



California ISO

Extended Day Ahead Market
Working Group 2 Weekly Report

Week 11 Report
3/14/22 – 3/18/22

Progress Tracker

| Topic | Schedule |
|--|----------------|
| Transmission Availability | |
| Definition of “buckets” | Jan 6 – Feb 22 |
| Types of transmission made available | Jan 11- Mar 10 |
| Transmission overlap or RSE | Jan 11- Feb 17 |
| Third party reserved transmission | Jan 11- Mar 10 |
| How unused transmission can be made available | Jan 11- Mar 3 |
| Utilization of transmission internal EDAM entity network | Jan 11- Mar 3 |
| Timing and Duration | |
| Timing and duration transmission is made available | Feb 1-17 |
| Transmission Unavailability | |
| Consequences if available in EDAM but not in RT | Feb 3- Mar 3 |
| Reliability or cost allocation concerns | Feb 3-17 |
| Compensation | |
| Compensation of transmission made available | Feb 3-22 |
| Congestion Rent Allocation | |
| Congestion rent allocated between BAAs | Feb 3-Mar 3 |
| Distribution of congestion rent from BAA to LSE/customers | Feb 3-Mar 3 |
| External Resource Participation | |
| Facilitation of Intertie bidding/external resource participation | Feb 24 – Mar 1 |

Weekly Discussion

March 15

Scope Items Discussed: Working group 2 – status check

Presenters: CAISO design team

Discussion:

The objective of this meeting was to review previously discussed topics to determine if there is a consensus on the various topics; if additional discussion is needed; or fill in any gaps if something was missed. Deb Le Vine, the facilitator, shared a presentation, “EDAM WG#2 – Transmission Commitment and Congestion Rent – Status Check.” The topics to be reviewed are transfers in EDAM and transmission compensation.

The presentation by CAISO included progress the working group has made up to this point, as well as some open-ended questions still needing review. The presentation is posted on the EDAM working group #2 webpage. There was discussion around the following topics:

- Bucket 1 transfers for RSE requirement
- EDAM resource and transfer schedules in WEIM
- Transfer revenue framework recap
- Compensation and allocation
- Compensation for bucket transfers

Stakeholders had the opportunity to ask clarifying questions as well as questions regarding the design characteristics around transmission transfers and compensation. There were several questions about transfer revenue being split 50/50 between BAA providing transmission at the transfer location to facilitate the transfer. There was clarification this 50/50 split would be for bucket 1 and bucket 2 transfers, while bucket 3 transfers would have the hurdle rate fee. There was some concern about who would benefit from this transfer set up, which led to an open discussion around transfers.

Deb, the facilitator, opened some questions up for stakeholders to specifically weigh in on. The questions included “Should there be a hurdle rate in addition to congestion rent for bucket 2?” as well as “How should bucket 3 transmission be compensated, OATT rate, or each BAA/transmission provider retains autonomy, or some variation of the two?” Based on the discussion, the answers to these questions will be taken into consideration while developing the straw proposal.

Conclusion

With the conclusion of discussion around key concepts regarding transfers in EDAM and transmission compensation, the status check will continue next meeting to cover the concept of reciprocity and intertie bidding.

March 17

Scope Items Discussed: Working group 2 – status check

Presenters: CAISO design team

Discussion:

The objective of this meeting was to review previously discussed topics to determine if there is a consensus on the various topics; if additional discussion is needed; or fill in any gaps if something was missed. Deb Le Vine, the facilitator, shared a presentation, “EDAM WG#2 – Transmission Commitment and Congestion Rent – Status Check.” The topics to be reviewed are CAISO transmission in EDAM, and intertie bidding.

The presentation by CAISO included progress the working group has made up to this point, as well as some open-ended questions still needing review. The presentation is posted on the EDAM working group #2 webpage. The presentation includes the following topics:

- Concept of reciprocal hurdle-free transmission
- Intertie bidding in EDAM
- Self-scheduling and economic bids

Stakeholders had the opportunity to ask clarifying questions as well as questions regarding the concept of reciprocity. Milos opened up some questions up for stakeholders to weigh in on. The questions included “How is the reciprocal amount of hurdle free transmission in the export direction determined?” as well as “Are reciprocal amounts of transmission in export direction made available on an hourly basis?” Based on the discussion, the answers to these questions will be taken into consideration while developing the straw proposal.

Stakeholders also reviewed the design characteristics around intertie bidding in EDAM. The CAISO intends to continue to allow intertie bidding as a feature at the borders of CAISO in EDAM. However the question remains if intertie bidding will be allowed with other BAA participating in EDAM. Self-scheduling will continue to be supported while economic bidding is not supported at least initially. Stakeholders had some questions about how CRRs might be affected. George reviewed the CRR framework and clarified they will not be affected by the decision on intertie bidding. Some open ended questions were asked to the stakeholders to weigh in on. The questions included for intertie bidding that is an export from the EDAM footprint, “Is there a transmission fee/rate to export from the EDAM footprint or wheeling through EDAM footprint?” as well as “Is there a single fee/rate for the EDAM footprint at the individual EDAM entity level?” Self-scheduling across ties is still allowed. The answers to these questions will be taken into consideration while developing the straw proposal.

Conclusion:

Informal comments were submitted using the comments template last week. There have been requests to post all the comments the CAISO received. We are going to post the comments next week, but for those who wish to keep their comments private please email isostakeholderaffairs@caiso.com by close of business Tuesday March 22nd and we will not post your comments.

The CAISO greatly appreciates the time and effort everyone who participated in the work group and the progress that was made on the issues. The perspectives and comments offered will help to make the straw proposal a more substantial document and we look forward to continuing the EDAM discussion in

the formal stakeholder process. This concludes the transmission commitment and congestion rent allocation working group. The final report for this working group will be posted next week.