

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the page, framing a central white area. The shapes are composed of triangles and polygons, creating a modern, layered effect.

# Market Issues

Observations and Opinions

# Foundational Detail

- ▶ Facts: Three general types of electric markets in US48
  - ▶ Some states have required divestiture of generating assets in their zeal to push one design option electric marketplace evolution
  - ▶ Some states have accommodated marketplace evolution while retaining the vertical integration model
  - ▶ Some states still operate with old bilateral-only market designs - “Non-Market” areas
- ▶ Caution - opinions ahead!
  - ▶ Security-constrained economic dispatch works in either sort of market and makes more efficient use of transmission and generation assets than the Non-Market areas
  - ▶ State vs. Federal regulatory tensions have contributed to poor outcomes in the wholesale marketplace
    - ▶ Lurching evolution
    - ▶ Capacity markets/”Missing money”
    - ▶ Inconsistent reliability criteria for resource adequacy/”Counting”
    - ▶ Lack of consensus on cost allocation for regional transmission investment

# Regional Market Design

## Role Definition and Governance

*-Drawn in stark terms for heuristic purposes*

- ▶ Key aspect of role definition: fiduciary responsibility
  - ▶ E.g. “Low rates” **VS.** “Reliable and Workably Competitive”
- ▶ Key aspect of governance: board selection
  - ▶ Voters elect a politician who appoints agents who set the course of the organization; **VS.**
  - ▶ Independent search identifies qualified-by-experience, non-conflicted slate of candidates who are elected by participating stakeholders/ballot sectors
- ▶ Key aspect of process: stakeholder engagement
  - ▶ Need to mercifully reduce the frequency and number of stakeholder forums and improve virtual access and participation through technology

# Regional Market Design Evolution

- ▶ Is the EIM an experiment?
  - ▶ It has demonstrated efficiency benefits through pooled dispatch
  - ▶ It has improved situational awareness and response through coordination
- ▶ At what point does a regional structure deliver additional benefits?
  - ▶ Expanded unit commitment coordination is one aspect of the day-ahead process
  - ▶ Consolidation of balkanized roles?
    - ▶ Transmission tariff
    - ▶ Interconnection queue
    - ▶ Ancillary services (contingency reserves and G/L balance)
    - ▶ Resource adequacy and reserve margin counting criteria
    - ▶ Regional transmission planning process