**Initial/Draft List of Scope Items for Consideration - EDAM Stakeholder Working Group 2 – Initial list of Scope Items for Consideration**

Fundamentals:

Only EIM Entities can participate in EDAM. Non-EIM Entities are not eligible to participate in EDAM.

Joining EDAM is voluntary for EIM Entities. But need to give a period of notice of leaving EDAM to be determined separately).  Not a decision to join EDAM one day, not participate the next day.

What happens to non-participating resources?

EDAM is an extension of the existing CAISO DAM and the solution is done hourly. Objective is scheduling limit of the major interties, ties can be aggregated or defined on multiple interties or use major intertie function. Multiple transfers, single transfer – can define flexibly.

Working group will address the EDAM framework. Changes to individual OATTs for implementation of the market design will be up to each EIM Entity to go through their own stakeholder process, if appropriate.

When discussing transmission that is turned over to the EDAM for optimization, the primary focus is on the transmission and transfer capability between participating EDAM BAAs. Register capacity of transmission for transfers in MasterFile (?)[concern is short-term transmission purchases]; need to know by 10 AM to run the EDAM.

Transmission capability internal to the EDAM BAA would be made available to the market based on flow availability, as is done in the EIM today therefore no change to internal transmission from today’s EIM. EDAM will not see internal transmission. Existing contracts will honor existing contract rights.

Participation with self-schedules will be used. Self-schedules with existing contracts will have a higher priority.

Multiple transfers between BAAs with different transmission products – base, static, dynamic. Different types of products – energy, ancillary services

Power balance constraint limits the internal transmission availability. BAA is a whole entity in the model and EDAM will have scheduling priorities.

Run advisory RSE at 9 AM need to know bucket 1 transmission available at that time. Bucket 2 and 3 would be made available for the EDAM at 10 AM.

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| **Issue** | **External Market Design Questions** | **Internal Market Design Questions and Comments** |
| Transmission Availability | What are the purposes and definitions of different transmission “buckets”?  What types of transmission can/must be included in the types of transmission made available under each bucket?  What Transmission Issues Overlap or Require Coordination with Resource Sufficiency Decisions?  Consider transmission that is reserved by third party?  How is internal transmission used and impacted by EDAM?  Bucket 2 – how released to EDAM and then recalled, how do we address those rights? Will CRRs be sufficient?  Intra-day changes of bucket 2, how is redispatch done for designated network resource and financial compensation / impact?  What is the process for designating versus undesignating transmission and how does it align with the EDAM timeline? | For each of the buckets (1,2,3):   * Define purpose of each bucket and consider consolidation or further expansion of buckets if necessary, and the nature of transmission (e.g., mandatory v. voluntary). Consider any exceptions or limitations of transmission made available under buckets. * Define firmness of transmission available to EDAM. What type of transmission is made available – firm, conditional firm and “highly reliable” transmission. * Under what circumstances will transmission not be made available for optimization (i.e., existing contract/OATT rights, must run, other)?   Bucket 1: Transmission is mandatory to meet load service and resource sufficiency obligations. Intent is OATT customers should be able to continue to self-schedule their own resources and own loads. Support WSPP Schedule C deliveries as firm transmission.  Bucket 2: Transmission is proposed to be voluntarily made available for congestion rents. Unscheduled firm point-to-point is addressed in Bucket 2. The expectation is the market would only be allowed to use unscheduled firm point-to-point reservations if the transmission provider and the CAISO are confident that the redispatch can be accomplished without creating physical infeasibilities. Intra-day changes, still allowed and congestion revenue is used to pay back the bucket 2 customer versus carving it out. Need to preserve OATT rights that already exist.  Bucket 3: Transmission is proposed to be voluntarily made available, typically unsold OASIS ATC as of the start of EDAM, used as a last resort in the optimization which is paid a usage rate and congestion rent, if applicable.  General: Customers with firm point-to-point reservations may schedule transmission service in accordance with those reservations. If they do not fully schedule the reserved transmission capacity, the OATT transmission provider must make it available for non-firm service. Any transmission ultimately not used by the EDAM would revert back to the transmission provider and could be reposted on OASIS after EDAM (i.e., if it is still marketable). Designated Network Resource (“DNR”) has firm transmission service and have first call on the transmission. |
| Transmission Availability | How would unused reserved transmission automatically made available to EDAM be defined? What existing uses of transmission might preclude used from the CAISO’s EDAM market? | Consideration of reserved transmission (bucket 2) being made available to EDAM if unutilized by holder by close of day ahead market timeframe. Consider implications and viability.[[1]](#footnote-1)  Transmission customers will continue to be able to fully utilize their OATT rights to modify schedules. Primary objective is to hold customers harmless for intra-day changes. |
| Transmission Availability | How will CAISO consider utilization of transmission internal the EDAM entity network? | Define how transmission across EDAM entity network is made available, including consideration of any restrictions or limitations.  Participating EDAM Entity transmission providers should continue to sell new OATT rights. Evergreen, renewal or extension provisions if available in the OATT should be allowed. |
| Timing and Duration | What is the timing and duration that transmission is made available? | For each of the buckets:   1. When will the transmission be made available? 2. What is the duration of transmission products made available to EDAM? (i.e., annual, monthly, weekly, daily, hourly)   Intent is to offer on a day-to-day, day-ahead basis which hours the transmission customer wants to offer its reserved transmission capacity. Expectation is that any unsold transmission capacity would be made available to EDAM.  Bucket 1: Required to be made available to EDAM, with the exception of Bucket 1 transmission tied to a self-scheduled resource, which cannot be optimized.  Bucket 2: Voluntarily made available in return for congestion rents. Transmission would automatically be made available to the EDAM to the extent it is not scheduled or otherwise utilized by a certain day-ahead timeframe.  Bucket 3: Transmission posted as ATC on OASIS that was not sold on OASIS as of the commencement of the day-ahead market, would be made available to EDAM for a usage rate. |
| Transmission Unavailability | What are the consequences of transmission made available to EDAM, but not available in RT? Are there reliability or cost allocation concerns?  EIM changes once EDAM is implemented – what are the changes and what are the impacts? | What are the implications on EDAM of transmission that becomes unavailable in RT, whether due to outages, or otherwise? What if the party making transmission available in DA, uses it or otherwise removes availability in RT? |
| Compensation | How should transmission made available to the EDAM market be compensated? | Transmission revenue is proposed to be collected from the energy settlement and paid to the transmission customer depending upon who provided the transmission (TP or contract holder).  Transmission customer would only be compensated if they offered the transmission to the market day-ahead and thereby did not reserve the right to use it themselves. Intent is congestion on the CAISO controlled grid would be allocated via established CAISO mechanisms including congestion revenue allocation.  In context of bucket 2 transmission:  Can bucket 2 transmission be made available at usage rate, or is compensation structure limited to an allocation of congestion rents?  Compensation could include an allocation of congestion revenues based on the amount of capacity offered.  In context of bucket 3 transmission:  What is the compensation structure for bucket 3 transmission (OATT-based hurdle rate? Other?)?  What is the compensation structure for wheeling through CAISO? |
| Congestion Rent Allocation | How and under what circumstances should congestion rent be allocated between BAAs?  How best can the CAISO distribute the congestion rent allocation from BAAs to LSEs and transmission customers? | What is the congestion rent allocation framework supporting EDAM transfers between BAAs and under different scenarios?  Consideration:   * + Split 50/50   + 100% to sending balancing authority (e.g., if Tx made available extends all the way into the sinking balancing area rather than stopping at the midpoint of balancing areas)   + 100% retained by CAISO (e.g., if rents associated with intertie schedule constraints at the boundary of the CAISO)   Congestion Rent Distribution – Is it reasonable and appropriate for CAISO to distribute congestion rents to EDAM entity, and EDAM entity responsible for allocating rents among its transmission customers?  CAISO will continue to maintain its existing CRR rules for allocation, auction and distribution of CRR revenue within its controlled grid. |
| External Resource Participation | Would EDAM Facilitate Intertie bidding or External Resource Participation? | Consideration of intertie bids or external resource participation in EDAM.  Includes:  Non-resource specific v. resource specific bids  Removal of CAISO scheduling points with EDAM BAAs  Maintaining scheduling points with non-EDAM BAAs and EDAM border  Maintaining RA import bids (with Mirror System resource) or design RA transfers |

1. Consideration of such unutilized bucket 2 transmission being made available to EDAM by the close of day ahead market timeframe would only apply to rights obtained after start-up of EDAM, not pre-existing arrangements, and would require, for most transmission service providers, customer-vetted OATT changes and approval by FERC. [↑](#footnote-ref-1)