



Memorandum

To: ISO Board of Governors and Western Energy Imbalance Market Governing Body
From: Anna McKenna, Vice President, Market Policy and Performance
Date: March 9, 2022
Re: **Decision on short and long start unit definitions**

This memorandum requires ISO Board of Governors and WEIM Governing Body action.

EXECUTIVE SUMMARY

Management proposes to modify the existing ISO tariff definitions for "short start units" and "long start units," and related tariff provisions. The definitions indicate which generating resources can be started in the real-time and day-ahead market processes. The proposed changes to the definitions are needed to align them with current functioning of the ISO market software.

The ISO also proposes to delete the existing definitions of "fast start units" and "medium start units." They define unit types that can be started by the real-time market and are thus redundant to the short start unit definition.

The changes proposed by Management in this memorandum will ensure the ISO will correctly consider and commit resources in the day-ahead and real-time markets based on their start up and minimum run times. In so doing, the changes will also eliminate an inconsistency with other tariff provisions that provide an incentive for the resource adequacy capacity to be available.

Move, that the ISO Board of Governors and WEIM Governing Body approve the changes to the short start unit and long start unit definitions as described in the memorandum dated March 9, 2022; and

Move, that the ISO Board of Governors and the WEIM Governing Body authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal described in the memorandum, including any filings that implement the overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.

DISCUSSION AND ANALYSIS

The tariff currently defines a short start unit as a generating unit that has a cycle time less than five hours (*i.e.*, 300 minutes), and that can be fully optimized with respect to this cycle time in the short-term unit commitment (STUC) process in the real-time market. The ISO's business practice manual states that the cycle time for a short start unit is less than or equal to 270 minutes. A long start unit is defined as having a start-up time greater than five hours. Neither of these defined cycle times align with how the real-time market currently functions.

In addition to the tariff not reflecting how the ISO's day-ahead and real-time markets consider resources for startup instructions, this misalignment creates issues with certain tariff provisions that provide an incentive for the resource adequacy capacity to be available. The resource adequacy availability incentive mechanism is designed around the existing tariff definitions. A resource adequacy resource can have the obligation to bid into the real-time market, but due to the misaligned definitions it may be unable to be dispatched by that market.

This issue was identified as part of its tariff clarification process during the summer of 2021. Management proposes to amend the definition of a short start unit to align with the current implementation.

PROPOSAL

Management proposes to revise the demarcation between a short and long start unit to 255 minutes. A short start unit will have a cycling time less than or equal to 255 minutes, while a long start unit will have a cycle time greater than 255 minutes. This change ensures the tariff definitions reflect the current market implementation.

This also serves to resolve the issues identified with the implementation of the resource adequacy availability provisions. Ensuring that the definition of a short start unit aligns with the implementation in the market ensures that only units that are able to be optimized by the real-time market are exposed to these availability incentives.

The tariff also defines fast and medium start units. While these units have unique cycling times, they are able to be started by the real time market along with short start units. As all of these resource types are able to be started by the real-time market, Management proposes to eliminate the definitions for fast and medium start units and use only the revised definition of a short start unit for resources that are able to be committed by the real-time market.

POSITIONS OF THE PARTIES

Stakeholders have either expressly supported, or not opposed, Management's proposal.

CONCLUSION

Management requests the Board of Governors and WEIM Governing Body approve the proposed tariff changes described in this memorandum.