

# WESTERN ENERGY IMBALANCE MARKET

## Briefing on Policy Outlook

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EIM Governing Body Meeting  
General Session  
October 31, 2018



# Overview

Review status of policy stakeholder initiatives:

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

# EIM focused policy stakeholder initiatives

- EIM Offer Rules

- Scope: Conducted 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
    - Posted whitepaper in September with revision in October describing actions to address identified issues
  - **EIM Mitigation:** New stakeholder initiative underway to address local market power mitigation enhancements

# EIM focused policy stakeholder initiatives

- Local Market Power Mitigation Enhancements
  - Scope:
    - Addresses both EIM-specific and market wide local market power mitigation issues:
      - Real-time market power mitigation process changes to address “flow reversal” and “economic displacement”
      - Default energy bid for EIM use-limited resources
      - Reference level adjustment process
      - Gas price indices
  - Status:
    - Published straw proposal and held stakeholder meetings in September and October
    - Revised straw proposal to be posted November 15
    - March 2019 EIM Governing Body and ISO Board decisions
  - EIM Governing Body Role
    - Both primary approval and advisory role components

# 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
  - Status:
    - Split into two phases:
      - Phase 1: 15-minute granularity
      - Phase 2: Day-ahead flexible ramping product
    - 15-minute granularity planned for Q1 2019 draft final proposal and EIM Governing Body and ISO Board decisions
    - Day-ahead flexible ramping product planned for May 2019 EIM Governing Body and ISO Board decisions
  - EIM Governing Body Role:
    - Hybrid-non EIM driven approval role for 15-minute day-ahead scheduling initiative
    - Advisory role for day-ahead flexible ramping product

# 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 (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
  - Resource adequacy enhancements
  - Interconnection process enhancements