



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: March 6, 2023

Re: Notice of Planned Decisional Classification for “Minimum State of Charge Extension”

Any objection by the Chairs to this decisional classification is due by March 13, 2023.

This is formal notice of Management’s decisional classification for “Minimum State of Charge Extension.” Management believes that the WEIM Governing Body has an advisory role in this decision. This initiative proposes to extend an existing requirement imposed on storage resources that are participating in the California resource adequacy program related to a minimum state of charge. The proposal is that this requirement will remain in place until September 30, 2023, to allow time for a new exceptional dispatch functionality and associated settlement rules from the energy storage enhancements initiative to be implemented.

Any objection by the Chairs to this decisional classification is due by Monday, March 13, 2023. Otherwise, the initiative will be presented for decision consistent with this classification.¹

This initiative falls within the advisory role of the WEIM Governing Body because the tariff rule that would be extended applies only to resources that are part of the California resource adequacy program, and includes certain changes to the rules of the real-time market. Accordingly, the proposed changes fall outside the scope of joint authority, and the WEIM Governing Body has the option of providing advisory input to the ISO Board regarding those changes.

Written stakeholder comments on the straw proposal were due February 23, 2023. The only commenter to object to the proposed classification was Vistra, which commented that the “WEIM Governing Body should have joint authority over this initiative because enforcing MSOC limits on batteries internal to California changes the real-time market dynamics in a

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

way that can drive greater need for WEIM transfers to California to support California reliability due to limit the availability of internal generation during net peak hours.”

Management believes that the advisory classification is proper, and Vistra does not dispute that the advisory classification reflects a correct application of the currently effective rules. Even under Vistra’s assumption that the proposed rule could affect market behavior in the WEIM, the stakeholder representatives on the Governance Review Committee considered this issue – i.e., whether joint authority should include rules that could affect WEIM market behavior, but do not apply to WEIM market participants through WEIM. The GRC ultimately decided not to include such rule changes within joint authority, and there is no reason to reopen this central governance issue now. .

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