



California ISO

TSMSP Phase 2 – Track 1

Discussion of potential monitoring and transparency measures

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October 18, 2023

Introduction

- TSMSP initiative introduced a new approach to accessing transmission service on the CAISO grid
- New transmission access rules create need for new transparency, reporting, and monitoring roles for both the CAISO and DMM
- DMM working with CAISO to assess and ensure availability of data needed for transparency and monitoring

Purpose of today's call

- Review identified monitoring and transparency needs
- Review potential new monitoring areas and metrics
- Hold open discussion to solicit stakeholder feedback and input

Identified monitoring needs

- Several types of monitoring and transparency have been identified through CAISO stakeholder process, discussion at the CAISO Board of Governors and WEIM Governing Body meetings, and comments filed at FERC
- Monitoring needs broadly categorized in three areas:
 - ATC calculation components
 - Access to ATC: non-CAISO entities
 - Access to ATC: CAISO entities

CAISO commitment to transparency and data

- CAISO proposed a transparent annual process before summer each year to discuss ATC and components
- ATC implementation document (ATC ID)
- OASIS data, including ATC values and components (e.g., TRM)

This meeting is to consider ways to expand transparency and analysis contemplated in policy development

Potential metrics: ATC calculation components

Potential Metric	Description / Notes
TRM in use at different time horizons	Look at TRM in use at different points in time; assess how its ultimately used and how it is released. Is more held on longer-term and released as uncertainty diminishes? Or does it remain held aside?
CAISO native load calculation vs. actual load served by intertie	Assess native load set-aside over different time horizons; assess how it compares to actual need after true-up; can also assess when CAISO load needs may increase on near-term time horizons but unable to increase set-aside due to earlier ATC sales.

Potential metrics: ATC calculation components (continued)

Potential Metric	Description / Notes
Congestion on Path 26 vs. high priority wheel through volume importing north of Path 26	CAISO's ATC calculation doesn't directly consider internal transmission flow impacts from high priority wheel transactions outside of annual evaluation. This metric would monitor flow impact from ATC usage on the major N-S CAISO internal transmission path. Should provide an indication of whether or not CAISO's proposed ATC methodology is sufficient to avoid detrimental congestion impacts of wheel through transactions (eg, by only doing an annual assessment of wheel through capability).
Congestion on select other internal constraints vs. high priority wheel through volume at relevant interties	Similar to the Path 26 metric above, this could monitor for potential wheeling through congestion impacts across other selected major CAISO transmission constraints.

Potential metrics: ATC calculation components (continued)

Potential Metric	Description / Notes
Non-RA import ETC use for CAISO load vs. calculated/contracted value	Does contracted non-RA import bidding/scheduling for CAISO load align with portion allocated to CAISO load in ATC calculation?

Potential metrics: Accessing ATC: non-CAISO entities

Potential Metric	Description / Notes
Review of contract details for contracts supporting high-priority wheel through status	Review e-tags compared to details reported in supporting contract. (e.g., Does the e-tag reflect a source/sink consistent with the contract? Are the times/frequency of e-tagging consistent with the underlying contract?)
Details of resale transactions	Monitor resales and identify term, price, and parties to the resale. Assess patterns whether parties appear to be using resales to avoid contract requirement.
Number of resales in a specified period	Frequent resales may indicate attempted exercise of market power, since ATC should generally be going to parties that intend to serve load with the procured scheduling priority.

Potential metrics: Accessing ATC: non-CAISO entities (continued)

Potential Metric	Description / Notes
ATC reserved vs. used	Assess whether ATC appears to oversold compared to what's really needed. Does frequency/quantity of use align with contract? Or, in case of resales, how much of reserved ATC is actually scheduled?
Resale prices vs. WAC	Monitor potential exercise of market power in resales of high-priority wheel through rights.
Frequency of supporting contract terminations	Monitor for frequency of terminated ATC requests since reserving entity is relieved of financial obligation if terminated at least 11 days in advance of service commencement. Design may incentivize less robust contracts that are easier to terminate; an uptick in terminations may signal that shift.

Potential metrics: Accessing ATC: non-CAISO entities (continued)

Potential Metric	Description / Notes
ATC remaining unsold at time of power flow	Requirement of power supply contract to access ATC differs from the OATT framework; monitor impacts of power supply contract requirement on the ability to access ATC.
Frequency of contract modifications to reduce hours	Monitor for potential of queue jumping by executing contracts with large number of hours, then later reducing.

Potential metrics: Accessing ATC: CAISO entities

Potential Metric	Description / Notes
Daily horizon ATC utilization by CAISO LSEs	Assess where CAISO LSEs may be routinely dependent on ATC to meet needs beyond those identified by native load need calculation.
Use of ATC by CAISO LSEs acquired through resale	Assess where CAISO LSEs may be routinely dependent on ATC to meet needs beyond those identified by native load need calculation.

Summary

- Metrics outlined here reflect discussion and comments from throughout the CAISO stakeholder process, CAISO Board of Governors and Western EIM Governing Body meeting, and FERC comments
- Some additional suggested metrics reflect DMM's assessment of potential monitoring needs
- Not exhaustive list -- additional metrics may be needed
- Seeking stakeholder input and discussion

Open discussion of monitoring needs

- Reactions?
- Questions?
- Additions or subtractions to proposed potential monitoring metrics?

Contact

Please submit additional questions or comments to:

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