

# Notice

**To:** Mary Leslie, Chair, ISO Board of Governors  
Rob Kondziolka, Chair, WEIM Governing Body

**From:** Roger Collanton, Vice President, General Counsel and Corporate Secretary

**Date:** January 24, 2022

**Re:** Updated Notice of Planned Decisional Classification for “Transmission Service and Market Scheduling Priorities: Phase 2”

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***Any objection by the Chairs to this decisional classification is due by January 25, 2023.***

This updated notice of Management’s decisional classification for “Transmission Service and Market Scheduling Priorities: Phase 2,” provides an expanded explanation for Management’s conclusion that the WEIM Governing Body has an advisory role in this decision. Any objection by the Chairs to this decisional classification was due by Monday, January 23, 2023, and we request any further comments by noon on Wednesday, January 25. Otherwise, the initiative will be presented for decision consistent with this classification.<sup>1</sup>

## Background about the Initiative

This initiative proposes a long-term, holistic, framework for establishing scheduling priorities in the ISO market. The tariff changes focus on

- Calculating available transfer capability on the interties, which can be reserved in advance to establish wheeling through scheduling priority, and
- Introducing a process to study requests to establish wheeling through scheduling priority for a year or longer and ability to pursue transmission upgrades.

In addition, the initiative proposes a process for studying requests for long-term priority for wheeling schedules and transmission charges for wheeling through priority.

The draft final proposal for this initiative is located [here](#). Additional relevant papers for this initiative are located [here](#).

## Explanation of the Classification

This proposal does not fall within the scope of joint authority. The Charter for EIM Governance provides that the ISO Board of Governors and the WEIM Governing Body will have joint authority over any

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<sup>1</sup> The process is described in the “Guidance Document,” available [here](#).

proposal to change or establish any CAISO tariff rule(s) applicable to the EIM Entity balancing authority areas, EIM Entities, or other market participants within the EIM Entity balancing authority areas, in their capacity as participants in EIM. This scope excludes from joint authority, without limitation, any proposals to change or establish tariff rule(s) applicable only to the CAISO balancing authority area or to the CAISO-controlled grid.<sup>2</sup>

This initiative would revise the tariff rules that govern whether, and to what extent, self-schedules to wheel through the ISO balancing authority area would receive a scheduling priority. None of the currently contemplated tariff changes would be “applicable to EIM Entity balancing authority areas, EIM Entities, or other market participants within EIM Entity balancing authority areas, in their capacity as participants in EIM.” Instead, the proposed tariff rules would be applicable “only to the ISO balancing authority area or the ISO-controlled grid.” Accordingly, these proposals fall outside the scope of joint authority.

An advisory role is appropriate. The WEIM Governing Body has an advisory role over any proposal to change rules of the real-time market that fall outside the scope of joint authority. This ensures the WEIM Governing Body “has an opportunity to provide formal input on all proposals to change real time market rules, including those rules that may significantly impact market participants in WEIM balancing authority areas but that do not directly apply to them in their capacity as WEIM participants.” Because the proposal contemplates changes to the rules of the real-time market, the WEIM Governing Body would have an advisory role regarding those changes.

Written stakeholder comments on the draft final proposal were due January 4, 2023. No commenter objected that the proposed classification is incorrect under the currently effective rules. The Salt River Project requested that the initiative be re-classified as a joint authority decision, as follows:

SRP requests this initiative be recategorized to joint authority because 1) it directly affects the ability of a Western Energy Imbalance Market (WEIM) entity to pass the WEIM resource sufficiency evaluation (RSE), 2) firm transmission rights for transfers will be foundational and play an important role in the Extended Day-Ahead Market (EDAM), and 3) no recent CAISO initiative has been more contested on a regional basis. The ability to arrange comparable firm transmission service is vital for Desert Southwest Entities to pass WEIM and EDAM RSE and maintain reliability within their Balancing Authority Areas. SRP’s request for joint authority for the TSMSP initiative is similar in nature to the decisional classification change that was made by the CAISO for Day-Ahead Market Enhancements. The TSMSP framework will ensure EDAM transfers have a high and constant degree of reliability thus justifying Joint Authority for TSMSP.

In addition to Salt River Project, other stakeholders made similar requests in their comments on a previous paper, though they did not include these statements in their comments on the draft final proposal.<sup>3</sup>

Management believes the initiative is correctly classified under the currently effective rules, for the reasons explained above. Moreover, contrary to SRP’s suggestion, the proposed decisional classification of DAME does not provide a basis for departing from this classification. Unlike with DAME, the tariff changes proposed for TSMSP do not and will not apply to WEIM or EDAM

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<sup>2</sup> Charter for EIM Governance § 2.2.1, available [here](#).

<sup>3</sup> See comments of APS, NV Energy and Vistra on the straw proposal, all of which are available [here](#).

transfers. Instead, they focus only on transmission arrangements made outside of WEIM or EDAM. While these transmission scheduling priorities are certainly important to all stakeholders, they involve a topic that is fundamentally distinct from WEIM or EDAM and, as the Governance Review Committee recently observed, would not fall under joint authority even if the GRC's proposal to expand the Governing Body's scope of authority is ultimately approved.