2023-2025 Policy Initiatives Roadmap

Greg Cook
Executive Director, Market Policy Development

Joint ISO Board of Governors and WEIM Governing Body meeting
May 17, 2023
Policy Initiatives Catalog and Roadmap process

• Stakeholders and the ISO regularly identify issues to be considered for a policy initiative in the Catalog

• In the Roadmap process, initiatives are prioritized based on
  – Strategic objectives
  – Stakeholder input
  – Reliability and market efficiency needs
  – Regulatory requirements

• The number, size, timing and order of initiatives depends on
  – Regulatory requirements
  – Available resources
  – Implementation timelines
  – Interdependencies
Stakeholder feedback included in catalog and 2023 policy initiatives roadmap

• Prioritized items in response to feedback
  – Energy storage participation in RUC
  – Reform of penalties for long duration meter errors
  – Generation deliverability assessment methodology
  – Natural gas management issues
  – GHG Coordination

• Roadmap process enhancements
  – Provide more opportunities for stakeholder input
  – Endeavor to address backlog of discretionary initiatives
  – Solicit input from WEIM Regional Issues Forum
  – Provide companion document to Roadmap
Reliably and Efficiently Integrate New Resources by Proactively Upgrading Operational Capabilities

**Critical Strategic and Tactical Objectives: 1**

- **Price Formation Enhancements Phase 1** (Scarcity Pricing, Fast Start Pricing, MPM, FRP horiz.)
- **FERC Order 881 Changes**
- **Storage Modelling Enhancements**
- **VER and Storage Dispatch Enhancements**
- **Price Formation Enhancements Phase 2** (BCR, Multi-Interval Optimization)

*Timeframes are approximate and subject to change*

= “No sooner than” implementation target
Critical Strategic and Tactical Objectives: 2

Strengthen Resource Adequacy and Meet California’s SB100 Goals Through Long-Term Transmission Planning and Effective Coordination with State Agencies

2023

CPM Enhancements
Phase 2
(soft offer cap update)

Interconnection Process Enhancements

2024

RA Enhancements

FERC Order on Transmission Planning &
Extreme Events Planning

2025

FERC Order on Generator Interconnection Enhancements

= “No sooner than” implementation target
*Timeframes are approximate and subject to change
Critical Strategic and Tactical Objectives: 3

Build on the Foundation of the Western Energy Imbalance Market to Further Expand Western Market Opportunities

- **EDAM**
- **DAME**
- **TSMSP Phase 2**
- **CAISO BAA EDAM Participation Processes**
- **GHG Coordination**
- **RSEE Phase 3**

= “No sooner than” implementation target

*Timeframes are approximate and subject to change*