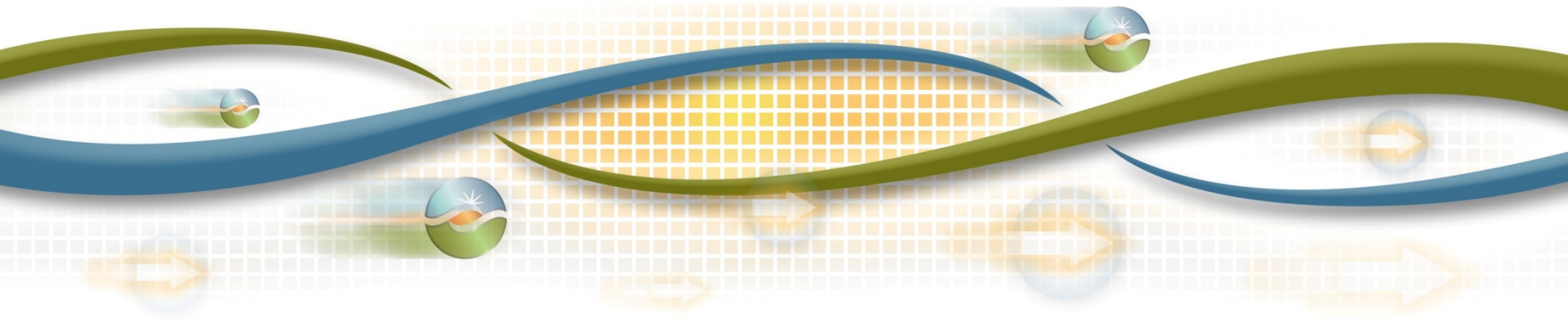


# Clarifications to Energy Imbalance Market Design

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## Step 1 flexible ramping test when EIM Entity uses its own load forecast / VER forecast

- Requirement is based upon ISO forecasts
- If ISO load forecast  $>$  EIM Entity load forecast, must have sufficient upward bid range to support difference
- If ISO VER forecast  $<$  EIM VER forecast, must have sufficient upward bid range to support difference
- If insufficient bid range, then no incremental EIM transfers in.

# EIM base schedules used in ISO day ahead market

- ISO determines what base schedules to use in its day-ahead market
  - Base schedules submitted by EIM Entity SC, or
  - Derived based on historical generation pattern similar to non-EIM BAAs in FNM expansion
- ISO will notify EIM Entity if actual base schedule not used as this impacts advisory information

## Implementation of flow entitlements if significant impacts on other BAA's congestion balancing account

- MW flow entitlements negotiated between BAAs
- Flow entitlements are used to determine if a BAA should receive a portion of another BAAs real-time congestion balancing account
- Not enforced in the real-time market.
- Base flow above entitlement allocated share of RT congestion
  - ISO day-ahead schedule > ISO entitlement on EIM entity constraint
  - EIM entity T-40 base schedule > EIM entitlement on ISO constraint

# Treatment of flow entitlements in ISO day-ahead market

- ISO flow entitlement in EIM BAA
  - Model market flow limit in day-ahead market
  - Penalty price for violation of flow entitlement
- EIM BAA flow entitlement in ISO
  - If submitted base schedule exceeds entitlement, then use derived generation base schedules in day-ahead market

## Measure to address BAA level market power

- ISO can include net EIM transfer limit in MPM evaluation
- Net EIM transfer limits are directional (in and out)
- Over next six months, ISO/DMM will determine if BAA level market power exists, then net EIM transfer in limit would be subject to MPM rules