



California ISO

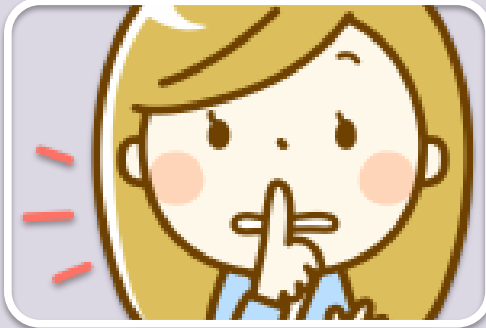
Central Procurement Entity (CPE) Implementation

September 14, 2022

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Customer Readiness

Updated: 9/13/2022

Housekeeping



Keep yourself muted to minimize background noise



Unmute to ask verbal questions or write questions in the chat pod



Raise your hand using WebEx interactivity tools

Agenda

- This training will cover the following topics:
 - High-level review of changes
 - Application-specific details
 - Market simulation activities



Objectives: Central Procurement Entity Implementation

- Recognition of Central Procurement Entity (CPE)
- System and local obligation for CPE and Load Serving Entities (LSEs) with load in multiple Transmission Access Charge (TAC) areas
- Allocation of system and flexible attributes of local Resource Adequacy (RA) resources
- Clarification of Capacity Procurement Mechanism (CPM) process and cost allocations in regards to CPE changes

Acronyms

Abbreviation	Term
BPM	Business Practice Manual
CC	Charge Code
CG	Configuration Guide
CIRA	Customer Interface for Resource Adequacy
CPE	Central Procurement Entity
CPM	Capacity Procurement Mechanism
CPUC	California Public Utilities Commission
LRA	Local Regulatory Authority
LSE	Load Serving Entity
RA	Resource Adequacy
SC	Scheduling Coordinator
TAC	Transmission Access Charge

CENTRAL PROCUREMENT ENTITY IMPLEMENTATION

Implementation timeline

FERC Tariff amendment:

- filed April 8, 2022
- approved July 1, 2022

Production activation:

- Master File & CIRA to prepare for 2023 RA Year – October 13, 2022
- Effective date of January 1, 2023



Market simulation:

September 19 – 30, 2022

HIGH-LEVEL REVIEW OF CHANGES

Recognition of Central Procurement Entity (CPE)

- Local Regulatory Authority (LRA) can designate all/portion of their local RA obligation to a CPE or LSE
- CPE has an obligation to procure **local** capacity area resources and, through a scheduling coordinator, demonstrate that procurement to the ISO through the RA showings process
 - not system or flex capacity
- SC for CPE will upload annual and monthly RA plans in the Customer Interface for Resource Adequacy (CIRA) application

Allocation of System/Flexible Attributes of Local RA Resources Shown by CPE

- Accept and validate both system and flexible CPE RA credits (similar to Cost Allocation Mechanism credits) during CIRA cross-validation process
 - CPUC provides CPE RA credits to ISO for use during this process
 - Allows LSEs to benefit from local RA procurement through CPE
 - CPE shown local/flex RA will count toward LSE system/flex obligation
- Implementation of CPE credits will show up as negative credits for CPE so they are not double-counted toward ISO system credit
 - Negative credits will be visible on reports within CIRA

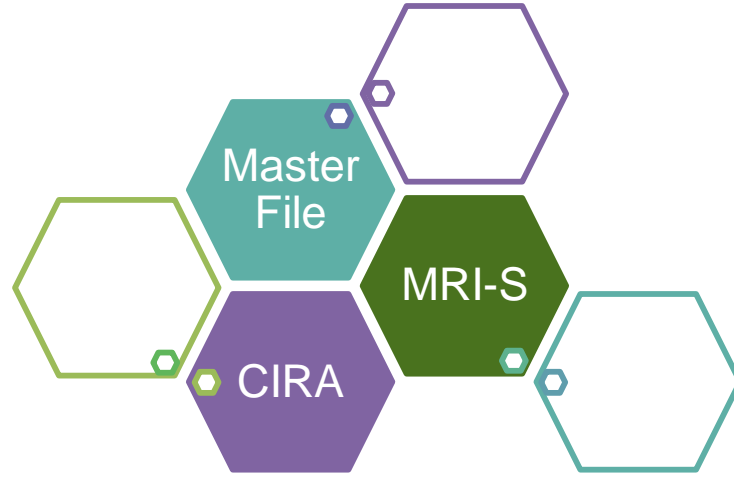
Clarification of Capacity Procurement Mechanism (CPM) Process and Cost Allocations in regards to CPE changes

- Existing CPM process and cost allocation methodology will apply to a CPE when the CPE has an **individual local RA deficiency**
- CPE has no load, so only the following CPM scenarios would apply:
 - Year-ahead local deficiency CPM
 - Month-ahead local deficiency CPM
- Allocation of settlements costs to a CPE *in addition to* individual LSEs in each TAC area

System and Local Obligation for CPE/LSEs with Load in Multiple TAC Areas

- Entities that have load in multiple TAC areas will have their local obligation capped at the system obligation in each TAC area in the month-ahead showings
 - CPE/ LSE that has no load share in a TAC area is exempt from these provisions

Questions

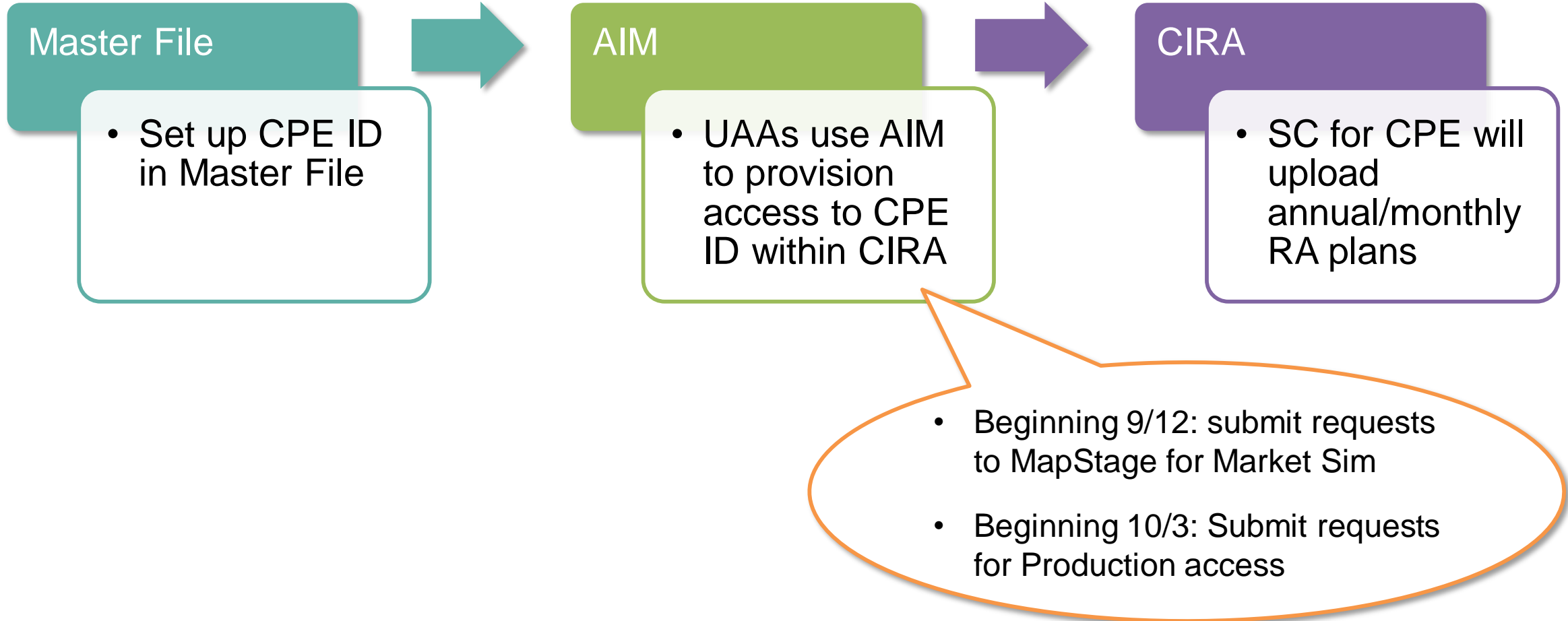


REVIEW APPLICATION-SPECIFIC DETAILS

Setup of new CPE

- CPE must obtain the services of a certified Scheduling Coordinator (SC)
- SC will request a new SCID to represent the CPE and indicate the CPE name in the request
- New SCID is approved for setup in Master File and CPE ID is created/assigned for the CPE to be associated to the new SCID
- Contact SCRequests@caiso.com for questions

Gaining Access to CPE Functionality in CIRA



New CPE Data Available in CIRA



Flex Obligation Report

Flex Obligation Report

Submittal Type: Start Month: End Month: Year:

LSE: LRA: Flex Category:

View Reset Notify LRAs

Entity	Type	StartDate	EndDate	Obligations	RMR	CPE	Adj_Obligations	Showings	Qualified Showings	Short/Long	Assessment
Category 1 (min)		10/01/2022 00:00:00	10/31/2022 23:59:59	27.05	3.05	0.77	24	17	17	-7	Short
Category 2 (max)		10/01/2022 00:00:00	10/31/2022 23:59:59	3.79	0	1.4	3.79	0	0		
Category 3 (max)		10/01/2022 00:00:00	10/31/2022 23:59:59	75.81	0	0.91	75.81	0	0		
Total Flexible Capacity Need		10/01/2022 00:00:00	10/31/2022 23:59:59	48.77	3.05	3.08	45.72	17.0	17.0	-28.72	Short
Category 1 (min)		10/01/2022 00:00:00	10/31/2022 23:59:59	2.97	0.4	2.57	2.57	0	0	-2.57	Short
Category 2 (max)		10/01/2022 00:00:00	10/31/2022 23:59:59	0.42	0	0.42	0.42	0	0		
Category 3 (max)		10/01/2022 00:00:00	10/31/2022 23:59:59	8.31	0	8.31	8.31	0	0		
Total Flexible Capacity Need		10/01/2022 00:00:00	10/31/2022 23:59:59	5.35	0.4	0.0	4.95	0.0	0.0	-4.95	Short
Category 1 (min)		10/01/2022 00:00:00	10/31/2022 23:59:59	0.18	0.28	0	0	0	0	0	Long
Category 2 (max)		10/01/2022 00:00:00	10/31/2022 23:59:59	0.03	0	0	0	0	0		
Category 3 (max)		10/01/2022 00:00:00	10/31/2022 23:59:59	0.51	0	0.44	0	0	0		
Total Flexible Capacity Need		10/01/2022 00:00:00	10/31/2022 23:59:59	0.33	0.28	0.0	0.05	0.0	0.0	-0.05	Short
Category 1 (min)		10/01/2022 00:00:00	10/31/2022 23:59:59	16.67	1.54	15.13	45	45	45	29.67	Long
Category 2 (max)		10/01/2022 00:00:00	10/31/2022 23:59:59	2.34	0	2.34	0	0	0		

Generic Obligation Report

Generic Obligation Report

Submittal Type: Start Month: End Month:

LRA: LSE: TYPE:

View Reset Notify LRAs

TYPE	LRA	LSE	TAC	Obligations	DR	ADJ_DR	RMR	CAM	LD	UC	CPH	CPE	Tot_Adj	PRM	Obligations+PRM	FINAL_OBL	Local RA
Listed Local				557	0	0	0	0	0	0	0	0	0	0	557	557	402.96
Peak Demand				0	0	0	0	0	0	0	0	-402.96	-402.96	15	0	402.96	402.96
LCR By Tac				557	0	0	0	0	0	0	0	0	0	0	557	557	402.96
Peak Demand				0	0	0	0	0	0	0	0	-43.28	-43.28	15	0	43.28	43.28
LCR By Tac				230	0	0	0	0	0	0	0	0	0	0	230	230	43.28
Listed Local				230	0	0	0	0	0	0	0	0	0	0	230	230	43.28
LCR By Tac				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Listed Local				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Listed Local				0	0	0	0	0	0	0	0	0	0	0	0	0	0
LCR By Tac				0	0	0	0	0	0	0	0	0	0	0	0	0	0

CPE Columns Added to Reports in CIRA

Flex Credit/Peak Demand Credit Templates Used by CPUC Have Changed



Flex Credit Template

	A	B	C	D	E	F	G	H
1	LSE	Credit Type	Month	Year	Category1	Category2	Category3	CPE
2	LABC	CPE	November	2022	44.69	5	9	CPABC
3	LDEF	CPE	November	2022	3.05	2	7.5	CPABC
4	LGHI	CPE	November	2022	15.72	8	6	CPXYZ
5	LJKL	CPE	November	2022	86.29	10	5	CPXYZ
6	CPABC	CPE	November	2022	-47.74	-7	-16.5	
7	CPXYZ	CPE	November	2022	-102.01	-18	-11	

Peak Demand Credit Template

	A	B	C	D	E	F	G	H	I
1	LSEID/CPEID	CONTRACT	RESOURCE_ID	RA_CAP	Start Date	End Date	DESIGNATION	TAC	CPE
2	LABC	Contract1		2	11/01/2022 00:00:00	11/30/2022 23:59:59	CPE	ABC	CPABC
3	LDEF	CT2		5	11/01/2022 00:00:00	11/30/2022 23:59:59	CPE	ABC	CPABC
4	LGHI	CT3		8	11/01/2022 00:00:00	11/30/2022 23:59:59	CPE	XYZ	CPXYZ
5	CPABC	CTA		-7	11/01/2022 00:00:00	11/30/2022 23:59:59	CPE	ABC	
6	CPXYZ	CTB		-8	11/01/2022 00:00:00	11/30/2022 23:59:59	CPE	XYZ	

New CPE columns

CPE Settlements Changes

MRI-S

- If CPE is short local capacity, the ISO may allocate capacity via CPM
- Affected settlements charge code:
 - BPM CG CC 7896 Monthly CPM Allocation_5.4.0a

Questions

Market Simulation

READINESS ACTIVITIES

Market Participant Setup for Market Simulation Activities

Register simulation participation requests via the MarketSim@caiso.com mailbox by August 12, 2022

Confirm users are provisioned for access to participate

Attend Market Simulation calls to stay informed on timing of activities for this and other Fall 2022 release initiatives

- Monday/Thursday 2pm PPT

Market Simulation Scenario #1

Scenario Number	Scenario Execution Trade Date: TBD	
1	Description	CPE entity should be able to view their obligation data, submit RA showing, and view their deficiency data.
	ISO Actions	<ul style="list-style-type: none"> • Upload the reference data (peak obligation, LCR by Tac obligation and flex obligation data) for a month • Upload credit data (peak credit, LCR by tac credit & flex credit data) for a month • Ensure cross validation is running for the generic/flex data for the month
	WEIM Market Participant Actions	N/A
	ISO Market Participant Actions	Participant (CPE) should submit their RA Plan and ensure supplier also submits the corresponding supply plan.
	Expected Outcome	Participant can view and verify their data after subsequent CV plan has been completed in the following screens: <ul style="list-style-type: none"> • CV Output details screen • Generic Obligation Report • Flex Obligation Report • RA Report
	Anticipated Settlement Outcome	N/A
	Expected Settlement Outcome	N/A

Market Simulation Scenario #2

Scenario Number	Scenario Execution Trade Date: TBD	
2	Description	Allocation of CPM cost to CPE entity.
	ISO Actions	<ul style="list-style-type: none"> Identify the resource and designate CPM and allocate the cost for this resource. Upload Load Share Ratio for the month specified Run CPM allocation for the month specified and broadcast data to settlements
	WEIM Market Participant Actions	N/A
	ISO Market Participant Actions	N/A
	Expected Outcome	Navigate to CPM allocation screen and verify the allocation data
	Anticipated Settlement Outcome	CPE's SC gets cost allocation.
	Expected Settlement Outcome	Please check CC 7896

Market Simulation Scenario #3

Scenario Number	Unstructured guided Scenario	
3	Description	Updated logic for LSEs to display system obligation and LSE credit (CPE credit type) after the deficiency calculation.
	ISO Actions	<ul style="list-style-type: none"> • Upload the reference data (peak obligation, LCR by Tac obligation and flex obligation data) for a month • Upload credit data (peak credit, LCR by tac credit & flex credit data) for a month • 3. Ensure cross validation is running for the generic/flex data for the month
	WEIM Market Participant Actions	N/A
	ISO Market Participant Actions	Participant (CPE) should submit their RA Plan and ensure supplier also submits the corresponding supply plan.
	Expected Outcome	Participant can view and verify their data after subsequent CV plan has been completed in the following screens: <ul style="list-style-type: none"> • CV Output details screen • Generic Obligation Report • Flex Obligation Report
	Anticipated Settlement Outcome	N/A
	Expected Settlement Outcome	N/A

Final Questions



Thank you for your participation!

For more detailed information on anything presented, please
visit our website at:

www.caiso.com

Or send an email to:
CustomerReadiness@caiso.com

REFERENCE MATERIAL

Reference Material

- Business Practice Manual changes:
 - [BPM Change Management](#) – look for changes to the *Reliability Requirements and Settlements and Billing* BPMs
- Business Requirements Specification:
 - <https://www.caiso.com/Documents/BusinessRequirementsSpecifications-CentralProcurementEntity.pdf>
- Initiative webpage:
 - <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Central-procurement-entity-implementation>

Reference Material

- Market Simulation Structured Scenarios:
 - <https://www.caiso.com/Documents/Market-Simulation-Structured-Scenarios-Central-Procurement-Entity.pdf>
- Tariff amendment to implement CPE:
 - <https://www.caiso.com/Documents/Apr8-2022-TariffAmendment-CentralProcurementEntities-ER22-1604.pdf>