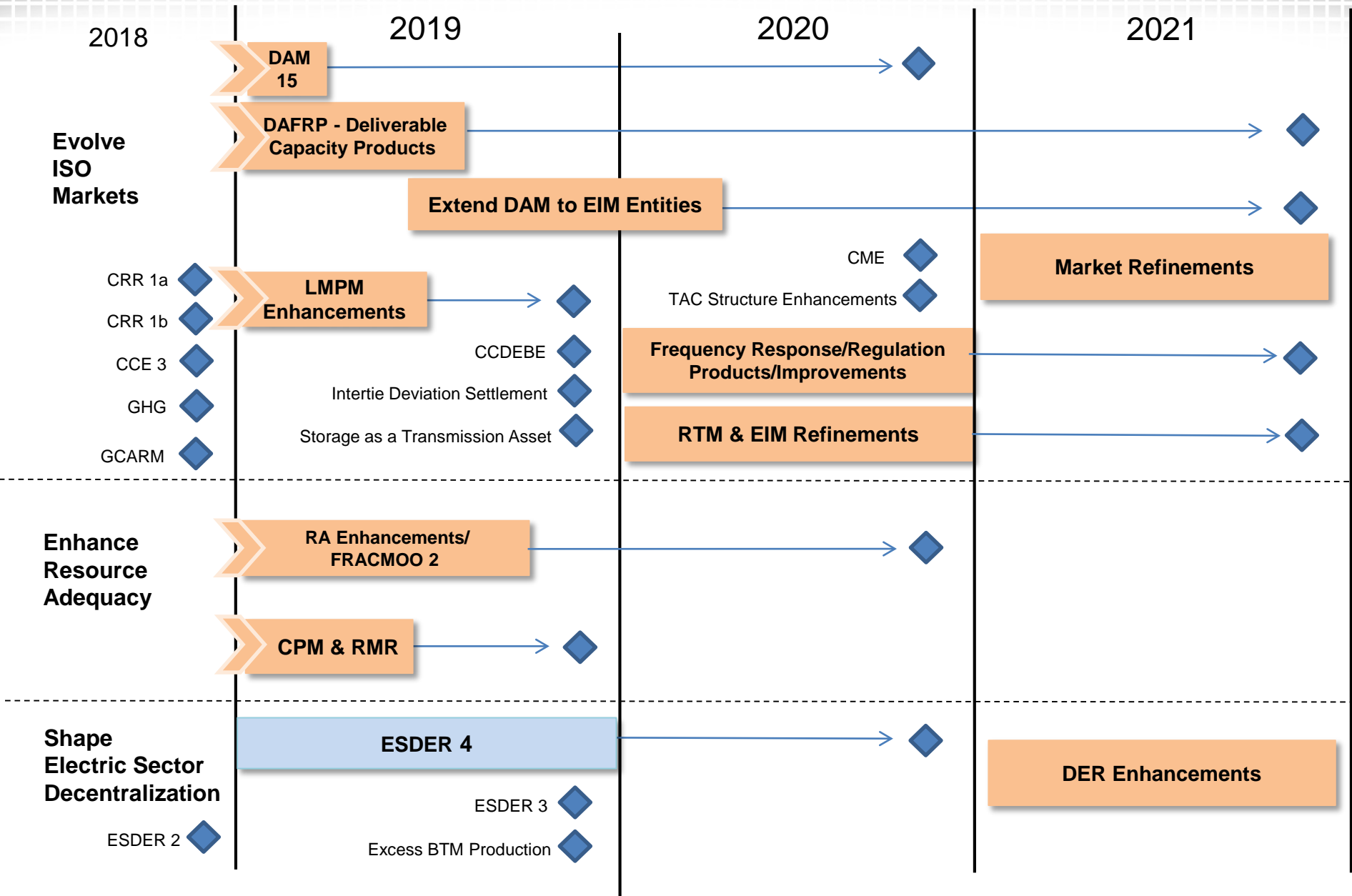
- Key benefits:
  - Allows EIM participants to benefit from day-ahead market enhancements
  - Day-ahead unit commitment and scheduling across larger footprint improves market efficiency and more effectively integrates renewables
- Key principles:
  - Each balancing authority retains reliability responsibilities
  - States maintain control over integrated resource planning
    - Resource adequacy procurement decisions remain with local regulatory authority
    - Transmission planning and investment decisions remain with each balancing authority and local regulatory authority
  - Voluntary Market, like EIM

# Scope of stakeholder initiative to extend day-ahead market to EIM Entities

- Transmission provision for Day-Ahead Market
  - Transmission cost recovery
- Day-ahead resource sufficiency evaluation
  - Provide functionality to enable entities to trade capacity for resource sufficiency tests
- Mechanism to distribute congestion revenues
- Full network model enhancements
- Day-ahead GHG attribution for states with carbon cost policies
- Governance to account for larger market scope

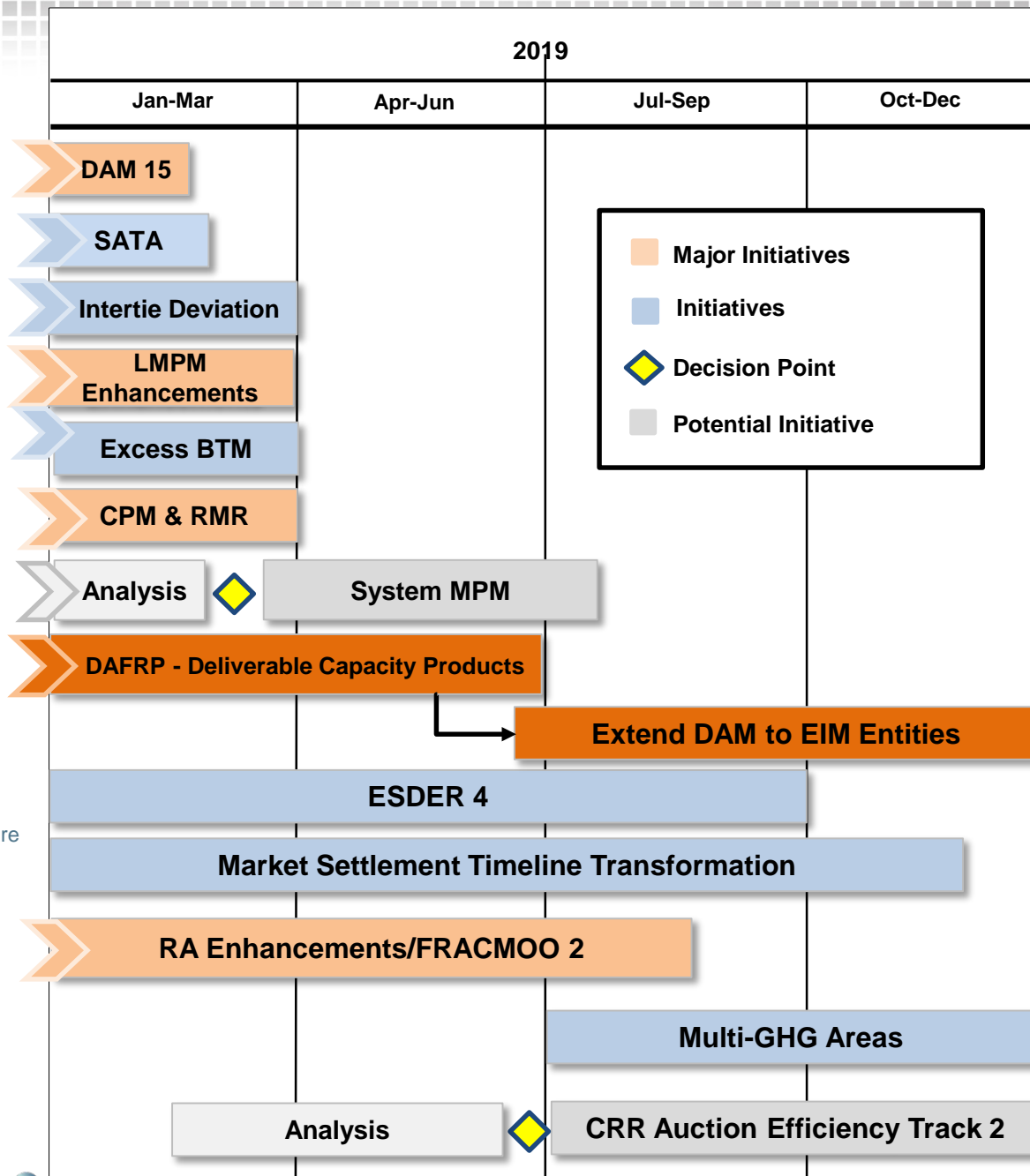
# Proposed Three-year Policy Roadmap of Major Initiatives

◆ = Implementation



# 2019 Draft Annual Plan

\*Timeframes are approximate and are subject to change



# Stakeholders support the 3-year roadmap and annual plan

- PG&E believes the 2019 Annual Plan is too ambitious
- Public interest organizations believe the ISO should plan and execute an EIM benefits study and revisit governance
- NV Energy, Powerex, and Seattle City Light believe the ISO should include a separate initiative for 2019 to address real-time resource sufficiency test