

WESTERN ENERGY IMBALANCE MARKET (WEIM)

Regional Issues Forum

Vijay Satyal – RIF Chair

Josh Walter – RIF Vice Chair

May 4, 2022



Agenda

Topic	Presenter
Introduction and RIF Business	Vijay Satyal, RIF Chair Josh Walter, RIF Vice Chair
Future of RIF	Meg McNaul, Six Cities Matt Lecar, PG&E Therese Hampton, GRC Chair Vijay Satyal, WRA Cathleen Colbert, Vistra Doug Marker, BPA Dawn Anaiscourt, SCE
ISO Policy Catalog Update	Cathleen Colbert, Vistra Anna McKenna, CAISO
RIF Topics Prioritization	Vijay Satyal, RIF Chair
Round Table with audience	Vijay Satyal, RIF Chair



Introduction and RIF Business

RIF Sector Liaisons

Sector	Name	Organization	Email
WEIM entities	Lindsey Schlekeway	NV Energy	Lindsey.Schlekeway@nvenergy.com
	Josh Walter	Seattle City Light	Josh.Walter@seattle.gov
ISO participating transmission owners	Matt Lecar	PG&E	MEIJ@pge.com
	Meg McNaul	Six Cities	mmcnaul@thompsoncoburn.com
Public Interest/Consumer Advocate	Vijay Satyal (CHAIR)	Western Resource Advocates	vijay.satyal@westernresources.org
	Jaime Stamatson	Montana Consumer Counsel	JStamatson@mt.gov
Consumer-owned utilities located within an EIM BAA	Lauren Tenney Denison	Public Power Council	tenney@ppcpdx.org
	Doug Boccignone	Flynn Resource Consultants Inc	dougbocc@flynnrci.com
Independent power producers and marketers	Cathleen Colbert	Vistra	Cathleen.Colbert@vistracorp.com
	Ian White	Shell North America	ian.d.white@shell.com
Federal power marketing administrations	Alex Spain	BPA	ajspain@bpa.gov



Future of RIF Panel

What is the Regional Issues Forum?

- The Regional Issues Forum (RIF) was recommended by the Transition Committee to provide an opportunity for targeted stakeholder input into the WEIM
- RIF and BOSR are both self-organized committees under the EIM Governing Body
- First RIF took place in April, 2016

The Regional Issues Forum provides a framework to educate and address stakeholder issues related to WEIM

- Provide a forum for discussion
- Solicit input and participation from sectors on topics and content of forums
- May express common position to WEIM Governing Body
- Communicate results of RIF meetings to WEIM Governing Body
- Each sector shall select two Liaisons

The Governance Review Committee (GRC) Part One effort modified the current RIF rather than creating a formal stakeholder or member committee

- Expand topics they may address by removing limitation on RIF engagement on issues that are in active stakeholder processes
- Maintain independence in developing its own rules and procedures
- Revise the current sectors and add one liaison for the Federal power marketing administrations
- Created a standing agenda item for RIF on WEIM Governing Body meetings



WEIM Governance Review Committee Overview

WEIM Governance Review Committee - members

Michele Beck	Utah Office of Consumer Services
Tony Braun	Braun Blaising Smith Wynne, PC
Andrew Campbell	Energy Institute at Haas, UC Berkeley
Suzanne Cooper	Bonneville Power Administration
Eric Eisenman	Pacific Gas and Electric Company
John Prescott*	WEIM Governing Body
Angelina Galiteva*	ISO Board of Governors
Therese Hampton	Consultant representing public power
Amanda Ormond	Ormond Group LLC
Commissioner Letha Tawney	Body of State Regulators
Rob Taylor	Salt River Project
Pam Sporborg	Portland General Electric
Rebecca Wagner	Independent consultant
Cameron Yourkowski	EDP Renewables North America LLC

** non-voting member*

Principles to guide the GRC

The overarching principle states that the GRC shall:

- Ensure that the governance of the WEIM and EDAM provide stakeholders throughout the West with confidence that the governance structure represents the market(s) as a whole, broadly respects and considers the interests of all stakeholders, and is resilient under a wide range of market conditions.

Recommended Additions to the Existing Principles (full list [HERE](#), pages 3-4)

- Seek, where possible, to modify or enhance the WEIM governance structure, as it relates to the establishment of EDAM, in support of an autonomous WEIM Governing Body.
- Ensure modifications or enhancements to the WEIM governance structure, as it relates to EDAM, balance the interests of **full** ISO market participants in the ISO Balancing Authority Area and prospective EDAM participants.
- Ensure modifications or enhancements to the WEIM governance as it relates to the establishment of EDAM, support or advance a potential future governance structure appropriate for a multi-state Regional Transmission Organization.

Summary of GRC options for EDAM under consideration

- **Type of Delegation of Authority:** Primary or Joint Authority with some evaluation of other decision-making process changes
- **Scope of Delegation of Authority:** Rules that apply to WEIM and EDAM market participants, rules that impact EDAM market participants, all real-time and day-ahead rules, or all real-time and day-ahead rules with exception for rules that apply uniquely to full ISO market participants in the CA BA
- **Stakeholder Role in Market Design:** Modification of RIF into a stakeholder advisory body to the ISO Board of Governors and WEIM Governing Body on market design and policy prioritization
- **ISO Board of Governors and WEIM Governing Body Nomination Process:** Better align Board selection processes to support regional representation
- **ISO Board of Governors and WEIM Governing Body Mission Statements:** Similar to the WEIM Governing Body mission statement, ensure consideration of all market participants in mission statements for both bodies

The role of the RIF and BOSR in an EDAM

Starting Point for Discussions

- In Comments, several market participants evidence a desire for more stakeholder involvement in organizational direction and market design
- As used here:
 - Market Participant is an actual market participant, generally with load, transmission and/or generation assets
 - Stakeholder is a broader definition that includes NGOs, policy advocates, consumer advocates, others.

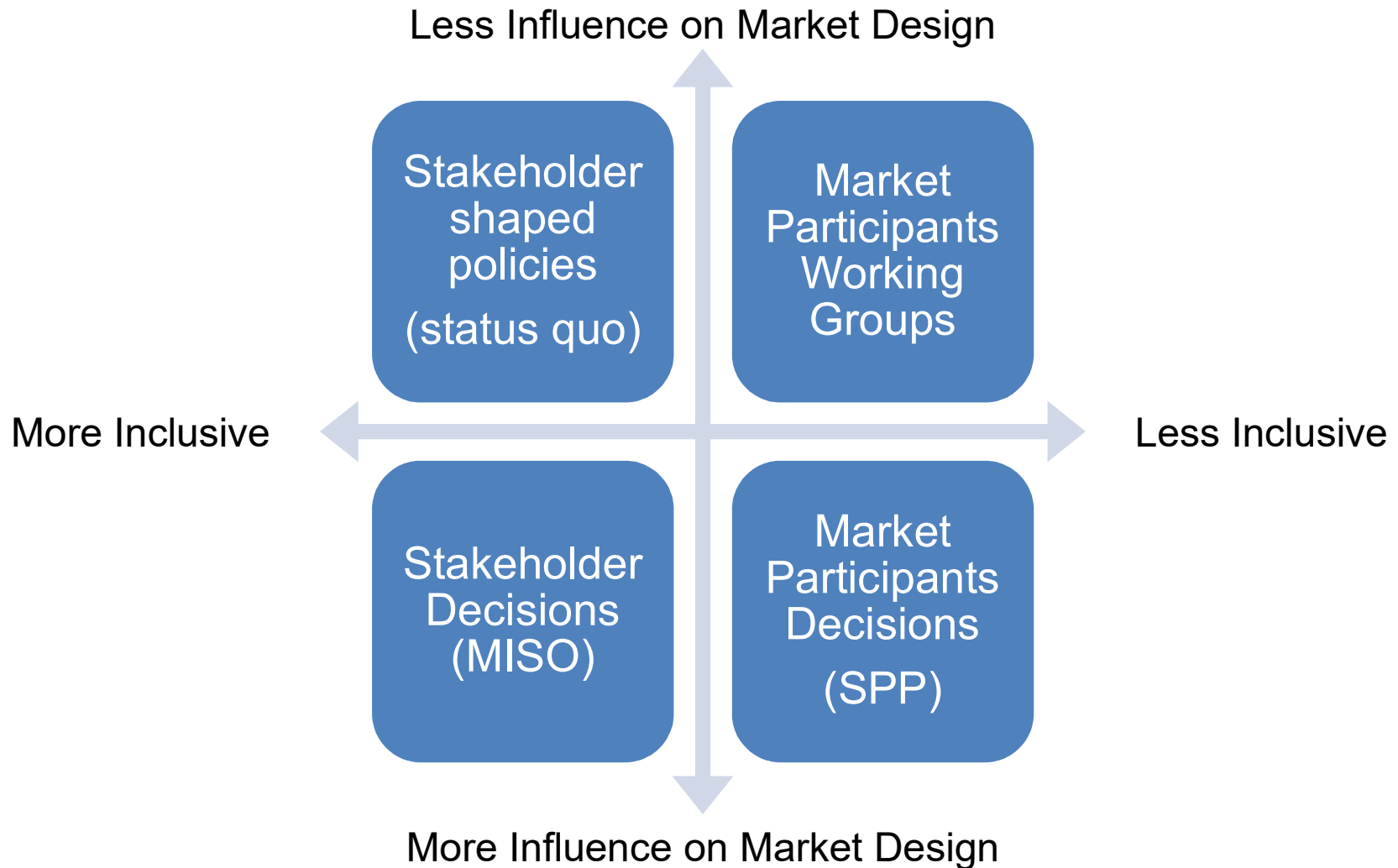
Implications for Regional Issues Forum (Details on RIF found [HERE](#))

- Should there be a market participants committee or a broader-based sector-driven stakeholder committee to drive market design?
- Does this replace the RIF (which is now education focused) or expand the RIF?

Implications for the Body of State Regulators (Details on BOSR found [HERE](#))

- Does the BOSR role change if there is a “participants committee”?
- What changes to the scope and mission of BOSR are needed, if any?

Spectrum of options for EDAM stakeholder engagement



Considerations

Market Participant Driven

Pros	Cons
Reflects “Skin in the Game” approach to decision making	Those impacted by Participant decisions can be disenfranchised
Appears to facilitate Participant “Buy In” in the process	Significant change to ISO processes, including role of WEIM Governing Body, ISO Board of Governors and other Stakeholders
Similar to certain other regional market organizations	Raises complex voting and representation questions among participants
	Would likely require equivalent changes in BOSR role
	Market participants may not have broad enough view of public interest to satisfy regulators, policymakers, and other stakeholders

Stakeholder Driven

Pros	Cons
Integrates with existing ISO model and BA decision making	Difficult for less-resourced stakeholders to drive detailed policy development forward
Inclusive of stakeholder interests and those impacted by decisions	For non-market participants, technical complexity can be a barrier
Current WEIM Governing Body approach avoids complex weighted voting	Number of stakeholders may result in a longer process
Complementary to existing BOSR role and scope	

RIF and stakeholder engagement considerations

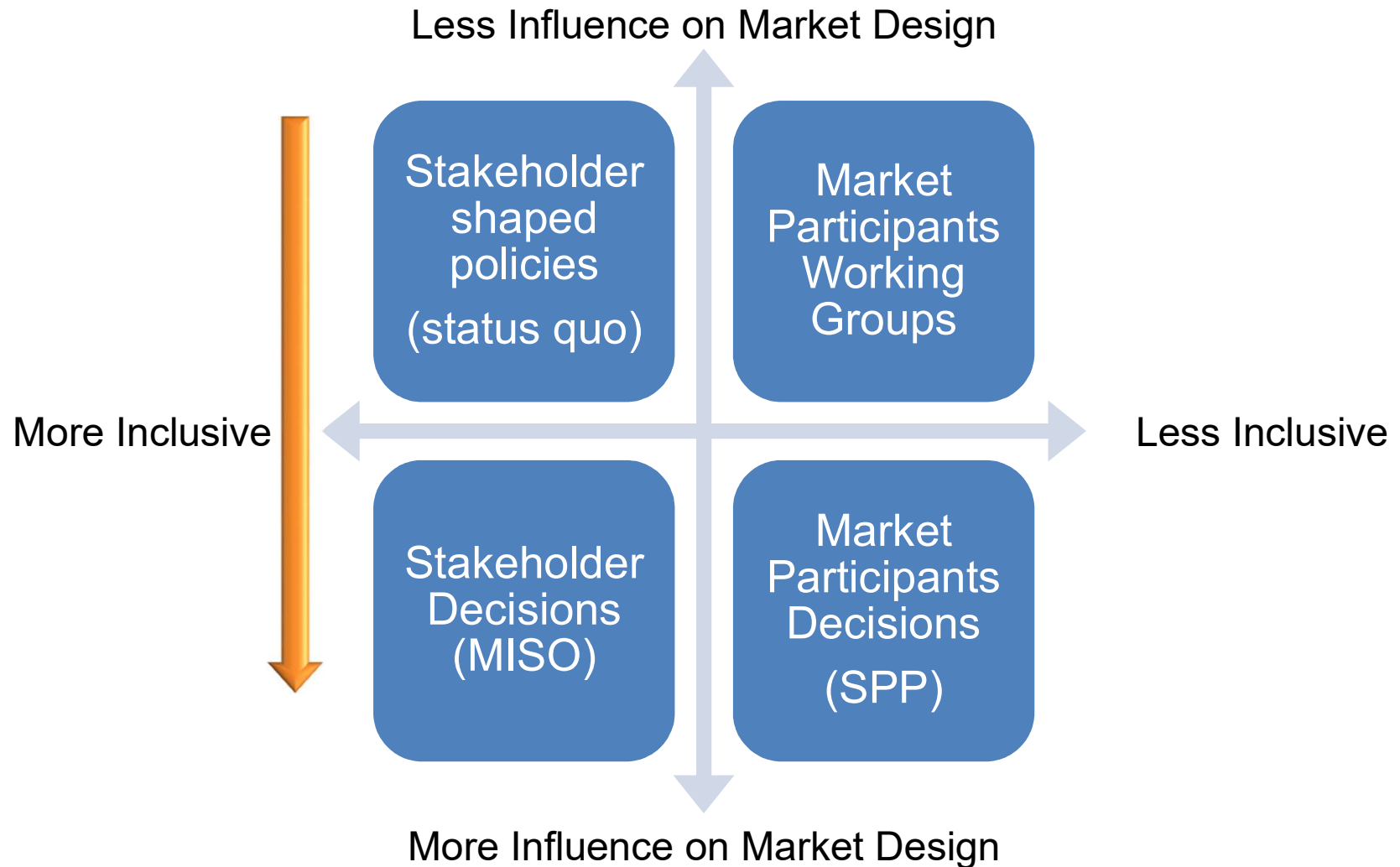
Impact of Any Changes Should Not be Underestimated

- Both models require more of participants in exchange for voice in policy development and decision making.
- Expectation that Stakeholders help shape policy, not just opine on proposals
- Increased resource requirements may procedurally disadvantage some less resourced Stakeholders

EDAM Working Group Process Lessons Learned

- Staff facilitated discussions were generally well received
- More onus on stakeholder developed proposals seemed to move forward discussion
- Are there ways to integrate similar structures into any stakeholder process?

Option for EDAM: Include stakeholders more in market design



Potential changes to the RIF: Concepts being considered

Role of Stakeholders

- Create a facilitation function for ISO staff similar to the EDAM working groups but expect stakeholder driven policy dialogue including policy prioritization for the market
- Transition the RIF to a stakeholder advisory/policy review committee with a more formal advisory role to the boards
- Funnel broader stakeholder process through this new advisory body on both WEIM and EDAM issues
- Reconsider composition of the RIF
- Refine the RIF charter and operating guidelines
- Create expectation of opinions/reports on key issues
- Create advisory role on key corporate policies such as the multi-year roadmap

Potential stakeholder roles: Questions

Open Questions

- How much process detail to specify versus leave to an advisory committee?
- What would the affect be on non-EDAM stakeholder processes (e.g., transmission planning, resource adequacy, interconnection, etc.)?
- How much deference on market design would an advisory committee have from the WEIM Governing Body and ISO Board of Governors?
- How could an advisory committee be best structured for effective Stakeholder representation to the WEIM Governing Body and ISO Board of Governors?

Governance review timeline

May

- May 2 BOSR meeting - GRC update – San Diego, CA
- May 4 RIF meeting – GRC update – San Diego, CA
- May 26 EDAM straw proposal overview & GRC general session meetings – Folsom, CA

Jun/Jul

- Mid-June – EDAM straw proposal overview & GRC general session meetings – discuss GRC straw proposal – location TBD
- July – comments due

Aug/Sep

- Late-August – general session meeting – revised proposal overview
- September – stakeholder comments on final GRC straw proposal due



Future of RIF Panel Discussion

Future of RIF Panel Discussion

Facilitator	Organization
Meg McNaul	Six Cities

Panelists	Organization
Cathleen Colbert	Vistra
Dawn Anaiscourt	SCE
Doug Marker	BPA
Josh Walter	Seattle City Light
Vijay Satyal	WRA



Future of RIF Audience Q&A



Break

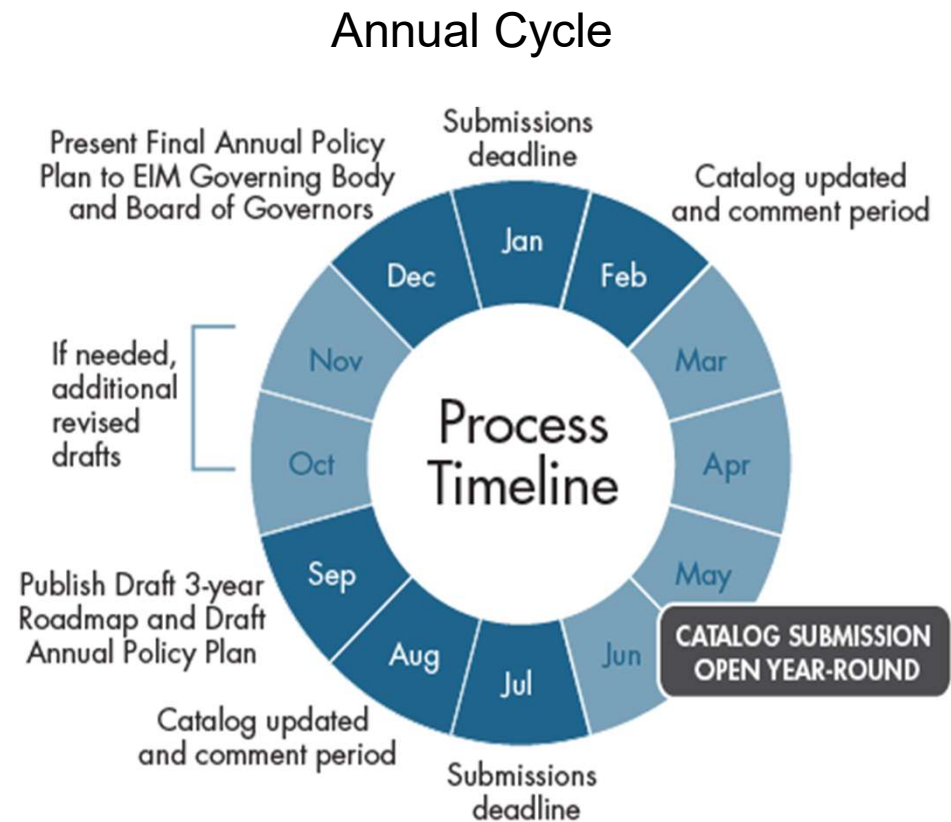


ISO Policy Initiative Roadmap

Anna McKenna, Vice resident, Market Policy and Performance
WEIM Regional Issues Forum
May 4, 2022

Annually CAISO conducts a stakeholder process to create a plan for enhancing and evolving the markets

- Roadmap - determines policy initiatives ISO will undertake in the following year and maps out the next three years
- Policy Initiatives Catalog - is a comprehensive directory of current, planned and potential policy initiatives - updated twice a year
- Submit Policy Initiatives Catalog Submission Form by end of June 2022 for consideration in 2023 Roadmap
- Submit comments requesting prioritization between July and August



Use Policy Catalog Submission Form to submit new topics available at:
<http://www.caiso.com/PublishedDocuments/PolicyInitiativesCatalogSubmissionForm.docx>

Roadmap Prioritization

- Stakeholder input key to prioritization
- Considers both market and reliability benefits of potential enhancements
- Also considers implementation
 - Sequencing of enhancements
 - Workload to develop changes and to put software into production
- Regulatory requirements (non-discretionary)

Primary drivers of proposed 2022 three-year policy roadmap

- **Increased resource and load variability** - enhance the day-ahead market and extend to WEIM entities to leverage regional diversity and provide west-wide benefits
- **Increasing amounts of storage resources** - enhance CAISO markets to efficiently dispatch storage resources in alignment with operational needs
- **Economic and reliability benefits of greater integration of Western markets** – extend the day-ahead market across a larger footprint and openly and optimally manage access to available transmission

Extended Day-Ahead Market initiative is exploring expanded day-ahead market participation to provide regional benefits

- EDAM will improve market efficiency and more effectively integrate renewable resources by
 - Optimizing day-ahead unit commitment
 - Producing hourly energy transfer schedules
 - Capture resource diversity benefits and improve transmission utilization across a larger footprint
- This year's roadmap reflects the high-priority the CAISO is giving to enabling participating in EDAM by 2024

Day-Ahead Market Enhancements initiative addresses challenges of the transforming grid

- Efficiently schedule supply to address net load uncertainty and real-time ramping needs
 - Improve market efficiency and price signals by co-optimizing imbalance reserves with energy and ancillary services
 - Enhance RUC process to also schedule downward capacity
- Reduce out-of-market actions
- Plays an important role in setting up the foundation for EDAM

Price Formation Enhancements initiative will improve pricing provisions for efficient market pricing during tight supply conditions

- Explore scarcity pricing mechanisms to ensure prices incentivize accurate scheduling and bidding that aligns with operational needs
 - Provide strong incentives for resources including storage to align with operational needs
- Explore fast-start pricing
- Explore advisory market interval pricing issues related to storage dispatch and pricing

Transmission Services and Market Scheduling Priorities initiative is developing a forward process to release available CAISO transmission for use by non-CAISO entities

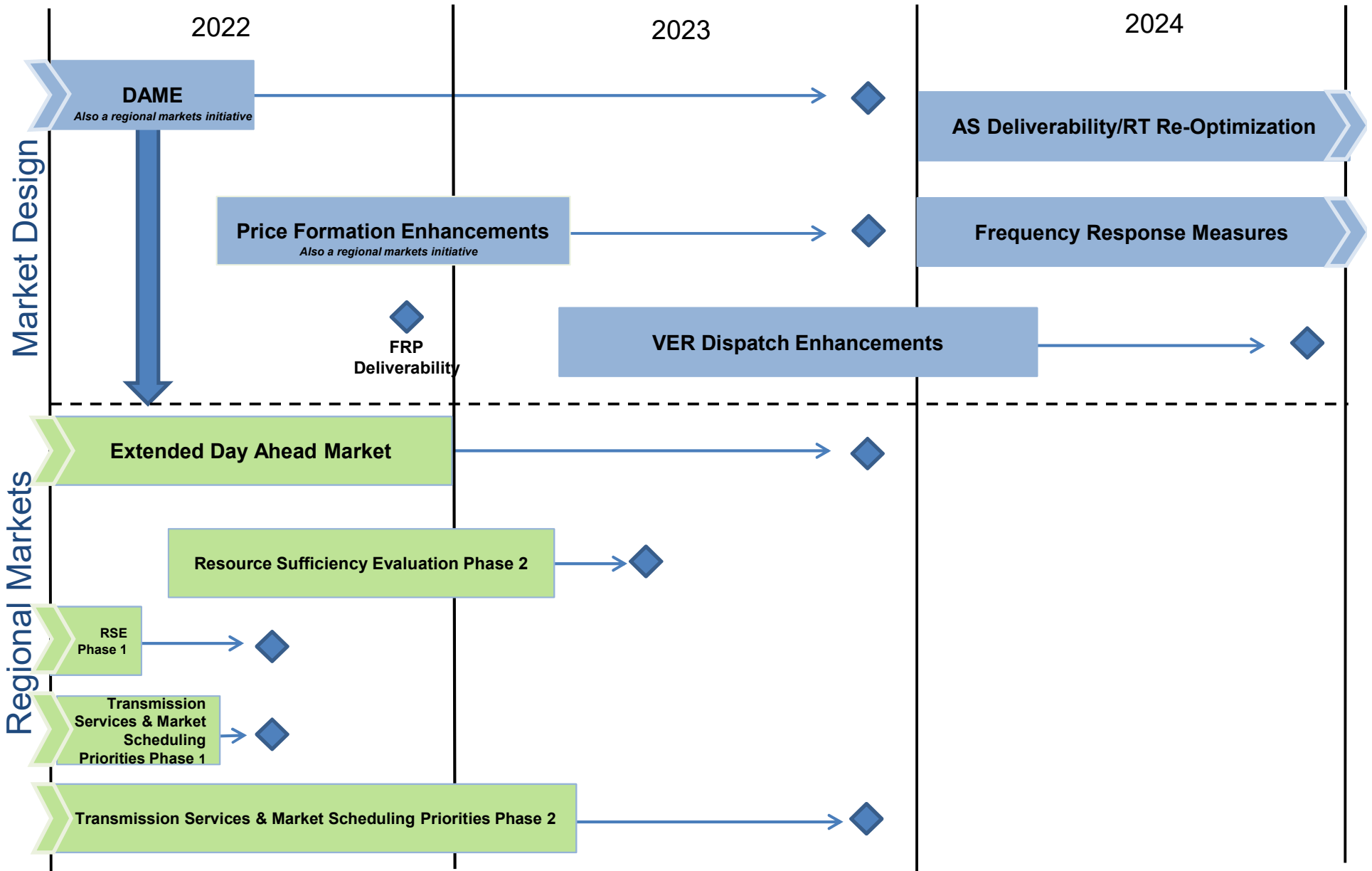
- Considers a holistic, long-term, process for wheel-through transactions to obtain high-priority scheduling rights
- Recognizes the need for, and dependence on, wheeling through CAISO's system to serve external load

Energy Storage Enhancements initiative is developing enhancements to efficiently dispatch storage resources in alignment with operational needs

- Improvements to the existing storage model
- New model for state of charge
- Storage exceptional dispatch provisions to ensure reliable system operations
- Enhancements to the co-located resource model
- Storage dispatch and compensation related topics are also planned to be addressed in the Price Formation initiative

Market Design and Regional Markets

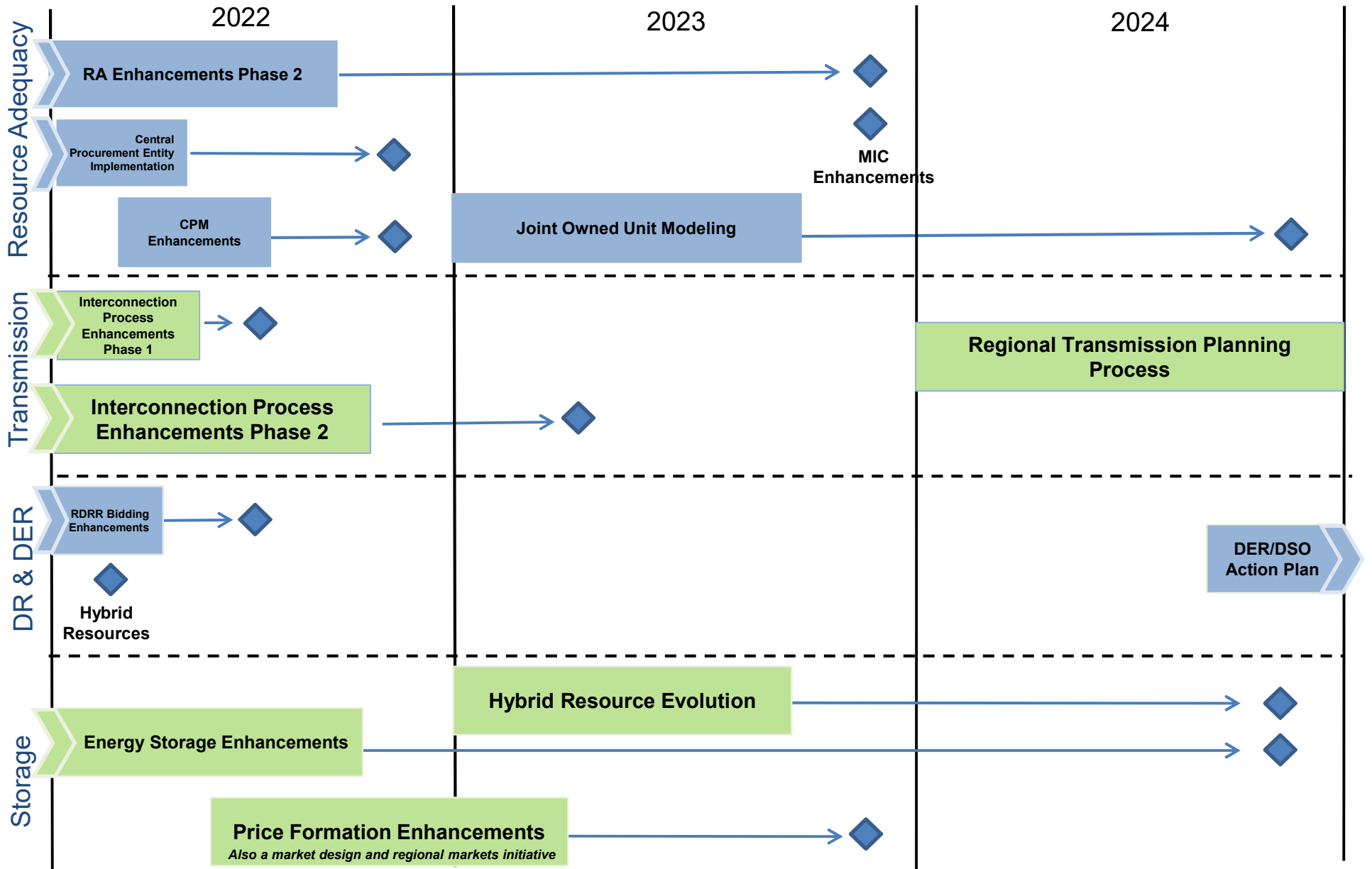
◆ = Implementation



*Timeframes are approximate and subject to change

RA, Transmission, DR & DER, and Storage

◆ = Implementation



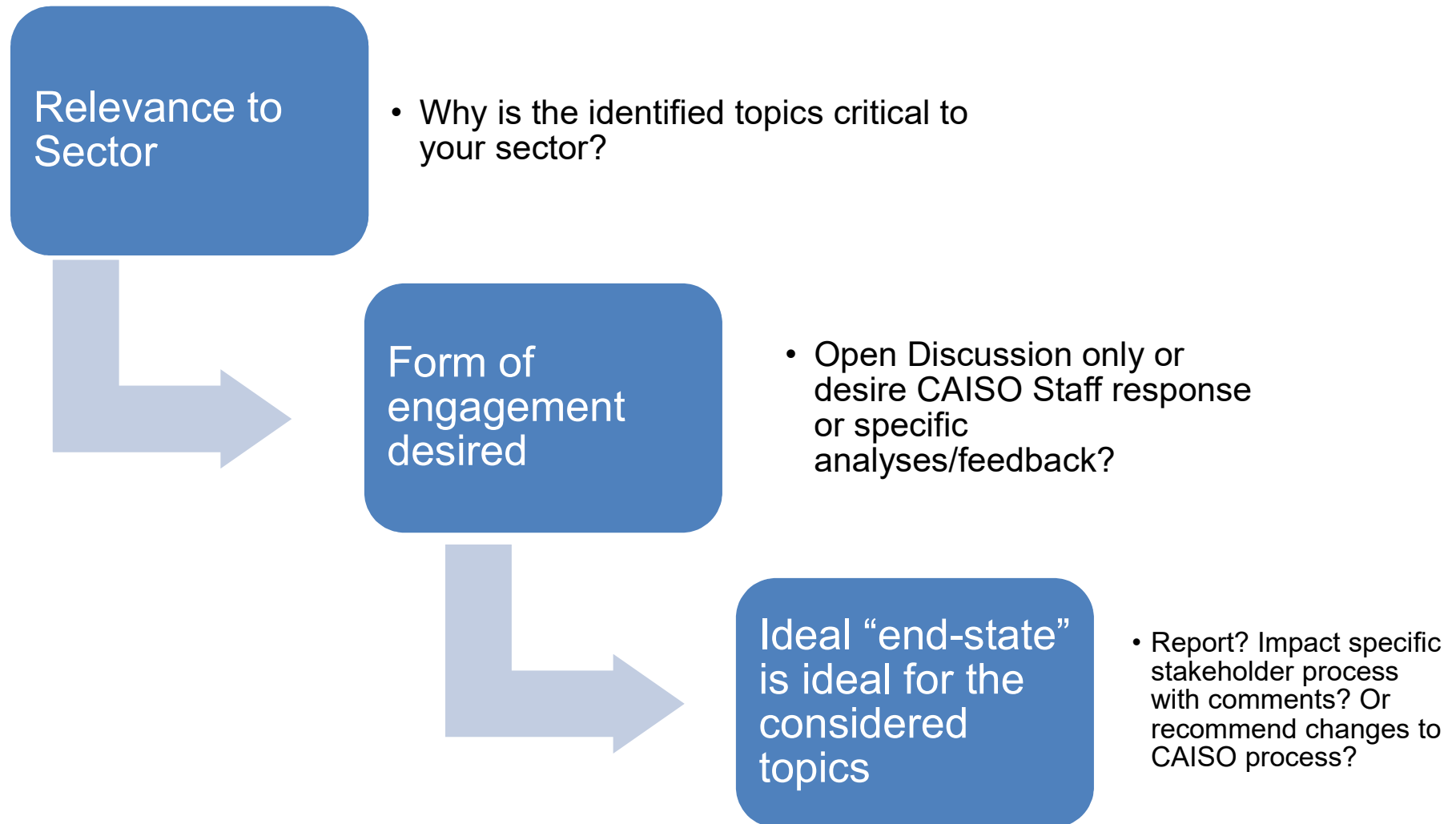


RIF Topics Prioritization

RIF Topics – Motivation and Scope

- RIF Sector Liaisons have identified an initial list of “desired” topics for RIF discussion/deliberation
- These topics are NOT final. Initial discussion will begin in May.
- Goal – Identify a manageable and relevant list of topics that enables the RIF to execute its purpose and serve the larger intent/mission of the RIF Charter

Potential Framework for Prioritization & Value Proposition?





Round Table with audience