

Notice

To: Ashutosh Bhagwat, Chair, Board of Governors
Rob Kondziolka, Chair, WEIM Governing Body

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

Date: November 30, 2022

Re: Notice of Planned Decisional Classification for “WEIM Resource Sufficiency Evaluation Enhancements: Phase 2”

Any objection by the Chairs to this decisional classification is due by Wednesday, December 7, 2022.

This is formal notice of Management’s decisional classification for an element that is being added late to “WEIM Resource Sufficiency Evaluation Enhancements: Phase 2.”

Background

This initiative proposes changes to the resource sufficiency test that is a part of WEIM. In October, you accepted the proposed decisional classification for the key elements of this initiative, which were

- (1) No longer including lower priority exports when calculating the CAISO balancing authority area’s WEIM resource sufficiency obligation,
- (2) Changing the consequences for a balancing authority area that fails to meet the resource sufficiency test through a range of rules that fall within the new framework of “energy assistance through WEIM,” and
- (3) A change to the rules for tagging exports from the CAISO balancing authority area that are not WEIM transfers, along with related tariff clarifications. Exports that do not meet criteria to qualify for high priority will be tagged as firm-provisional rather than firm energy.

Specifically, elements 1 and 2 fall within joint authority, while the WEIM Governing Body has an advisory role on element 3, which is severable from the remainder of the proposal.

Classification of Proposed New Element

After this decisional classification was accepted, the initiative was withdrawn from the October agenda for further policy development. Through that process, Management added one more element. The new element is a proposed cost allocation when the CAISO balancing authority area fails the resource sufficiency test and receives energy assistance charges (see element 2). The proposal would allocate these charges to measured demand within the CAISO balancing authority area.

Any objection by the Chairs to the decisional classification for this new element is due by Tuesday, December 6, 2022. Otherwise, this initiative will be presented for decision consistent with the classification described below.¹

This new element falls outside the joint authority of the Board of Governors and the WEIM Governing Body. The Board of Governors and the WEIM Governing Body have joint authority over any

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.

Charter for EIM Governance § 2.2.1. This proposed rule would be applicable only to the CAISO balancing authority or the CAISO-controlled grid. Other WEIM balancing authority areas will have complete authority to adopt their own rules about cost allocation when they receive such charges.

The WEIM Governing Body may provide advisory input, because this proposed rule applies to the real-time market.

Stakeholders have not addressed a proposed decisional classification for this element.

The revised final proposal for this initiative is located [here](#) – see page 27 at the conclusion of Section 5.1.1. Additional relevant papers for this initiative are located [here](#).

¹ The process is described in the [Guidance for Handling Initiatives that may Come Before the EIM Governing Body](#).