

WESTERN ENERGY IMBALANCE MARKET

Briefing on Policy Outlook

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EIM Governing Body Meeting
General Session
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Overview

Review status of policy stakeholder initiatives:

- EIM focused initiatives
- EIM related initiatives
- Non-EIM related initiatives

EIM focused policy stakeholder initiatives

- EIM greenhouse gas attribution enhancements
 - Scope:
 - Enhanced methodology for assigning greenhouse gas obligations for EIM transfers serving ISO load
 - Addresses “secondary dispatch”
 - Status:
 - Third revised draft final proposal to be posted April 25
 - June 2018 EIM Governing Body and July 2018 ISO Board meetings
 - EIM Governing Body primary approval role

EIM focused policy stakeholder initiatives (continued)

- EIM Offer Rules

- Scope:

- Potential scope items include EIM default energy bid option and resource sufficiency test improvements
 - Exact scope will be determined after initiative kick-off workshop

- Status

- Workshop on April 30
 - Final schedule TBD

- EIM Governing Body role TBD

EIM related policy stakeholder initiatives

- Day-Ahead Market Enhancements
 - Scope:
 - Day-ahead market and EIM base schedule 15-minute granularity
 - Combine integrated forward market and residual unit commitment process
 - Imbalance reserve
 - Status
 - Revised straw proposal posted April 11
 - August 2018 EIM Governing Body and September 2018 ISO Board meetings
 - EIM Governing Body hybrid-non EIM specific approval role

EIM related policy stakeholder initiatives (continued)

- Energy Storage and Distributed Energy Resources Phase 3
 - Scope:
 - Demand response product refinements
 - Multiple-use application market rule refinements
 - Non-generator resource model refinements
 - Status
 - Revised straw proposal to be posted April 26
 - August 2018 EIM Governing Body and September 2018 ISO Board meetings
 - EIM Governing Body advisory role

EIM related policy stakeholder initiatives (continued)

- Clarification of tariff rules regarding following dispatch operating target
 - Scope:
 - Tariff revisions to clarify existing policy regarding resources following dispatch
 - Includes clarifying when variable energy resources must curtail output
 - Status
 - Draft tariff language posted in March
 - July EIM Governing Body and ISO Board briefings
 - Not a decisional item

Non-EIM related policy stakeholder initiatives

- Reliability coordinator services rate design, terms and conditions
 - Scope:
 - ISO to no longer use Peak Reliability for grid reliability services
 - ISO intends to become a reliability coordinator and offer reliability services to other balancing areas
 - Stakeholder process developing rate design, terms and conditions
 - Mid-year 2019 expected operations date
 - Status
 - Draft final proposal to be posted May 24
 - June or July ISO Board meeting

Non-EIM related policy stakeholder initiatives (continued)

- Other initiatives in progress:
 - Congestion revenue right auction efficiency
 - Flexible resource adequacy criteria and must-offer obligation – Phase 2
 - Review transmission access charge structure
 - Review of reliability must run and capacity procurement mechanism