



California ISO

EIM GHG Enhancements 3rd Revised Draft Final Proposal

Don Tretheway

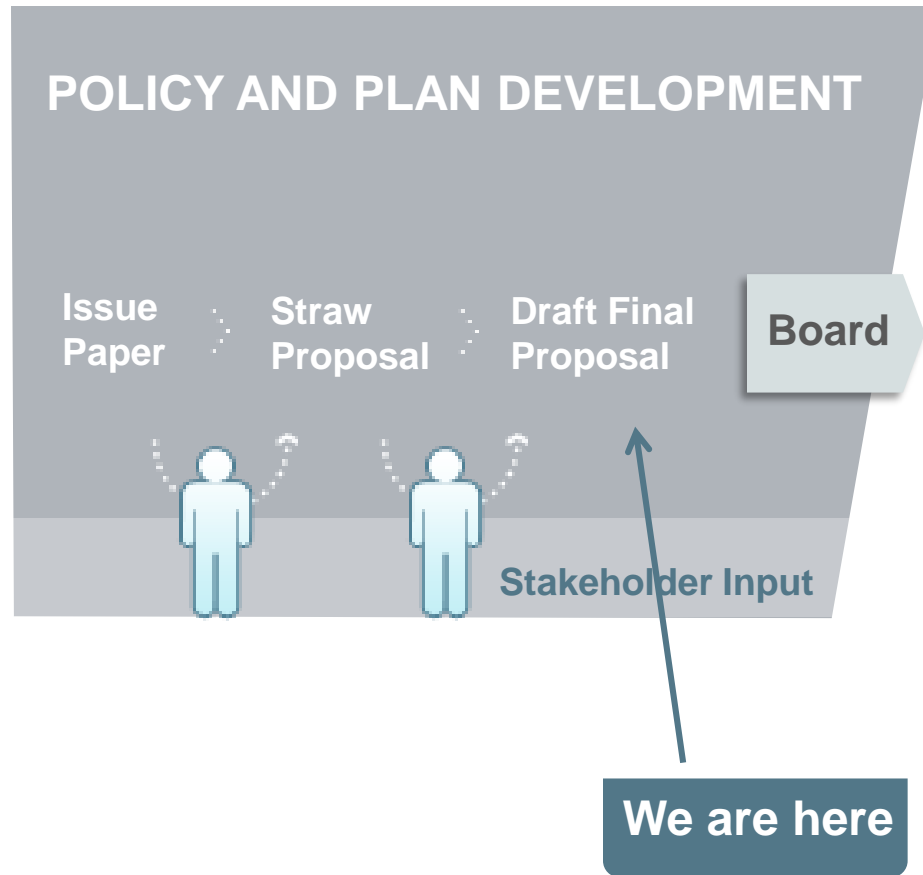
Senior Advisor, Market Design Policy

May 2, 2018

Agenda

Time	Topic	Presenter
3:00 – 3:10	Introduction	Kristina Osborne
3:10 – 4:50	Proposed GHG Market Design Changes	Don Tretheway
4:50 – 5:00	Next Steps	Kristina Osborne

ISO Policy Initiative Stakeholder Process



EIM Categorization

- The GHG design would not exist but for the EIM
- The GHG design ensures that when load outside CAISO is served by generation outside CAISO, the cost of GHG should not be reflected in non-CAISO prices
- EIM Governing Body – Primary role classification

<http://www.caiso.com/Documents/GuidanceforHandlingPolicyInitiatives-EIMGoverningBody.pdf>

Based on stakeholder comments, the ISO proposes to only modify the GHG bid quantity rules

	GHG Bid Quantity	GHG Bid Price
At outset of EIM	Pmax of resource	\leq \$1,000 less Energy bid
Year One Enhancement	0 MW to Pmax	\leq Resource daily GHG cost plus 10%
Current Proposal	0 MW to (Upper economic limit less base schedule)	\leq Resource daily GHG cost plus 10%

More accurate attribution of resources serving CAISO load by reducing quantity that may be attributed to base schedules that serve non-CAISO load

Proposed change reduces the potential magnitude of secondary dispatch

- For example, assume a
 - 100 MW hydro resource 100 MW GHG bid quantity
 - 80 MW base schedule 85 MW dispatch
- Currently, attribution can be 85 MW
 - 80 MW of potential secondary dispatch
- Design change, attribution can be up to 20 MW
 - Reduces potential secondary dispatch to 15 MW

ISO will support CARB's regulatory process to account for remaining secondary dispatch

Next steps

Date	Milestone
April 25, 2018	Post 3 rd Revised Draft Final Proposal
May 2, 2018	Stakeholder conference call
May 16, 2018	Stakeholder comments due*
July 12, 2018	EIM Governing Body Decision
July 25-26, 2018	Board of Governors Consent Agenda

*Send comments to initiativecomments@caiso.com.