

# 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
    - Mitigates “secondary dispatch”
  - Status:
    - Approved under EIM Governing Body’s primary approval role on July 12
    - Approved by ISO Board on consent agenda on July 26
    - FERC tariff filing scheduled for late August

# EIM focused policy stakeholder initiatives (continued)

- EIM Offer Rules

- Scope: Conduct workshops to identify initiative scope related to resource sufficiency test and EIM mitigation
- Status: Held workshops on April 30 and July 19
  - **Resource Sufficiency Test:** Identified resource sufficiency test enhancements that can be addressed under current tariff authority or will be addressed in already planned initiatives
    - Post whitepaper in early September describing actions to address identified issues
  - **EIM Mitigation:** New stakeholder initiative underway to address EIM driven mitigation enhancements
    - March 2019 EIM Governing Body and ISO Board decisions
    - EIM Governing Body hybrid EIM driven role (preliminary assessment)

# EIM related policy stakeholder initiatives

- Day-Ahead Market Enhancements
  - Scope:
    - Day-ahead market and EIM base schedule 15-minute granularity
    - Day-ahead flexible ramping product – combines integrated forward market and residual unit commitment process
  - Status:
    - Revised straw proposal posted April 11
    - Splitting into two separate initiatives – 15-minute day-ahead scheduling and day-ahead flexible ramping product
    - 15-minute day-ahead scheduling scheduled for October 31 EIM Governing Body Decision, November 14-15 ISO Board Decision
    - Day-ahead flexible ramping products scheduled for Q3 2019 Decision
  - EIM Governing Body Role:
    - Hybrid-non EIM specific approval role for 15-minute day-ahead scheduling initiative
    - Role for day-ahead flexible ramping product: TBD

# EIM related policy stakeholder initiatives (continued)

- Energy Storage and Distributed Energy Resources  
Phase 3
  - Scope:
    - Demand response product and aggregation refinements
    - New load shift product for behind the meter storage
    - Enhanced measurement of electric vehicle supply equipment load curtailment
  - Status
    - 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
    - July EIM Governing Body and ISO Board briefings
    - FERC tariff filing planned for late August
  - Non decisional item

# EIM related policy stakeholder initiatives (continued)

- Intertie Deviation Settlement
  - Scope: Develop enhanced incentives for intertie resources to deliver energy they have been awarded through day-ahead and real-time markets
  - Status: Q1 2019 EIM Governing Body briefing and ISO Board decision
  - EIM Governing Body advisory role
- 2019 policy development roadmap
  - Scope:
    - Identify comprehensive list of potential policy initiatives
    - Develop high level 3-year policy development plan
    - Prioritize and schedule policy initiatives for 2019
  - Status: November EIM Governing Body and December ISO Board briefings
  - Non decisional item



## Non-EIM related policy stakeholder initiatives

- Reliability coordinator services rate design, terms and conditions
  - Scope:
    - ISO to become a reliability coordinator and offer reliability services to other balancing areas
    - Stakeholder process used to develop rate design, terms, and conditions
  - Status
    - Approved by ISO Board at July meeting
    - FERC filing late August
    - Upon FERC approval, the ISO will be able to initiate execution of RC services agreements
    - July 1, 2019 expected operations date for initial RC area, November 1, 2019 for full RC area

# Non-EIM related policy stakeholder initiatives (continued)

- Other initiatives in progress:
  - Storage as a Transmission Asset
  - Transmission access charge structure enhancements
  - Reliability Must Run and Capacity Procurement Mechanism enhancements
  - Excess behind the meter production
  - Flexible resource adequacy criteria and must-offer obligation – Phase 2 (on hold)