BPM Change Management Meeting

Radha Madrigal
Lead Client Trainer
BPM_CM@caiso.com

March 22, 2022

The information contained in these materials is provided for general information only and does not constitute legal or regulatory advice. The ultimate responsibility for complying with the ISO FERC Tariff and other applicable laws, rules or regulations lies with you. In no event shall the ISO or its employees be liable to you or anyone else for any decision made or action taken in reliance on the information in these materials.
Housekeeping reminders

• This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO’s permission.

• Meeting is structured to stimulate honest dialogue and engage different perspectives.

• Please keep comments professional and respectful.
New instructions for raising your hand to ask a question

• If you are connected to audio through your computer or used the “call me” option, select the raise hand icon 🙋‍♂️ above the chat window located on bottom right corner of the screen. **Note:** #2 only works if you dialed into the meeting.

• Please remember to state your name and affiliation before making your comment.

• If you need technical assistance during the meeting, please send a chat to the event producer.
# Agenda – BPM Change Management Meeting
March 22, 2022

<table>
<thead>
<tr>
<th>Topic</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction / Meeting Overview</td>
<td>Radha Madrigal</td>
</tr>
<tr>
<td><strong>Discussion of active proposed changes:</strong></td>
<td></td>
</tr>
<tr>
<td>Market Operations</td>
<td>Michael Martin</td>
</tr>
<tr>
<td>Market Instruments</td>
<td>Michael Martin</td>
</tr>
<tr>
<td>Reliability Requirements</td>
<td>Melanie Bogen</td>
</tr>
<tr>
<td>Settlements and Billing</td>
<td>Massih Ahmadi</td>
</tr>
<tr>
<td>Transmission Planning Process</td>
<td>Catalin Micsa</td>
</tr>
<tr>
<td>Wrap-Up and Next Steps</td>
<td>Radha Madrigal</td>
</tr>
</tbody>
</table>

BPM Change Management Process  
[BPM_CM@caiso.com](mailto:BPM_CM@caiso.com)
• Business Practice Manuals
  - The purpose of BPMs is to set forth business practices that implement the ISO tariff.
    - The ISO conducts a yearly policy initiative roadmap process to consider and rank initiatives.
      - *Policy changes submitted though the PRR process will be referred to the policy initiative road map process.*
    - Each subject area in a BPM is based on enabling language in the ISO tariff.
      - *The PRR process cannot be used to introduce changes that are not supported by existing tariff authority.*
## Market Operations BPM

<table>
<thead>
<tr>
<th>PRR</th>
<th>PRR Title</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1411</td>
<td>Update to penalty prices used to determine when the security constrained unit commitment and security constrained economic dispatch software will relax an enforced transmission constraint</td>
<td>Initial</td>
</tr>
<tr>
<td>1406</td>
<td>Activation of minimum constraint in real time dispatch</td>
<td>Initial</td>
</tr>
<tr>
<td>1404</td>
<td>Market operations BPM edits related to energy storage and distributed energy resources phase 4 cleanup</td>
<td>Recommendation</td>
</tr>
<tr>
<td>1403</td>
<td>Treatment of expected energy for non-participating energy imbalance market resources</td>
<td>Recommendation</td>
</tr>
</tbody>
</table>
PRR 1411: Update to penalty prices used to determine when the security constrained unit commitment and security constrained economic dispatch software will relax an enforced transmission constraint

- **Reason for revision**
  - BPM changes that mirror changes to Tariff section 27.4.3.2.1 to update Scheduling parameters, or penalty prices, which are used to determine when the SCUC and SCED software will relax an enforced Transmission Constraint rather than adjust Supply or Demand bids or Non-priced Quantities as specified in Sections 31.3.1.3, 31.4 and 34.12 to relieve Congestion on the constrained facility.
  - This BPM changes align with the changes proposed in the Adjustment to intertie penalty prices policy initiative. The objective is to ensure the market does not overschedule interties in RUC or RTM. Additional penalty prices are also changed in RTM to preserve the relative scheduling priority in the market optimization

- **Initial Comments: None**
- **Initial comment period expired: March 15, 2022**
- **Next step: Post Recommendation**
PRR 1406: Activation of minimum constraint in real time dispatch

• Reason for revision
  – This is to activate a minimum constraint in the real-time dispatch (five minute) market. Currently, this constraint is used only in the fifteen minute market and with this activation, the RTD market will consistently have the same constraint. This constraint ensures that CAISO balancing area has a minimum requirement to procure flexible ramping capacity in the real-time markets.

• Initial Comments: None
• Initial comment period expired: March 15, 2022
• Next step: Post Recommendation
PRR 1404 – Market operations BPM edits related to energy storage and distributed energy resources phase 4 cleanup

• Reason for revision
  – Clean-up edits related to ESDER4 initiative that was implemented few months ago. The scope of the edits are as follows: 1. Edits to remove multiple instances of the same information for ease of revision control. 2. Miscellaneous clean-up edits that were identified after the initial PRRs for ESDER4 were posted. 3. Additional information and examples of EOH SOC management.

• Recommendation comments: None
• Recommendation comment period expired: March 15, 2022
• Next step: Post Final Decision
PRR 1403 – Treatment of expected energy for non-participating energy imbalance market resources

• Reason for revision
  – Changes to the treatment of expected energy for non-participating EIM resources, as the current language reflects the implementation per the original EIM program. The revised language reflects a change made in the EIM year 1 project implementation.
• Recommendation comments: None
• Recommendation comment period expired: March 15, 2022
• Next step: Post Final Decision
# Market Instruments BPM

<table>
<thead>
<tr>
<th>PRR</th>
<th>PRR Title</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1405</td>
<td>Market instruments BPM edits related to energy storage and distributed energy resources phase 4 cleanup</td>
<td>Recommendation</td>
</tr>
<tr>
<td>1402</td>
<td>Updates to after-market cost recovery and reference level calculator change requests for Extremely Long Start resources</td>
<td>Recommendation</td>
</tr>
</tbody>
</table>
PRR 1405 – Market instruments BPM edits related to energy storage and distributed energy resources phase 4 cleanup

• Reason for revision
  – Clean-up edits related to ESDER4 initiative that was implemented few months ago. The scope of the edits are as follow: Revising language to remove the criteria of a resource’s ultimate parent company being a net buyer from the “safe harbor” mitigation exemption for small storage resources (under 5 MW).

• Recommendation comments: None
• Recommendation comment period expired: March 15, 2022
• Next step: Post Final Decision
PRR 1402 – Updates to after-market cost recovery and reference level calculator change requests for Extremely Long Start resources

• Reason for revision
  – Updates Attachment O to clarify aspects of the after-market cost recovery process and reference level change requests for Extremely Long Start resources. Also includes numerous minor editorial changes.
• Recommendation comments: N/A
• Recommendation comment period: PRR was placed on hold for March, will open for April Comment period
• Next step: Post Recommendation
## Reliability Requirements BPM

<table>
<thead>
<tr>
<th>PRR</th>
<th>PRR Title</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1408</td>
<td>Implementation of the outcome resulting from the maximum import capability</td>
<td>Initial</td>
</tr>
</tbody>
</table>
PRR 1408: Implementation of the outcome resulting from the maximum import capability

• Reason for revision
  – Changes are required in order to implement the outcome of the MIC Enhancements stakeholder process immediately upon FERC approval.
• Initial Comments: None
• Initial comment period expired: March 15, 2022
• Next step: Post Recommendation
## Settlements and Billing BPM

<table>
<thead>
<tr>
<th>PRR</th>
<th>PRR Title</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1410</td>
<td>Update configuration guides to reflect joint-owned units pilot initiative settlement</td>
<td>Initial</td>
</tr>
<tr>
<td>1409</td>
<td>Update configuration guides to reflect fix to reliability must run adjustments for startup cost</td>
<td>Initial</td>
</tr>
</tbody>
</table>
PRR 1410: Update configuration guides to reflect joint-owned units pilot initiative settlement

• Reason for revision
  – The Settlement configuration changes will support the Joint-Owned Units Pilot project. It will allow the settlement of joint ownership of physical resources by two WEIM entities, specifically, the Public Service Company of New Mexico (PNM) and the Tucson Electric Company (TEP).
  – Configuration guides as listed above have been updated for documentation to reflect the changes.
  – The changes are to be deployed around 4/27/2022. The effective date will be Trade Date 5/3/2022.

• Initial Comments: None
• Initial comment period expired: March 15, 2022
• Next step: Post Recommendation
PRR 1409: Update configuration guides to reflect fix to reliability must run adjustments for startup cost

• Reason for revision
  – A dispute uncovered an issue with the formulation for the RMR adjustments for startup that duplicated adjustments when two or more markets are covered by a single commitment period. The fix applies the correct single adjustment per commitment period for startup across the different markets.
  – Configuration guides as listed above have been updated for documentation to reflect the changes.
  – The changes are to be deployed around 5/25/2022. The effective date will be Trade Date 2/1/2021.

• Initial Comments: None
• Initial comment period expired: March 15, 2022
• Next step: Post Recommendation
## Transmission Planning Process BPM

<table>
<thead>
<tr>
<th>PRR</th>
<th>PRR Title</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1407</td>
<td>Implementation of the outcome resulting from the maximum import capability</td>
<td>Initial</td>
</tr>
</tbody>
</table>
PRR 1407: Implementation of the outcome resulting from the maximum import capability

• Reason for revision
  – Implementation of the outcome resulting from the Maximum Import Capability (MIC) Enhancements stakeholder process.
  – Update to include Maximum Import Capability expansion requests in sections 3.2.2. and 3.2.6.
• Initial Comments: None
• Initial comment period expired: March 15, 2022
• Next step: Post Recommendation
Next BPM PRR Review Monthly Meeting: April 26, 2022 @ 11 a.m.

BPM change management process questions:
Nicole Hines
BPM_CM@caiso.com