

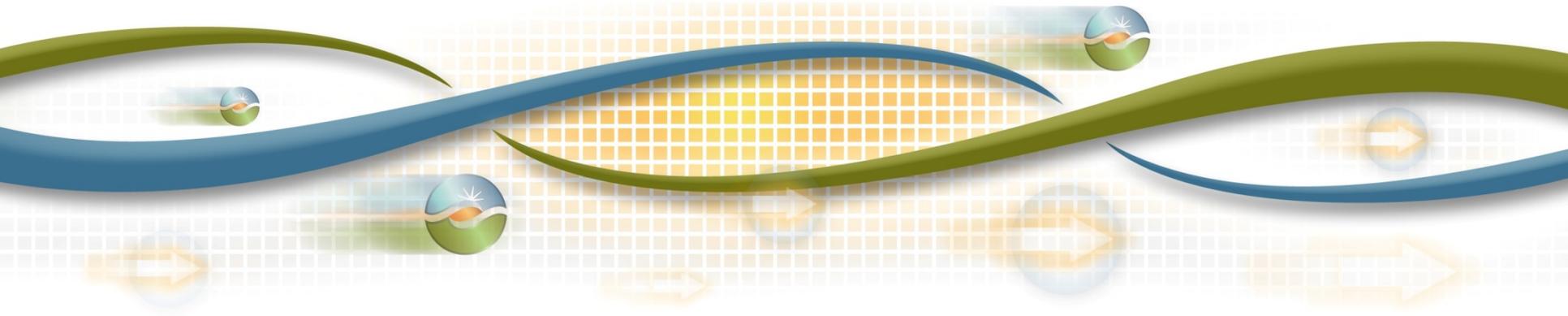


Annual Policy Initiatives Roadmap Process Straw Proposal

July 25, 2017

Brittany Dean

Market Design Policy



Agenda

Topic	Presenter
Introduction	James Bishara
Overview	Brittany Dean
Proposal	Brittany Dean
Next Steps	James Bishara

Overview of previous process

- Two-step process:
 1. Revise the stakeholder initiatives catalog
 - Update listed initiatives
 - Add new proposed initiatives and delete obsolete initiatives
 2. Policy initiatives roadmap
 - ISO develops roadmap for upcoming year's policy stakeholder processes
 - Rank discretionary policy initiatives
 - ISO initially ranks
 - ISO revises rankings based on stakeholder input
 - Present to EIM Governing Body and ISO Board in February

Roadmap process revised to address stakeholder concerns

- Stakeholder concerns:
 - Start process earlier and more frequently update catalog
 - Ranking process of discretionary initiatives is time consuming, subjective, and ineffective
 - Provide more transparency and rationale on how initiatives are evaluated and selected for the roadmap

Proposed changes to the process

- Catalog revised two times a year (Feb & Aug)
 - Provide a template for external and internal stakeholders submissions
 - Requests for additions to catalog posted on website
- Modify how the CAISO prioritizes initiatives
 - Retire initiative ranking
- Publish 3-Year Policy Roadmap and Annual Policy Initiative Roadmap

New process focuses on improving efficiency and transparency

- More transparency to stakeholders
 - External and internal additions to catalog are visible to all stakeholders
 - Ranking did not effectively capture other elements CAISO used to determine initiatives in final roadmap
 - Gives more transparency to the CAISO's rationale and timing of initiatives
- 3-Year Policy Roadmap provides better alignment of policy and implementation schedules

Strategic Vision



STRATEGY
1

LEAD THE TRANSITION TO
A LOW CARBON GRID

STRATEGY
2

RELIABLY MANAGE THE GRID
DURING ENERGY INDUSTRY
TRANSFORMATION

STRATEGY
3

EXPAND COLLABORATION
TO UNLOCK REGIONAL
BENEFITS

3-Year Policy Roadmap

Evolve ISO
Markets
(Strategy 1,2,3)

Enhance
Resource
Adequacy
(Strategy 1,2)

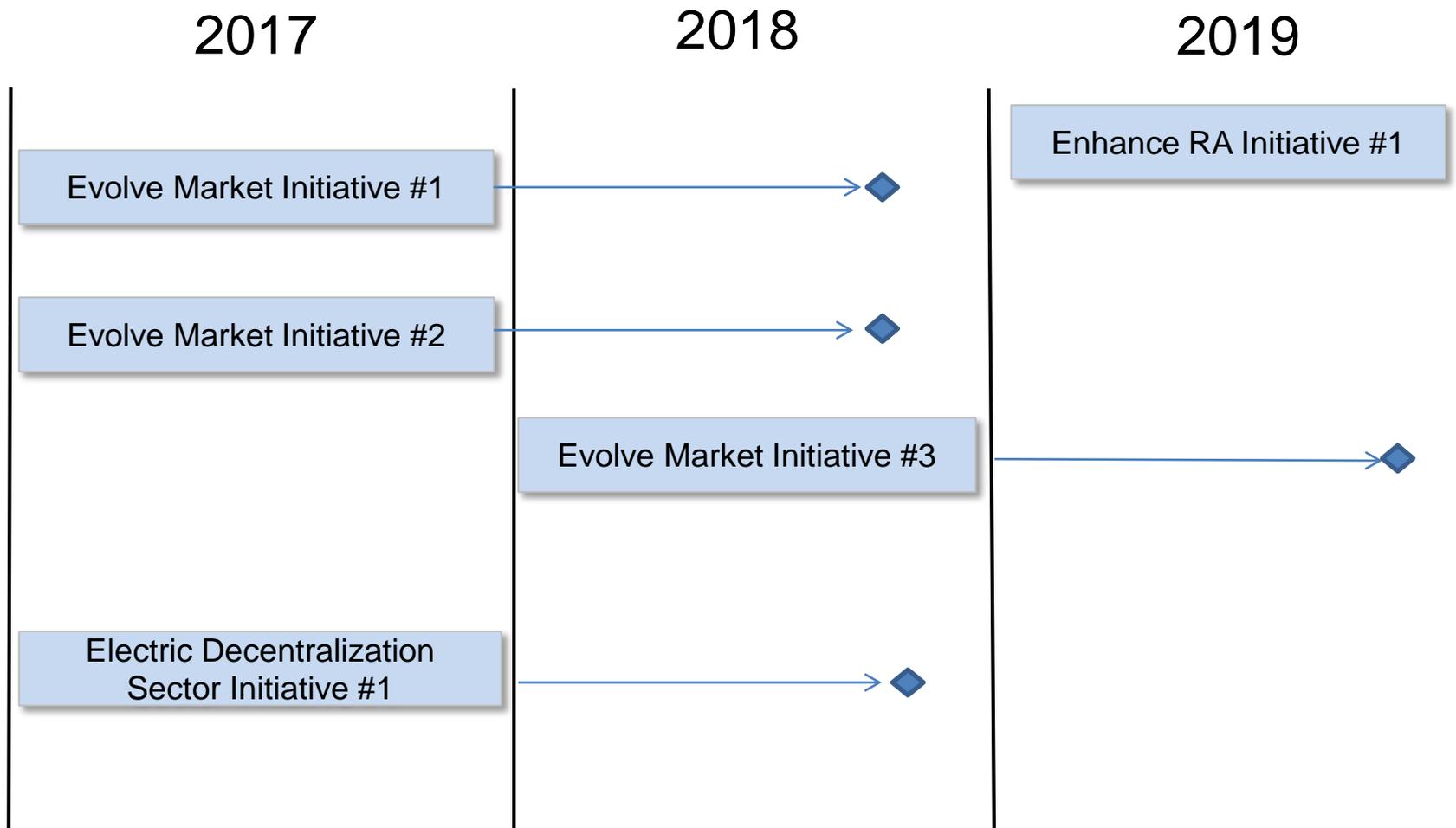
Shape Electric
Sector
Decentralization
(Strategy 1)



Annual Policy Initiatives Plan

2016	2017				
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Energy Storage and Aggregated Distributed Energy Resources					
	Regional Integration CA Greenhouse				
	Regional Transmission Access Charge				
	Regional Resource Adequacy				
	Bid Cost Recovery Enhancements				
	Contingency Modeling Enhancements				
	Stepped Constraint Parameters				
	Generator Contingency Modeling/RAS Modeling				
	Flexible RA Criteria and Must Offer Obligation Phase 2				
	Commitment Cost and DEB Enhancements				
Frequency Response Phase 2					
	Blackstart and System Restoration				
	Review TAC Structure				
	FERC Compliance Order 831				
	Transitional Grid Management Charge for New PTOs				
	Resource Adequacy Enhancements				
	Economic and Maintenance Outages				
	Risk-of-Retirement Process Enhancements				
	Real-Time Market Enhancements				
	Gas Constraint Operational Tools				
	Mgmt. of EIM Imb.				
	CRR Auction Efficiency				

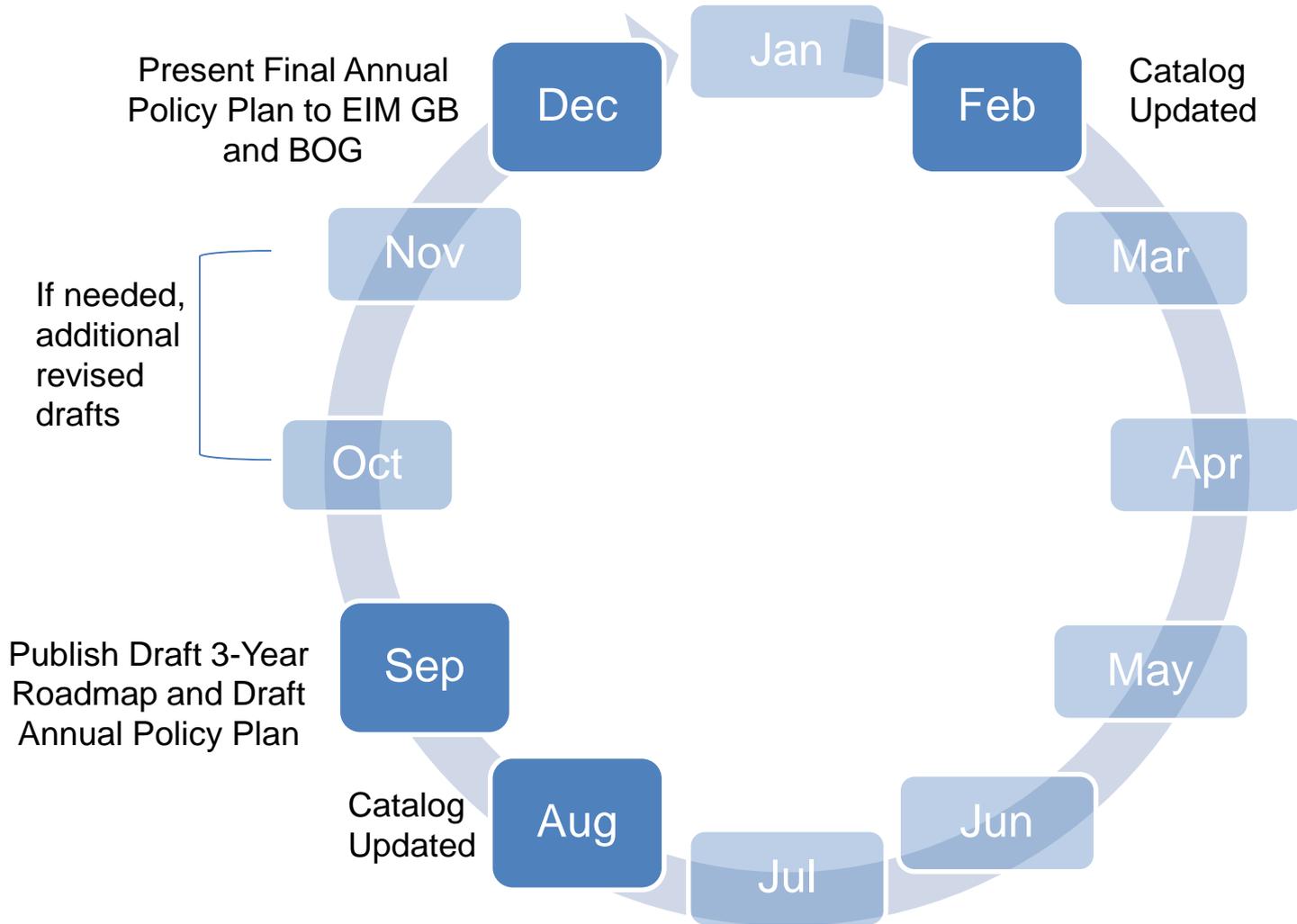
Three-year market vision roadmap example



◆ = Implementation

Process Timeline

Catalog submissions open year-round



Stakeholder comments requested

- Agreements of the ISO's proposed process changes; or
- Disagreements of the ISO's proposed process changes and revisions to the proposal. Stakeholders should include an explanation to any requested revision or proposed change
- Stakeholders should submit their comments to initiativecomments@caiso.com by the close of business on August 8, 2017

Next Steps

Process Schedule	
Date	Milestones
Aug 8	Stakeholder written comments due on Straw Proposal
Aug 21	Post <i>Annual Policy Initiatives Roadmap Process Draft Final Proposal</i>
Aug 28	Stakeholder call on Draft Final Proposal
Sept 4	Stakeholder written comments due on Draft Final Proposal
Sept 5	Begin the updating to the <i>Policy Initiatives Catalog</i>