

WESTERN ENERGY IMBALANCE MARKET (WEIM)

Briefing on policy initiatives and WEIM Governing Body planning calendar

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WEIM Governing Body Meeting

General Session

March 19, 2024



WEIM Resource Sufficiency Evaluation Enhancements (RSEE)

- Enhancements to current implementation of RSEE phase 2 for accurate identification of lower priority exports are planned for release prior to summer.
 - *ISO working with market participants to better align the approach with e-tagging practices*
 - Enhancements will increase situational awareness regarding expected delivery of ISO BAA exports through aligning market results with e-tags
- Planned 2024 kick-off for RSEE phase 3
 - Scope will be partially informed by summer 2023 and recent winter lessons learned
 - Proposed Decisional Classification: Joint Authority

Extended Day Ahead Market (EDAM) & Day Ahead Market Enhancements (DAME)

- *The LADWP Oversight Board voted in February to authorize beginning of preparations to join EDAM.*
- *On February 16th, ISO filed narrow compliance filings requested by FERC.*
 - *Tariff language focuses on imbalance reserve deployment factors and EDAM market power mitigation tariff language.*
- *The ISO is targeting an end of March refiling with FERC on the EDAM Transmission Revenue Recovery (TRR) design which was rejected without prejudice in the December order.*
- *On March 7, FERC approved our tariff revisions to enable the ISO balancing authority to participate in EDAM. Related to the TRR issue above, FERC also rejected that portion of this filing.*
- *Planning and preparations for DAME implementation working groups are underway and expected to begin in late 2024.*

Transmission Services and Market Scheduling Priorities (TSMSP)

- On October 30, FERC issued an order approving the filed TSMSP phase 1 tariff amendments effective June 2024.
- Commenced manual implementation activities in January to support establishment of wheeling through priority for June 2024 and beyond.
 - *Calculated Available Transmission Capacity manually on the interties and opened request submission windows in January and February for period including summer 2024 period.*
 - *Provided awards of wheeling through priority for upcoming summer based on submitted requests.*
 - *Data is posted on caiso.com under “Planning” and then “Reliability Requirements.”*
- The study and expansion process for establishing wheel through priority on a long-term basis is being evaluated in light of Order No. 2023 interconnection process enhancements and FERC guidance.

Rules of Conduct Enhancements

Phase 1 reforms:

- Awaiting FERC order -- Requested by 03/22/24
- Implementation target 04/01/24

Penalty Enhancements: DR, Investigation, Tolling (PEDRIT) scope:

- *Define submission timeline and penalty for DR monitoring data*
- *Streamline Rules of Conduct investigative process*
- *Update penalty tolling process*
- *Discuss meter data penalty stakeholder concerns*

Tentative Schedule:

- *Straw proposal posting: March 28, 2024*
- *Governing Body/Board Decision: September 2024*

Proposed decisional classification: Joint Authority

Price Formation Enhancements working group

- Stakeholder working group sessions continue on scarcity pricing, BAA-level market power mitigation, and fast start pricing
- *A March 12 working group discussed considerations for enabling limited energy resources, whose potential costs are informed by opportunity costs, to bid above \$1,000 during scarce system conditions*
 - *We plan to turn the corner on this issue into developing possible solutions with stakeholders*
- *CAISO will present its analysis on fast-start pricing in the broader WEIM footprint on March 22*

Greenhouse Gas Coordination (GHG) working group

- The GHG coordination working group meetings are working towards evaluating and evolving the ISO's GHG accounting design
- The problem statements in development are focused on:
 - Reviewing the WEIM and EDAM GHG accounting design,
 - Considering new approaches to reflect diverse state GHG reduction policies that may not have a price on carbon, and
 - Developing emissions tracking, additional data transparency, and accounting to support market participants

Gas Resource Management working group

- Stakeholders identified problem statements and potential solutions associated with three main issue areas:
 - Increasing certainty for advance fuel procurement,
 - Precision of gas market inputs used for electricity market operations, and
 - Facilitation of resource-specific cost adjustments
- Working groups discussed ISO analysis of gas price volatility and cost adjustment functionality to ensure diverse stakeholder experiences are accurately represented
- *We plan to publish an action plan and issue paper soon highlighting collectively developed next steps for policy development*

Resource Adequacy (RA) working group

- The current focus is on stakeholder-shaped problem statements and associated design elements related to:
 - Increasing the visibility and communication of the reliability of the ISO BAA, through modeling;
 - Updating RA rules to meet evolving grid and regulatory needs;
 - Exploring reforms to resource counting, performance and availability incentives, and outage & substitution processes;
 - Addressing concerns about inequitable costs and cost allocation among market participants

WEIM Governing Body Planning Calendar

	March 19-20, 2024	May 21-23, 2024
<p><i>Please note classifications and planned meeting dates are subject to change. For the most current information, visit the ISO website at:</i></p> <ul style="list-style-type: none"> Policy Initiatives webpage 	<p>Decisional:</p> <ul style="list-style-type: none"> Market Surveillance Committee reappointment (joint authority) <p>Briefing:</p> <ul style="list-style-type: none"> Briefing by DMM Oversight Committee (executive session) WEIM Governing Body planning (executive session) CEO report BOSR and RIF updates Policy initiatives update Market expert briefing on fast-start pricing <p>Informational:</p> <ul style="list-style-type: none"> Department of market monitoring update (joint general session) Market performance update (joint general session) Market Surveillance Committee update (joint general session) Policy initiative milestones update (joint general session) <p>Fyi: Board only decisional:</p> <ul style="list-style-type: none"> Decision on implementing extended day-ahead market governance Decision on funding request for day-ahead market enhancements and extended day-ahead market projects 	<p>Decisional:</p> <ul style="list-style-type: none"> None <p>Briefing:</p> <ul style="list-style-type: none"> Briefing by DMM Oversight Committee (executive session) WEIM Governing Body planning (executive session) CEO report BOSR and RIF updates Policy initiatives update WEIM benefits and market update (placeholder) WEIM implementations update (placeholder) <p>Informational:</p> <ul style="list-style-type: none"> Department of market monitoring update (joint general session) Market performance update (joint general session) Market Surveillance Committee update (joint general session) Policy initiative milestones update (joint general session) <p>Fyi: Board only decisional:</p> <ul style="list-style-type: none"> Decision on transmission plan Decision on interconnection process enhancements track 2

WEIM Governing Body Planning Calendar (cont'd)

Quarter 1 – 2024	Quarter 2 – 2024	Quarter 3 and 4 – 2024
<p>Proposed Joint:</p> <ul style="list-style-type: none"> Market Surveillance Committee appointment <p>Proposed Decisional:</p> <ul style="list-style-type: none"> None <p>Proposed Advisory:</p> <ul style="list-style-type: none"> Amendments to documents to implement extended day-ahead market governance <p>Informational:</p> <ul style="list-style-type: none"> Department of Market Monitoring update (joint) Market performance update (joint) Market Surveillance Committee update (joint) Policy initiative milestones update (joint) Budget (February) WEIM implementation update (placeholder) WEIM benefits and market update (placeholder) Policy initiatives update Policy initiatives roadmap (joint executive session) <p>Fyi: Board only decisional:</p> <ul style="list-style-type: none"> Implementing extended day-ahead market governance Funding request for day-ahead market enhancements and extended day-ahead market projects 	<p>Decisional:</p> <ul style="list-style-type: none"> Election of WEIM Governing Body Chair and Vice Chair WEIM Governing Body membership nomination <p>Proposed Joint:</p> <ul style="list-style-type: none"> None <p>Proposed Advisory:</p> <ul style="list-style-type: none"> None <p>Informational:</p> <ul style="list-style-type: none"> Regional markets and transmission planning developments (June meeting) Policy initiatives update WEIM implementation update (placeholder) WEIM benefits and market update (placeholder) Budget (May) Policy initiatives roadmap (joint general session - May) <p>Fyi: Board only decisional:</p> <ul style="list-style-type: none"> Transmission plan Interconnection process enhancements track 2 	<p>Proposed Joint:</p> <ul style="list-style-type: none"> None <p>Proposed Decisional:</p> <ul style="list-style-type: none"> None <p>Proposed Advisory:</p> <ul style="list-style-type: none"> None <p>Informational:</p> <ul style="list-style-type: none"> Department of Market Monitoring update (joint) Market performance update (joint) Market Surveillance Committee update (joint) Policy initiative milestones update (joint) Policy initiatives update Budget (November) WEIM benefits and market update (placeholder) WEIM implementation update (placeholder)