

Notice

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

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

Date: October 10, 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 Monday, October 17, 2022.

This is formal notice of Management’s decisional classification for “WEIM Resource Sufficiency Evaluation Enhancements: Phase 2,” which proposes changes to the resource sufficiency test that is a part of WEIM. These changes include

- (1) No longer including lower priority exports when calculating the CAISO balancing authority area’s WEIM resource sufficiency obligation, and
- (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.”

In addition to these changes to the resource sufficiency test, the initiative proposes (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.

Any objection by the Chairs to the decisional classification is due by Monday, October 17, 2022. Otherwise, this initiative will be presented for decision consistent with the classification described below.¹

With the exception of element 3 – the proposed change to the rules about tagging exports – this initiative falls within the joint authority of the ISO Board of Governors and the WEIM Governing Body. On element 3, which is severable from the two other elements of the proposal, the WEIM Governing Body has an advisory role.

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

The ISO 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. The proposed tariff changes to implement elements (1) and (2) fall within joint authority because they would all 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.”

Element (3), which would change the rules about how to tag exports from the CAISO balancing authority area, fall outside the scope of joint authority because they are not applicable to WEIM participants in their capacity as WEIM participants. Rather, these rules apply without regard to WEIM, to all exporters from the CAISO balancing authority area. The WEIM Governing Body may provide advisory input, because this tagging rule applies to the real-time market.

Written stakeholder comments on the draft final proposal, including the proposed classification, were due September 15, 2022. Two stakeholders objected to this classification: BPA expressed “concerns” about the advisory classification for element 3 because it “has the potential to impact the market more broadly.” SRP recommended that the WEIM Governing Body should have joint authority over element 3 as well because CAISO “would only be making these tagging changes because the CAISO BAA is a WEIM Entity,” and “the proposed changes include tariff rules that would affect the curtailment priority for energy that the CAISO is exporting to WEIM Entity BAAs.”

Management believes this initiative is correctly classified under the currently effective rules governing the scope of joint authority. Element 3 would fall outside the scope of joint authority because the proposed tariff changes would not be “applicable to the ... [W]EIM Entities, or other market participants within the [W]EIM Entity balancing authority areas, in their capacity as participants in [W]EIM.” The proposed changes apply without regard to whether the scheduling entity is a part of WEIM.

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