



Decisional Classification of the Change to the Flexible Ramping Product Refinements Proposal

The *Flexible Ramping Product Refinements – Implementation Update* paper the CAISO posted on May 18, 2022 proposed a change to the flexible ramping product changes developed in the *Flexible Ramping Product Refinements* initiative that the CAISO Board of Governors (Board) approved in October 2020 with advisory input from the Western Energy Imbalance Market (WEIM) Governing Body. Because implementation has been delayed, the CAISO has not yet filed the tariff changes to implement the changes developed in the *Flexible Ramping Product Refinements* initiative, but plans to do so in time to implement them in fall of 2022.

The change proposed in the May 18, 2022 paper consists of not reducing economic WEIM energy transfers to zero when a balancing authority area fails the WEIM's resource sufficiency evaluation. The approach approved by the Board in October 2020 would have reduced these economic transfers to zero when a balancing authority area fails the resource sufficiency evaluation.

The CAISO plans to bring this proposed change for Board and WEIM Governing Body decision in July 2022. CAISO staff believes that the WEIM Governing Body has joint authority with the Board over this change.

The role of the EIM Governing Body with respect to policy initiatives changed on September 23, 2021, when the Board adopted revisions to the corporate bylaws and the Charter for EIM Governance to implement the Governance Review Committee's Part Two Proposal. Under the new rules, the Board and the EIM 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 tariff rule changes currently contemplated 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.” None of the proposed tariff rules would be applicable “only to the CAISO balancing authority area or to the CAISO-controlled grid.” Accordingly, the matters scheduled for decision in July 2022 fall entirely within the scope of joint authority.

Stakeholders are encouraged to submit a response to the WEIM classification described above by July 1, 2022 through the ISO's commenting tool using the link on the [initiative webpage](#) if they have concerns or questions.