

WESTERN ENERGY IMBALANCE MARKET

Briefing on Policy Outlook

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EIM Governing Body Meeting

General Session

October 30, 2019



Overview

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

2019 Annual Plan - initiatives added

- FERC Order 831 – Import Bidding and Market Parameters
 - Combined two previous initiatives
- Flexible Ramping Product Enhancements
- EIM Governance Review

2019 Annual Plan - initiatives removed

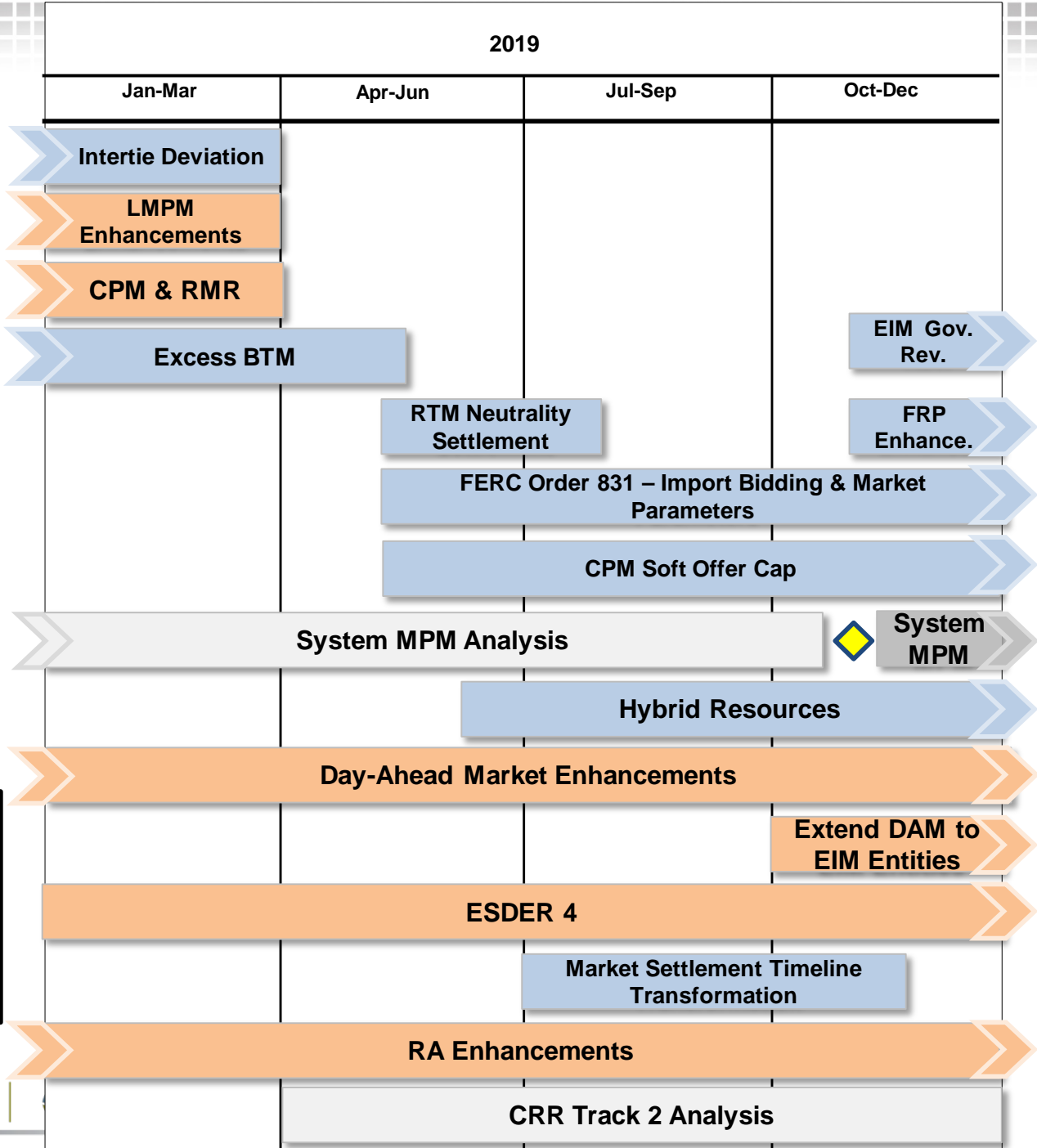
- Multi-GHG Areas
 - Deferred because additional states have not implemented GHG programs
 - Adding scope to Extended Day-Ahead Market Initiative

- CRR Track 2
 - Deferred decision as to whether to start initiative until additional market results observed

2019 Annual Plan

*Timeframes are approximate and are subject to change

- Major Initiatives
- Initiatives
- Decision Point
- Potential Initiative



Market Settlement Timeline Transformation

- Scope:
 - Revise market settlement timelines to be more efficient and better accommodate business needs
- EIM Governing Body advisory role
- Status:
 - October EIM Governing Body briefing and November ISO Board of Governors decision

Flexible Ramping Product Enhancements

- **Scope:**
 - Deliverability
 - Eligibility to provide
 - Ramp management between RTUC and RTD
- **EIM Governing Body Role:**
 - EIM Governing Body advisory role
- **Status:**
 - Straw proposal to be posted in November
 - March 2020 EIM Governing Body briefing and ISO Board decision

Day-Ahead Market Enhancements

- **Scope:**
 - Co-optimizing supply based on both cleared demand and demand forecast
 - Day-ahead imbalance reserve product
- **EIM Governing Body Role:**
 - EIM Governing Body Charter specifies advisory role for components that change generally applicable real-time market rules
 - However, Management will request that the ISO Board give the EIM Governing Body an advisory role for entire initiative
- **Status:**
 - Revised straw proposal to be posted in January
 - 2021 EIM Governing Body briefing and ISO Board decision

Extended Day-Ahead Market

- **Scope:**
 - Extending day-ahead market to EIM entities
- **EIM Governing Body Role:**
 - EIM Governing Body Charter specifies role only for components that change generally applicable real-time market rules
 - However, Management will request that the ISO Board give the EIM Governing Body joint approval authority for entire initiative
- **Status:**
 - Stakeholder call on issue paper held October 17
 - Commence series of workshops early February 2020
 - 2021 EIM Governing Body and ISO Board decisions

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:**
 - Discussed conceptual proposal at September 20 working group and October 11 MSC meeting
 - MSC opinion prior to November ISO Board meeting
 - Management will brief ISO Board at November meeting and EIM Governing Body at December meeting as to whether it plans to initiate stakeholder process

FERC Order 831 – Import Bidding & Market Parameters

- Scope:
 - Cost verification for import bids above \$1,000/MWh
 - ISO market constraint relaxation prices
- EIM Governing Body advisory role
- Status:
 - Revised straw proposal to be published late November
 - May 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:
 - Discussed revised straw proposal on October 28 stakeholder call
 - Q3 2020 EIM Governing Body briefing and ISO Board decision

Hybrid Resources

- Scope:
 - Explore how hybrid generation resources can be registered and configured to operate within the ISO market.
- EIM Governing Body advisory role
- Status:
 - Revised straw proposal to be posted December 10
 - Q2 2020 EIM Governing Body briefing and ISO Board decision