

WESTERN ENERGY IMBALANCE MARKET

Decision on pseudo-ties of shared resources proposal

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New provisions are needed to accommodate EIM entities with a share of a resource that serves load in the CAISO balancing authority area

- Today, shares of resources in non-EIM BAAs that serve load in the CAISO BAA are accommodated through dynamic schedules
 - Automated real-time dispatch and interchange schedule adjustments
- Problematic when the BAA becomes an EIM BAA
 - Conflicts with EIM transfers and real-time interchange accounting that impacts pricing and dispatch
- Solved by converting dynamic schedule to pseudo-tie
 - Pseudo ties logically transfers resource to CAISO BAA and no longer included in interchange accounting

Proposal includes two key provisions to facilitate the pseudo tie of shared resources to the CAISO balancing authority area

- Use generator metering process option developed in 2016 to submit meter data
 - allows resource operators to calculate and submit meter readings for a share of a resource's output
- Shared resource allocation protocol documents operating characteristics, commitment costs, bid cost recovery, outage coordination, and other aspects of coordination
 - ensures equitable allocation for bid cost recovery and identifies how compliance will be monitored and verified
 - establishes equitable and enforceable cost allocation

Proposal falls under the EIM Governing Body's hybrid decisional role

- The EIM Governing Body has primary authority over the proposed tariff revisions that affect the real-time market
 - the primary driver for the initiative is an issue that is specific to EIM balancing authority areas
- This initiative would result in tariff amendments that are not severable
 - tariff provisions for bidding into the day-ahead market are not severable from the the real-time market tariff provisions

Stakeholders support proposal for pseudo-ties of shared resources

- Management addressed initial comments through added explanations and LADWP's EIM implementation planning
- Response to comments on draft final proposal added details on pricing issues from dynamic schedules, documentation of outage allocation, and enforcement of cost allocation
- No comments raised concerns with the final proposal

Management requests the EIM Governing Body approve Management's proposal for pseudo-ties of shared resources

- Uses existing systems to support entities with shares of generation in an EIM Entity balancing authority area and load in the CAISO balancing authority area
- Proposal extends CAISO pseudo-ties mechanism to shared resources
 - Previous stakeholder process established the metering process
 - Shared Resource Allocation Protocol provides default outage allocations, with flexibility for differing circumstances, provides equitable and enforceable cost allocation