

WESTERN ENERGY IMBALANCE MARKET

Briefing on Policy Outlook

Brad Cooper

Manager, Market Design Policy

EIM Governing Body Meeting

General Session

November 29, 2017



Overview

Review status of policy stakeholder initiatives:

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

EIM focused policy stakeholder initiatives

- Consolidated EIM Initiatives
 - Scope:
 - EIM system functionality enhancements
 - EIM Governing Body primary authority
 - Modify core “non-generator resource” model market rules
 - EIM Governing Body advisory role
 - Originally in scope but removed:
 - Third party transmission contribution
 - Management of bilateral schedule changes
 - Equitable sharing of wheeling benefits
 - Status:
 - Nov 2017 EIM Governing Body and Dec 2017 ISO Board meetings

EIM focused policy stakeholder initiatives (continued)

- EIM Greenhouse Gas Attribution Enhancements
 - EIM Governing Body primary authority
 - Scope:
 - Enhanced methodology for assigning greenhouse gas obligations for EIM transfers serving ISO
 - Addresses “secondary dispatch”
 - Status:
 - Revised draft final proposal posted in June proposing “two-pass” methodology
 - Report on “two-pass” methodology released on Nov 16
 - Additional stakeholder discussions likely necessary
 - 2018 Q1 EIM Governing Body and ISO Board briefings

EIM related policy stakeholder initiatives

- Commitment Costs and Default Energy Bid Enhancements
 - EIM Governing Body advisory role
 - Scope:
 - Basis for bid cost reference levels
 - Market power mitigation methodology for resource commitment costs
 - Bid validation needed required for FERC Order 831 compliance
 - Status:
 - Revised draft final proposal to be posted in January
 - March 2018 EIM Governing Body and ISO Board meetings

EIM related policy stakeholder initiatives (continued)

- Real-Time Market Enhancements
 - EIM Governing Body advisory role
 - Scope:
 - Various enhancements to improve performance and efficiency of the real-time market
 - Reduces EIM base schedule submission lead time
 - Status:
 - Originally planned for 2017 but delayed
 - Will evaluate full initiative as part of 2018 policy initiatives roadmap process
 - Proceeding with system change that will reduce EIM base schedule submission lead time

EIM related policy stakeholder initiatives (continued)

- Energy Storage and Distributed Energy Resources Phase 3
 - EIM Governing Body advisory role
 - Scope:
 - Demand response product refinements
 - Multiple-use application market rule refinements
 - Non-generator resource model refinements
 - Status
 - October stakeholder call reviewing issue paper
 - Late 2018 EIM Governing Body and ISO Board meetings

EIM related policy stakeholder initiatives (continued)

- Imbalance Conformance Enhancements
 - EIM Governing Body advisory role
 - Scope:
 - Enhance conformance limiter
 - Clarify balancing area's authority to conform for imbalance
 - Status
 - Post issue paper/straw on Nov 29
 - April 2018 EIM Governing Body and May 2018 ISO Board meetings

EIM related policy stakeholder initiatives (continued)

- Annual Policy Initiatives Roadmap Process
 - Non-decisional item
 - Annual stakeholder process to develop next year's policy development plan
 - Revised process this year
 - Provide 3-year policy roadmap
 - Eliminate numerical ranking
 - Update policy initiatives catalog twice a year
 - Status:
 - Draft roadmap to be posted December 7
 - Feb 2018 ISO Board and March 2018 EIM Governing Body briefings

Non-EIM related policy stakeholder initiatives

- In progress:
 - Congestion Revenue Right Auction Efficiency
 - Flexible Resource Adequacy Criteria and Must-Offer Obligation – Phase 2
 - Review Transmission Access Charge