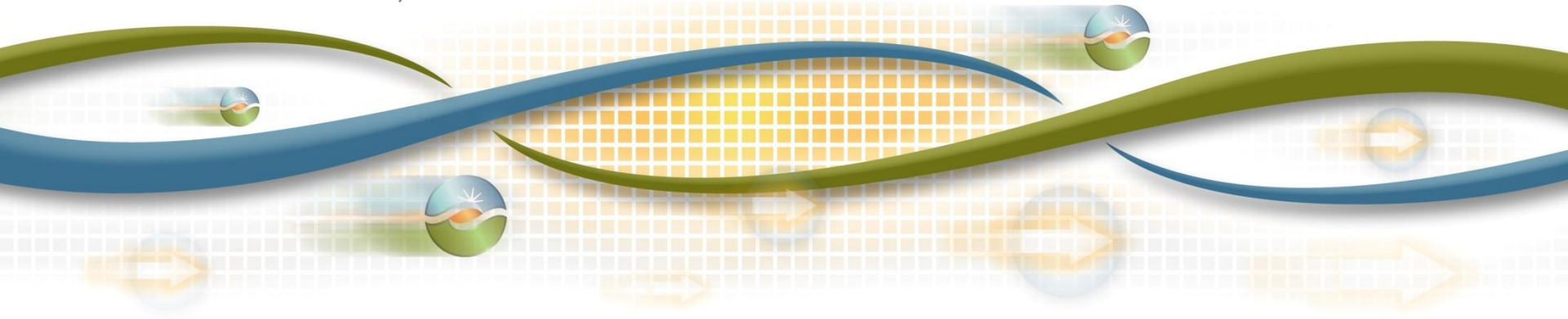


# Energy Imbalance Market Transition Period Proposal

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# FERC approved waiver December 1, 2014 to allow relaxation parameter set at last marginal bid

- Addresses transitional timing and alignment of information to better reflect actual operational and supply conditions
  - Incorporate new processes
  - Transition EIM participating resources
  - New operating environment
  - Account for system conditions
- FERC encourage ISO to file tariff revision before waiver expired if more permanent measures needed

# Propose 12-month transition period in the tariff to allow for EIM Entity learning, with the following features

- Bid cap increases in steps

Period	Bid Cap
Month 1 - 6	\$250
Month 7 – 9	\$500
Month 10 – 12	\$750
Beyond transition period	\$1000

- Bid floor negative \$150
- Marginal price in the EIM BAA at last cleared economic bid
  - Power balance and EIM transfer in constraint relaxation parameter set at last economic bid in pricing run
  - Flexible ramping constraint relaxation parameter set at \$0.00 during pricing run to allow marginal price prior to relaxation to be discovered

# Transition period will apply to PacifiCorp and any new EIM Entity such as NV Energy

- Bid caps will be implemented upon FERC approval
- PacifiCorp start date for the bid cap increases is November 1, 2014
  - Example:
    - Tariff accepted as of March 9, 2015
    - PacifiCorp is in its fifth month of EIM

Period	Bid Cap
March - April	\$250
May - July	\$500
August - October	\$750
November 2015 and beyond	\$1000

# Next Steps

- December 19 - Stakeholder Conference Call
- December 31 - Stakeholder Comments Due
- January 5 - BOG Teleconference
- Week of January 5 - File with FERC

Please submit comments to [EIM@caiso.com](mailto:EIM@caiso.com)