

# WESTERN ENERGY IMBALANCE MARKET

## 2019 Annual Plan Update and Quarterly Policy Outlook Briefing

Greg Cook

Executive Director, Market and Infrastructure Policy

EIM Governing Body Meeting

General Session

June 28, 2019



# Overview

- Review updates to 2019 annual policy development plan
- EIM-related initiatives quarterly update

## 2019 Annual Plan – Initiatives added





- Real-time Market Neutrality Settlement
  - EIM Governing Body primary approval authority
- Import Bid Cost Verification
  - EIM Governing Body advisory role
- FERC Order 831 – Bid Cap
  - EIM Governing Body advisory role
- Hybrid (solar + storage) Resources
  - EIM Governing Body advisory role
- Capacity Procurement Mechanism - Soft Offer Cap
  - Not EIM-related

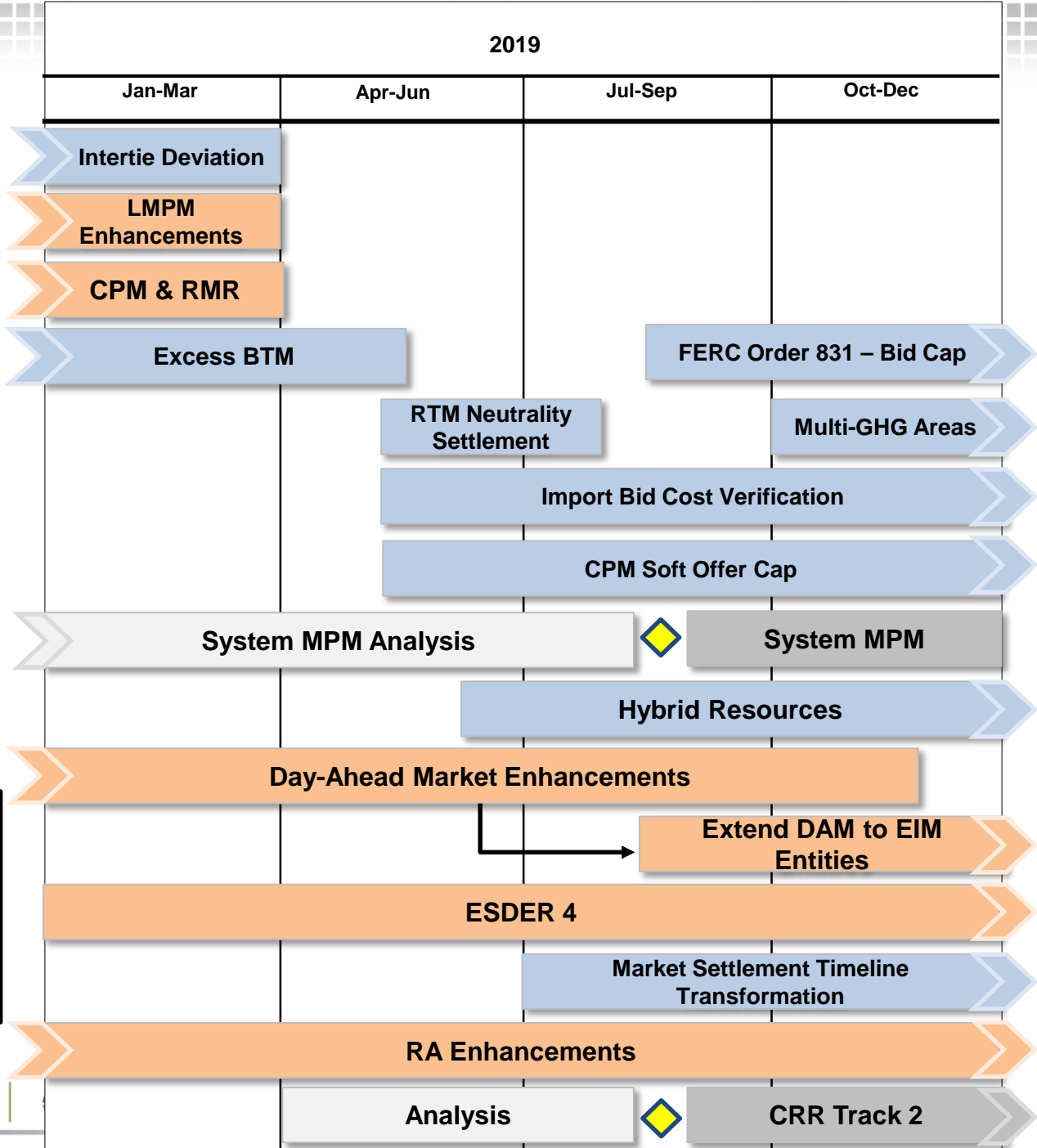
## 2019 Annual Plan – Initiatives removed

- Day-Ahead Market Enhancements – 15-Minute Granularity
  - Deferring in consideration of stakeholder comments
- Storage as a Transmission Asset
  - Deferred to 2020 to provide time for storage dispatch policy resolution in ESDER 4

# 2019 Annual Plan

\*Timeframes are approximate and are subject to change

	Major Initiatives
	Initiatives
	Decision Point
	Potential Initiative



# Other initiative updates

- TAC Structure Enhancements
  - Targeting Board of Governors in February 2020 to ensure coordination and alignment with Extended Day-Ahead Market policy
  - Targeting 2021 implementation for 2022 rates

# EIM-related initiatives quarterly update

# Real-Time Market Neutrality Settlement

- **Scope:**
  - Address cost allocation inefficiency identified in current approach
- **EIM Governing Body primary approval authority**
- **Status:**
  - Draft final proposal posted on May 30
  - June 2019 EIM Governing Body decision and July ISO Board consent agenda



# Import Bid Cost Verification

- Scope:
  - FERC Order 831 requires the ISO to raise its energy bid cap to \$2,000/MWh and requires cost verification for internal resource bids greater than \$1,000/MWh
  - Initiative is developing cost verification requirements for import bids above \$1,000/MWh
- EIM Governing Body advisory role
- Status:
  - Issue paper/straw proposal posted in May
  - ISO will request deferred implementation of Order 831 to Fall 2020 to allow additional time to develop ex-ante verification for import bids
  - Q2 2020 EIM Governing Body briefing and ISO Board decision

# Day-Ahead Market Enhancements

- **Scope:**
  - Day-ahead imbalance reserve product
  - Deliverability of reserve products
- **EIM Governing Body role:**
  - EIM Governing Body Charter specifies advisory role for components that change real-time market rules
  - However, Management believes it will be appropriate for the EIM Governing Body to have advisory role for entire initiative
    - Foundational to extending day-ahead market to EIM entities
- **Status:**
  - Issue paper/straw proposal posted in February
  - Technical workshop held on June 20
  - Revised straw proposed scheduled for August
  - Q4 2020 EIM Governing Body briefing and ISO Board decision

# Energy Storage and Distributed Energy Resources – Phase 4

- Scope: Enhancements to energy storage and distributed energy resource model and rules
- EIM Governing Body advisory role
- Status:
  - Straw proposal posted in April
  - Working group meeting held on June 27
  - Q1 2020 EIM Governing Body briefing and ISO Board decision

# Market Settlement Timeline Transformation

- Scope:
  - Revise market settlement timelines to be more efficient and better accommodate business needs
- EIM Governing Body advisory role
- Status:
  - Issue paper and straw proposal posted on June 11
  - Q1 2020 EIM Governing Body briefing and ISO Board decision

# System Market Power Mitigation

- Scope:
  - Review results of ISO's analysis of ISO balancing authority area's structural competitiveness
  - Determine if measures are appropriate to address system-level market power
  
- EIM Governing Body advisory role
  
- Status:
  - Issue paper and analysis report published in April
  - Analysis report posted in June
  - Working group meeting to be held on July 15 to discuss potential measures for addressing system-level market power

# FERC Order 831 – Bid Cap

- Scope:
  - Further examine changes to ISO market constraint relaxation prices under \$2,000/MWh bid cap
- EIM Governing Body advisory role
- Status:
  - Planned to start Q3 2019

# Hybrid (Solar + Storage) Resources

- Scope:
  - Explore and address issues related to hybrid resources, including forecasting, operations, resource adequacy, and market design
- EIM Governing Body advisory role
- Status:
  - Planned to start Q3 2019