



California ISO

Extended Day Ahead Market
Working Group 1 Weekly Report

Supply Commitment and Resource Sufficiency
Week 4 Report
1/31/22 – 2/04/22

Progress Tracker

| Topic | Schedule |
|--|--|
| Core Design Decision | |
| Resources qualifying | Discussed 1/12,19,21,24,26; in progress |
| Expected granularity and detail | Discussed 1/10,12,19,21,31; in progress |
| Ancillary Services requirement | Discussed 1/12; in progress |
| Transfer Reliability | |
| Reliability and confidence in EDAM transfers | |
| RSE Advisory Showing | |
| Characteristics of 45 day ahead advisory showing | Discussed 1/5&10; on hold |
| RSE Timing | |
| Timing of conducting the EDAM RSE | Discussed 1/10&12; in progress |
| EDAM RSE Components | |
| Capacity Test | Reviewed concepts 1/12 |
| Ramp Capability Test | Reviewed concepts 1/12 |
| Test Constraints | |
| Inputs | |
| EDAM RSE | |
| Resource Counting Rules | Discussed 1/12,19,21,24,26,31; in progress |
| Failure Consequences | |
| EDAM to EIM RSE | |
| Interaction with Western RA Programs and Reserve Sharing Groups | |
| Reserve Sharing | |
| RA Programs | |

Weekly Discussion

January 31

Scope Items Discussed: Resource Sufficiency Evaluation

Presenters: George Angelidis - CAISO

Discussion

The meeting began with a review of the working group schedule adjustment for the current week starting January 31 and the following week starting February 7 to reduce meetings to one stakeholder meeting for each of these weeks. The purpose of this change is to allow time for all stakeholders to review discussions to date and allow more time to prepare details of the proposals being discussed with the goal of improving the efficiency and productivity in the working group meetings. In addition, the CAISO discussed the plan to hold two review meetings with the first in mid-February and the second in mid-March to bring the topics of the three EDAM work groups together and review the overall status and progress on the EDAM design. After a review of the meeting logistics, the objectives of the day were introduced as follows: Two Evaluation frameworks; Demand Response accounting, and WSPP Schedule C, and discussion began with the first of these.

Discussion on the EDAM Resource Sufficiency Evaluation (RSE) Framework topic began with a review of the Bid Based Sufficiency Framework which reflects the proposal in which an additional bidding element to provide a profile for energy limited resources would be submitted by 9:00 am. Comments included suggestions of other options discussed at the previous meeting and the response was that these did not seem to gain sufficient traction or have enough detail to include in the discussion today. These comments are summarized below. Comments relative to the Bid Based Sufficiency Framework included a concern regarding the approach not having flexibility to move energy where needed in the RSE, and then the discussion moved to the Day Ahead Sufficiency Plan Framework. While there were a few comments supportive of the plan framework, many were primarily focused on alternatives as summarized in the next paragraph.

The majority of comments offered during the presented RSE Frameworks deviated from the frameworks outlined and seemed to suggest one or more alternative frameworks. Concepts discussed included an optimization, a hybrid using capacity and aggregate energy checks, or something in-between. Discussion around what was referred to as an optimization approach seemed to gain support and garnered comments that the methodology must be as simple as possible to allow for the advisory checks to be completed quickly to support the consensus for an on-demand capability and allow time for curing of potential deficiencies. This approach would not consider transmission, startup and shutdown for example. The notion of an aggregate energy check to verify total energy supplied for the day given energy limits submitted in bids against the demand forecast were met with the caution that a daily test would result in failure for the entire day rather than specific hours, and an unanswered question regarding how this approach would evaluate flexibility. Another concern with an aggregate energy test was expressed as an inability to know the capacity is valid. There were several comments in support of using an optimization or balancing approach including suggestions to be careful to limit constraints. There were requests and suggestions to provide slides showing details of the viable frameworks in the next meeting. The discussion transitioned to the Demand Response details.

The demand response dialog began with considering the question of how to represent demand response resources that do not currently qualify for existing market modeling options. There were suggestions to wait for demand response enhancements under development for the EIM and another to allow demand response programs to be reflected as adjustments to the demand forecast. An inquiry with stakeholders to describe how the unmodeled programs are used received a few responses including programs scheduled in day ahead or held as an option for real time to meet uncertainty forecast while others approach with the intent to use in the day ahead and unwind if not needed in real time. Another comment suggested that demand response utilization needs monitoring and oversight to ensure programs are effective. The exchange on this topic concluded with summary of two options to use a load modifier or an ability to model with new or existing demand response model.

Discussion moved to the Firm Energy Imports topic, comments regarding the reliance of entities on the WSPP Schedule C contractual arrangements and concerns regarding the timing of confirming the source and transmission path relative to the RSE. Several comments confirmed the timing of the source and transmission confirmation varies from early morning to late afternoon. The relevance of the discussion was stated to consider how the resources may be counted in the RSE. While there was dialog around the primary use of the WSPP Schedule C, a firm energy contract, there was a comment that the Schedule B capacity contract is also used. The meeting then concluded with a summary of the discussion and a reminder of the schedule adjustment for the next few weeks of one meeting per week and the work group summary meetings scheduled for mid-February and mid-March.

Conclusion:

Working Group 1 stakeholders were apprised of meeting schedule changes, review meetings planned and made good progress on several RSE frameworks, demand response resource counting and considerations regarding firm energy imports. With regard to the RSE framework discussion, the two frameworks presented, a bid-based framework where sufficiency is demonstrated through bids alone including an advisory operating schedule and a BAA submitted load/resource plan framework both received some supporting comments; however, there were also many comments and questions suggesting alternative frameworks including an optimization or energy balance framework option that received several supporting comments and a commitment to present details of the framework at the next meeting. While other potential frameworks or suggestions were deliberated, none of these gained any commitment to develop the details for presentation. There seemed to be agreement on the demand response resource qualification to allow a load modifier for resources unqualified for existing or potentially new DR modeling or use a qualified model. Monitoring and oversight of the programs was suggested as an important element of ensuring sufficiency. The Firm Energy Imports resources and potential timing concerns and ability to confirm supply is real were discussed; however, the details surrounding how to consider these in the RSE will need further development.