

29.32 Greenhouse Gas Regulation and EIM Bid Adders.**(a) EIM Bid Adders.**

(1) **In General.** EIM Participating Resources will have an opportunity to recover costs of compliance with California Air Resources Board greenhouse gas regulations, which may include the cost of allowances, uncertainty on the final resource specific emission factor, and other costs of greenhouse gas regulation compliance.

(2) **EIM Bid Adder.**

(A) **Bid Submission.** EIM Participating Resource Scheduling Coordinators may submit an EIM Bid Adder as a separate hourly Bid component to recover costs of compliance with California Air Resources Board greenhouse gas regulations, which must include a price and quantity and the price portion of which must be equal to or less than 110% of the EIM Participating Resource's greenhouse gas maximum compliance cost as determined in accordance with section 29.32(a)(3).

(B) **Default Treatment.** If an EIM Participating Resource does not submit an EIM Bid Adder, the CAISO will assume that the EIM Participating Resource will not be selected for delivery to the CAISO Balancing Authority Area.

(3) **Determination of EIM Greenhouse Gas Maximum Cost.** Each day the CAISO will determine the greenhouse gas maximum compliance cost for each EIM Participating Resource as set forth in the EIM Business Practice Manual, based on—

(A) the EIM Resource's highest incremental heat rate; the applicable Greenhouse Gas Allowance Price; and the EIM Participating Resource's emission rate, as set forth in the applicable U.S. Environmental Protection Agency publication and registered in the Master File; or

- (B) a price determined in accordance with the negotiated rate option procedures in section 39.7.1.3.1; or,
 - (C) with respect to, and only with respect to, Bids at EIM External Interties, the carbon dioxide equivalent emission rate of the resource with the highest such rate in the WECC region and the applicable Greenhouse Gas Allowance Price index.
- (4) **EIM Bid Adder Price.** The price included in the EIM Bid Adder shall not be less than \$0/MWh and the sum of the price component of the EIM Bid Adder and the Energy cost portion of the Bid cannot exceed \$1000/MWh.
- (b) **Consideration of EIM Bid Adders in Market Clearing.**
- (1) **Dispatch of EIM Participating Resources with Nonzero Bid Adders.** The CAISO's Security Constrained Economic Dispatch in the Real-Time Unit Commitment and Real-Time Dispatch shall take into account EIM Bid Adders in selecting Energy produced by EIM Resources outside the CAISO Balancing Authority Area for import into the CAISO Balancing Authority Area or other EIM Entity Balancing Authority Areas in California up to the associated MW quantity included in the EIM Bid Adder, but not when selecting EIM Resources to serve Load outside of the CAISO Balancing Authority Area or other EIM Entity Balancing Authority Areas in California.
 - (2) **EIM Participating Resources EIM Bid Adder MW Quantity.** In selecting Energy produced by EIM Participating Resources outside of the combined area of the CAISO and any another EIM Balancing Authority Area in California for import into the combined area of the CAISO and any other EIM Entity Balancing Authority Areas in California, the CAISO's Real-Time Unit Commitment and Real-Time Dispatch will limit the MW quantity included in the EIM Bid Adder of an EIM Participating Resource to a value equal to the MW quantity of the EIM Participating Resource's upper economic Bid less the EIM Participating Resource's Base Schedule for the relevant Operating Hour.



- (32) **Dispatch of EIM Participating Resources Bid Adders of Zero.** The CAISO's Security Constrained Economic Dispatch in the Real-Time Unit Commitment and Real-Time Dispatch shall not dispatch EIM Participating Resources outside the CAISO Balancing Authority Area for delivery into the CAISO Balancing Authority Area or other EIM Entity Balancing Authority Areas in California if the MW quantity included in the EIM Bid Adder is zero.
- (c) **Effect on Locational Marginal Price.** Using the methodology described in Appendix C, the CAISO will include the marginal EIM Bid Adder as a negative component in the Locational Marginal Prices for EIM Entity Balancing Authority Areas in addition to those specified in Appendix C and Section 27.
- (d) **Notice to EIM Participating Resource.** The CAISO will notify the EIM Participating Resource Scheduling Coordinator through the Dispatch Instruction of the megawatt quantity of any Energy of an EIM Resource that is deemed to have been imported into the CAISO Balancing Authority Area or other EIM Entity Balancing Authority Areas in California as a result of the Market Clearing of the Real-Time Market.
- (e) **Compensation.** The CAISO will allocate the Net Imbalance Energy Export optimally to EIM Participating Resource Scheduling Coordinators and will distribute revenues from the EIM Bid Adder to EIM Participating Resources pursuant to that allocation.
- (f) **Reporting Requirements.** The CAISO will report to each EIM Participating Resource Scheduling Coordinator the portion of the FMM Energy Schedule and the portion of RTD Energy Dispatch that is associated with Energy deemed to have been imported to the CAISO Balancing Authority Area or other EIM Entity Balancing Authority Areas in California from all EIM Resources as part of the Real-Time Market results publication from each of its EIM Resources. The CAISO will also report to each EIM Participating Resource Scheduling Coordinator any MW quantity limit that should be applied in the CAISO's FMM and Real-Time Dispatch to an EIM Participating Resource's EIM Bid Adder submission in the CAISO's FMM and Real-Time Dispatch.

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