



## Extended Day-Ahead Market Working Group 1: *Supply Commitment and Resource Sufficiency Evaluation*

### *Resource Sufficiency Evaluation details*

Facilitator: Mark Richardson

Scribe: Bob Kott

March 2<sup>nd</sup>, 2022

Meeting Cadence: Mondays and Wednesdays, 1 – 3 p.m.

# Agenda:

Time:	Topic:	Presenter:
1:00 – 1:05	Welcome/introductions	Kristina Osborne
1:05 – 2:40	Continue RUC Design in EDAM discussion	ISO Team
2:40 – 2:50	Continue Failure Consequences discussion	Mark Richardson
2:50 – 2:55	Recap of Discussion	Bob Kott
2:55 – 3:00	Upcoming topics	Mark Richardson

## Reminders:

- These collaborative working groups are intended to foster open dialogue and sharing of ideas and perspectives
- Please raise your hand if you have a question or comment at any time during the meeting and the facilitator will call on you
  - Please start by stating your name and affiliation
- Meetings are recorded and video files posted on corresponding working group webpages
- Stakeholders are welcome to present perspectives at these meetings
  - Please submit a request to present using the link located on the EDAM Resources slide at the end of this presentation

# Why RUC?

- Load schedules may clear in IFM below or above demand forecast
  - Reliability capacity awards make up for the difference
- Virtual supply and demand schedules are liquidated in WEIM
  - Reliability capacity awards substitute for net virtual supply that clears IFM
- RUC has a longer time horizon (48-72 hours)
  - RUC can commit extra-long-start resources
- RUC can schedule reliability capacity transfers
  - Unused transfer capacity from IFM or counter flow on IFM energy transfers
    - To counter energy transfers scheduled in IFM due to virtual schedules, and load schedules that are different from the demand forecast

# Residual Unit Commitment and Resource Sufficiency Evaluation

- If a BAA passes the EDAM RSE
  - Does it need RUC?
    - Yes, to procure reliability capacity for WEIM if not scheduled in IFM
      - Reliability capacity awards have a must offer obligation in WEIM
  - Can it fail RUC (RUC power balance constraint violation)?
    - Yes, if there are insufficient reliability capacity bids and transfer capacity
  - Can it lean on other BAAs in RUC?
    - Yes, through reliability capacity transfers
    - Can EDAM RSE test for that?
      - No, because the reliability capacity requirement is known only after IFM
    - How can this be prevented?
      - Make all capacity bid in IFM available to RUC with reliability capacity bids
      - Best outcome to pass the WEIM RSE

# Financial Failure Consequences

- Scope of consequences
  - Is there merit to increase consequences for persistent failures?
  - Thoughts on different levels of financial consequence depending on time of year of failure (if in summer v. other conditions)?
  - Increase magnitude of consequence depending on magnitude of failure (X% of requirement)?

## One Option: Financial Consequences – Hurdle Rate

During failed hours, limit transfers. Relax limitation and allow transfers once a predefined hurdle has been met

- Can be used to ensure supply within a deficient BAA is utilized; depending on size of the hurdle rate
- Ensures entities who supported the incremental transfers are compensated
- Potential for prices to deviate from prevailing bilateral prices depending on the size of the hurdle rate
- Would it be optional for BAA to cure day-ahead resource insufficiency through this process?
- How would revenue be allocated?

# Check In

- Continue discussion on RUC Design in EDAM
  - How RUC and CB play a role in EDAM
  - Residual Unit Commitment transfer examples
- Next Steps
  - Failure Consequences
  - Certainty and Confidence of EDAM Transfers



# Questions?

# EDAM Resources

- List of [\*Common EDAM design principles and concepts\*](#)
- Initiative and working webpages:
  - EDAM initiative webpage:  
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market>
  - Working Group 1 webpage:  
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-Day-Ahead-Market-Working-Group-1-Supply-Commitment-Resource-Sufficiency-Evaluation>
    - The working group webpages include meeting materials, initial scope items, and weekly summary reports
- Please submit EDAM WG inquiries and/or requests to present at <https://www.surveymonkey.com/r/EDAMWG-Inquiries>
  - Presentations due 5 business days prior to the meeting where they are scheduled to present, if time allows
- [Register](#) for working groups to help the ISO gauge interest and facilitate communication throughout process.
- Nov 30, 2021 Day-Ahead Market Overview Training: <https://youtu.be/lbXRsfVbCg>