

# EIM AND BILATERAL MARKET INTERACTIONS

Transmission Dedicated to EIM

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# EIM AND BILATERAL MARKET INTERACTIONS

- **Who is the Western Power Trading Forum?**

- ❖ Broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability
- ❖ Membership includes:
  - Generators
  - Power marketers
  - Energy service providers
  - Scheduling coordinators
  - Financial institutions
  - Energy consultants
  - Public utilities

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- **Key issue to discuss today**

- ❖ Transmission service that is “set-side” or dedicated for use exclusively by the EIM and its potential impact on the efficiency of other markets in the West (e.g. hour-ahead bilateral markets and longer-term contracting)
- ❖ WPTF is interested in understanding the considerations and analyses that EIM Entities use to determine when to set aside transmission exclusively for the EIM

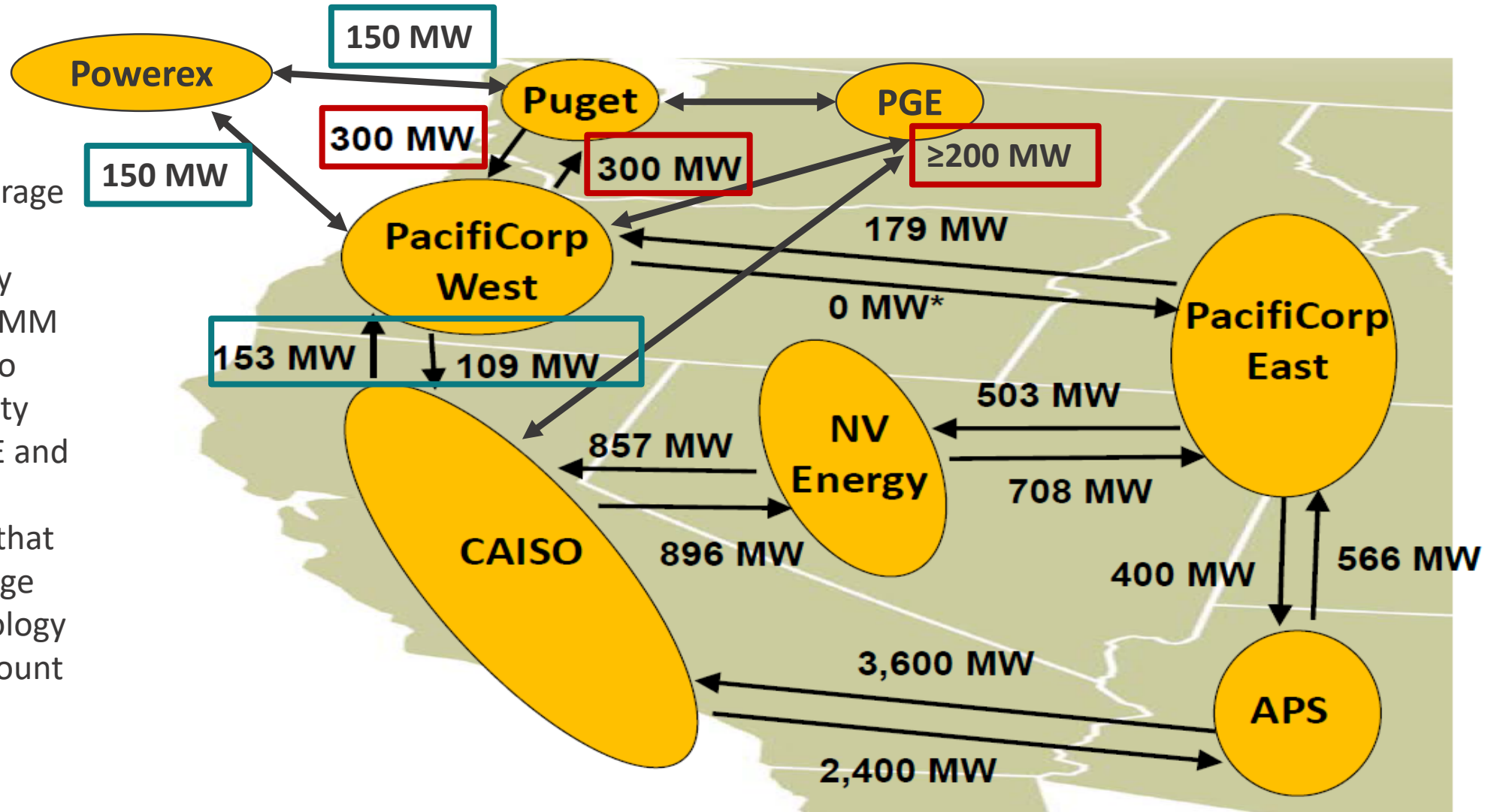
- **EIM Transfers**

- ❖ Between EIM Entity areas, EIM Entities can utilize different methods of making transmission available for EIM Transfers
  - Available Transfer Capability (ATC) method
    - *Prior to the operating hour, the expected ATC on the transmission paths between the EIM Entities is communicated and functions as the EIM Transfer limit between the regions*
  - Interchange Rights Holder methodology
    - *An EIM Entity’s Transmission Customer’s reserved firm transmission capacity, which is communicated to the EIM Market Operator prior to the operating hour, is used as the EIM Transfer limit between the regions*
    - *Some EIM Entities have committed to make minimum amounts of transfer capacity available to the EIM via this method, often in part, to secure Market Based Rate Authority in the EIM*

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Graphic represents average EIM transfer capacity October 2016 – January 2017, as [reported](#) by DMM and partially updated to reflect expected capacity contributions from PGE and Powerex

= Transmission that uses the EIM Interchange Rights Holder Methodology  
 = Minimum amount dedicated to EIM



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- **There has been an increase in transmission capacity dedicated *exclusively* to the EIM**
  - ❖ In order to secure Market Based Rate Authority and to facilitate EIM benefits, both PSE and PGE have committed to dedicating minimum amounts of transmission capability to the EIM
- **There is already very limited transmission availability between EIM Entities**
- **Dedicating transmission capacity to the EIM, exclusively, can impact the ability to conduct non-EIM transactions between EIM Entities, potentially impacting the ability to enter into:**
  - ❖ Day-ahead market transactions
  - ❖ Monthly or seasonal transactions
  - ❖ Long-term transactions which require transmission capacity from one EIM Entity to another
- **WPTF is interested in understanding how EIM Entities determine when to commit transmission solely for use in the EIM and how interactions with other markets might be considered going forward**
  - ❖ Are lost efficiencies from other market transactions considered in making decisions about the amount of transmission capacity to dedicate to EIM Transfers?
  - ❖ If so, how?
  - ❖ If not, should they be?