

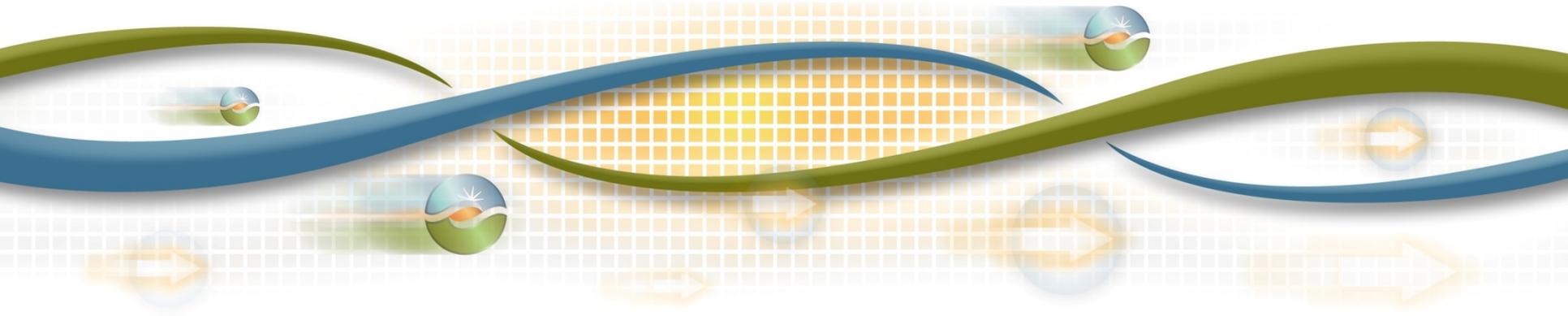


Annual policy initiative roadmap process draft final proposal

August 28, 2017

Brittany Dean

Market Design Policy



Agenda

Topic	Presenter
Introduction	James Bishara
Overview of changes since straw proposal	Brittany Dean
Stakeholder comments on straw proposal	Brittany Dean
Draft final proposal review	
Next steps	James Bishara

Overview of changes since straw proposal

- Expanded policy initiative catalog process
 - Revised stakeholder submission template
 - Revised catalog categorizations
 - In Progress (I), FERC (F), ISO-Committed (C), Discretionary (D)
 - Added deadline for stakeholder submission template
 - First Tuesday of January and July
 - Added stakeholder comment period
 - After deadline for submissions, market participants will have 2 weeks to review and provide comments.
- No changes to annual policy initiatives roadmap process

STAKEHOLDER COMMENTS ON STRAW PROPOSAL

Proposal to use stakeholder comment template

- **APS, BANC, Idaho Power, NV Energy, PacifiCorp, PGE, Powerex Corp., Puget Sound Energy, Seattle City Light, and Salt River Project, LSA, NRG, Six Cities, and XO Energy** support this proposal
 - Stakeholder comment period necessary for every submission
 - **LSA, Modesto Irrigation District, PG&E** – CAISO needs to have deadlines for submissions
 - **LSA and CMUA** – ISO should send a Market Notice when new submissions come in
- **No opposition stated in comments**

CAISO has changed its proposal based on stakeholder feedback and revised its proposal to include a cutoff date for submissions and a stakeholder comment period.

Proposal to have catalog posted in Feb and Aug

- **APS, BANC, Idaho Power, NV Energy, PacifiCorp, PGE, Powerex Corp., Puget Sound Energy, Seattle City Light, and Salt River Project, LSA, Modesto Irrigation District, PG&E, Six Cities, WPTF, and XO Energy** support this proposal
 - Support contingent upon stakeholder comment period being introduced
- **No opposition**

CAISO has changed its proposal based on stakeholder feedback. The ISO post a draft catalog at the beginning of Feb and Aug and request stakeholder comments. A final catalog will be posted at the end of Feb and Aug.

Proposal to revise discretionary sections of catalog

- **Neither supported or opposed by stakeholders**
- **Six Cities** – Classification of non-discretionary and discretionary initiatives needs to be revisited
 - Should be changed to substantial and time-sensitive reliability concern

CAISO has eliminated the “non-discretionary” classification and added the “ISO-committed” and clarified its definition. “ISO-committed” classification consists of initiatives that the ISO has committed to during a regulatory proceeding or previously to stakeholders, the ISO Board, EIM Governing Body, or FERC.

Proposal of timeline for new annual plan

- **PGP opposes** the annual plan only being updated once a year
 - Clarified previous comments and reiterated the need to have a re-evaluation in May should take place.
 - Make any necessary adjustments for the rest of the year

CAISO provides bi-monthly updates to the annual plan during the Market Performance and Planning Forum (MPPF), through quarterly policy briefings at EIM Governing Body meetings, and on the initiative milestones document on the stakeholder process website.

Proposal to retire formal numerical ranking process from roadmap process

- **APS, BANC, Idaho Power, NV Energy, PacifiCorp, PGE, Powerex, PSE, SCL, Salt River Project, CMUA, LSA, Modesto Irrigation District, NRG, PGP, PG&E, and Six Cities** generally support this proposal
 - **CMUA** “While well intentioned, it had the opposite effect than that intended and precipitated stakeholder attempts to game the ranking. CMUA applauds the CAISO for removing this mechanism”
- **Financial Marketers Coalition, WPTF, and XO Energy** oppose this proposal
 - Another mechanism needs to replace ranking so stakeholders can express their support justification for certain initiatives

CAISO recommends no change to its proposal. The new proposal provides stakeholders the opportunity to provide specific feedback on the CAISO’s proposed three-year roadmap and annual plan justifications.

Proposal to publish 3-year market vision

- **APS, BANC, Idaho Power, NV Energy, PacifiCorp, PGE, Powerex Corp., Puget Sound Energy, Seattle City Light, Salt River Project, CMUA, LSA, Modesto Irrigation District, NRG, PG&E, PGP, Six Cities, WPTF, and XO Energy** support this proposal
 - **PGP:** *“believes this will provide important context and a sense of continuity to the Policy Initiative planning process”*
- **No opposition**

CAISO recommends no change to its proposal. The new process will provide more meaningful and forward thinking conversations with all stakeholders.

Proposal for development of annual plan

- **APS, BANC, Idaho Power, NV Energy, PacifiCorp, PGE, Powerex Corp., Puget Sound Energy, Seattle City Light, Salt River Project, LSA, Modesto Irrigation District, NRG, PG&E, PGP, Six Cities** support this proposal
- **PGP**- other criteria besides cost/benefit should be included
- **Financial Marketers Coalition, WPTF, and XO Energy** oppose this proposal
 - Does not give stakeholders the opportunity to participate in the development of the process

CAISO recommends no change to its proposal. CAISO not only takes into consideration cost and benefits, but implementation considerations as well. Additionally, stakeholders have always had the opportunity to participate and provide comments in the development of the roadmap. Stakeholder comments are taken into consideration in the CAISO's justification for the annual plan.

Annual Policy Initiatives Roadmap Process

Step 1: Revise policy initiatives catalog

- Template for external and internal stakeholders submissions
- Revised two times a year (Feb & Aug)
 1. Deadline to submit submissions first Tuesday of January and July
 2. Stakeholder review/comment period
 3. Publish final policy initiatives catalog

Annual Policy Initiatives Roadmap Process continued

Step 2: Publish draft three-year policy roadmap and annual plan in September

1. Stakeholders comments period
2. If necessary, revision to draft three-year policy roadmap and annual plan
3. Stakeholder comments period
4. Publish and present final three-year policy roadmap and annual plan to EIM Governing Body and Board of Governors in December

CAISO Policy Initiatives Catalog Submission Form

[Home](#) > [Stay Informed](#) > [Stakeholder Processes](#) > [Annual Policy Initiatives Roadmap Process](#)

Annual policy initiatives roadmap process

The annual roadmap process captures the policy initiatives the ISO will undertake in the following year and their approximate timeframes. The development of the annual roadmap includes updating the Policy Initiatives Catalog. The catalog, updated twice a year, is a comprehensive directory of current, planned and potential policy initiatives that require a stakeholder process.

2017 process outcome

-  [Final - 2017 Policy Initiatives Roadmap](#) 3/06/2017 09:44
-  [Final - 2017 Stakeholder Initiatives Catalog \(updated\)](#) 3/06/2017 09:44

+ [Annual policy initiatives roadmap process review - relevant market notices](#) 

Current meeting

- [Web conference - draft final proposal - Aug 28, 2017](#) 
 -  [Draft Final Proposal - Annual Policy Initiatives Roadmap Process](#) 8/23/2017 11:06
- [Web conference - straw proposal - Jul 25, 2017](#) 
 -  [Agenda and Presentation - Annual Policy Initiatives Roadmap Straw Proposal](#) 7/20/2017 13:07
 -  [Straw Proposal - Annual Policy Initiatives Roadmap Process](#) 7/18/2017 10:24

Process review

The ISO proposes several changes to its catalog and roadmap process based on stakeholder input.

- [Annual policy initiatives roadmap process review](#) 
 - + [Web conference - draft final proposal - Aug 28, 2017](#) 
 - + [Web conference - straw proposal - Jul 25, 2017](#) 
 - [Stakeholder comments](#) 
 - + [Comments on straw proposal](#) 

	Market and Infrastructure Policy	Template Version:	1
		Document Version:	0
Policy Initiatives Catalog Submission Form		Date Created:	6/1/2017

California ISO Policy Initiatives Catalog Submission Form			
This purpose of this form is to propose potential policy initiatives that require a stakeholder process and typically require tariff changes. Do not use this form to request or propose process improvements or administrative changes. Such requests should be made through your Customer Service Representative or Account Manager.			
Date: 8/21/2017			
Submitter Information			
Organization	Contact Name	E-mail	Phone
Please provide a title for the issue.			
Please provide a summary description of the issue (i.e. 500 words)			
Please provide any data/information available that would characterize the importance or magnitude of the issue.			

Owner: Cook, Gregory	Market Infrastructure and Policy
Copyright 2017 California ISO	

Strategic Vision



3-Year Policy Roadmap



Annual Policy Initiatives Plan

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

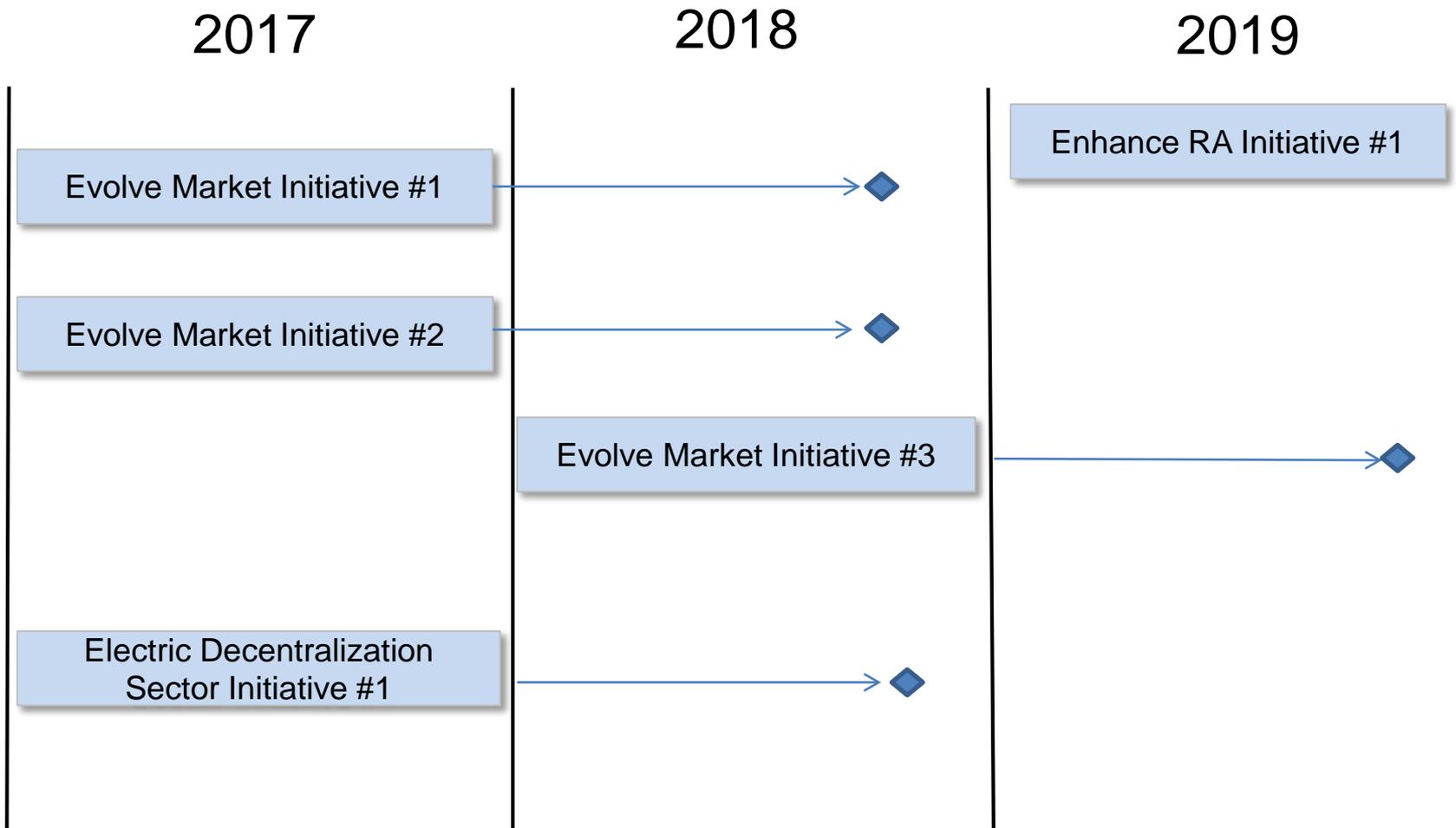
Evolve ISO
Markets
(Strategy 1,2,3)

Enhance
Resource
Adequacy
(Strategy 1,2)

Shape Electric
Sector
Decentralization
(Strategy 1)

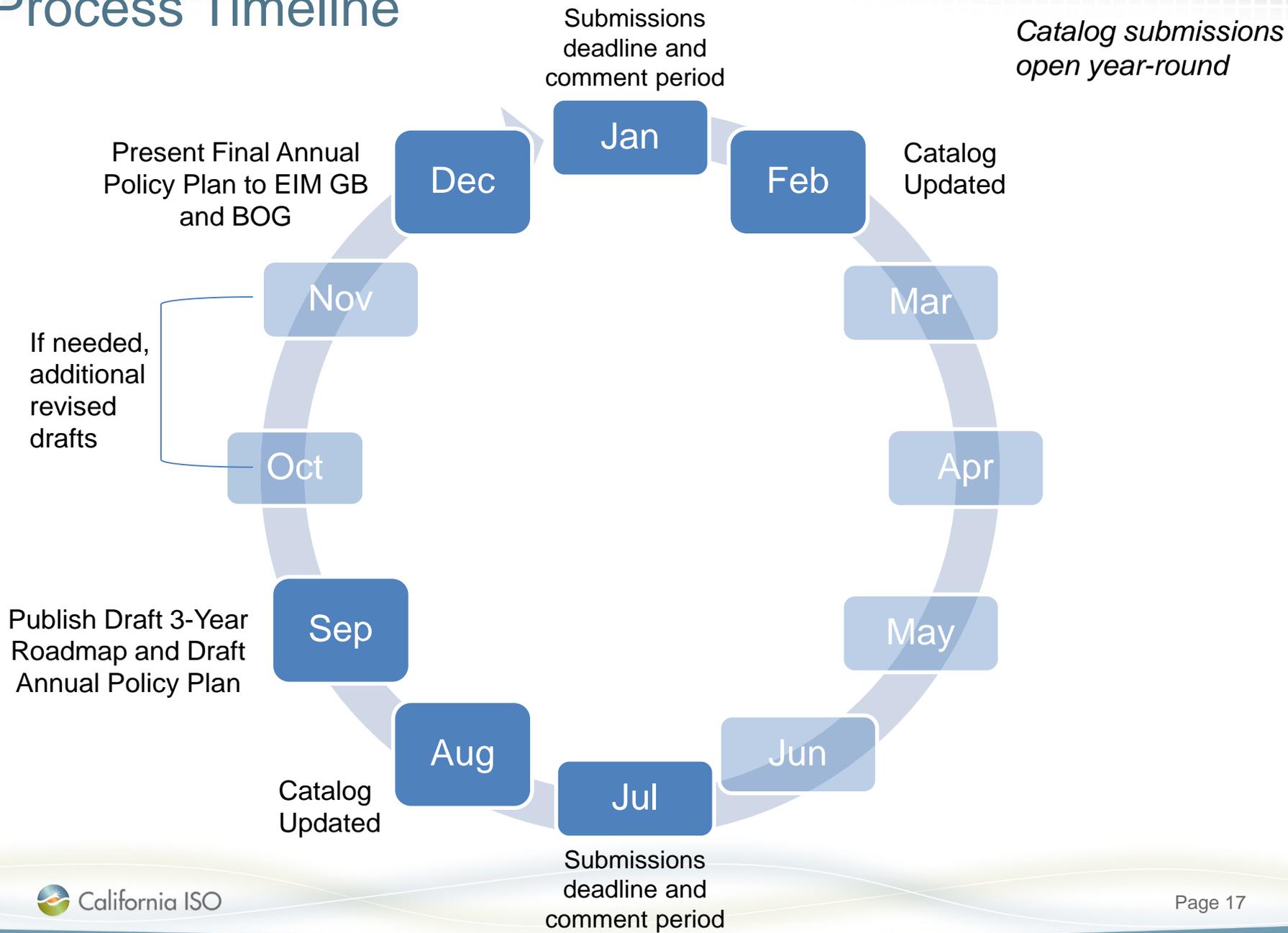
2016	2017				
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Energy Storage and Aggregated Distributed Energy Resources					
	Regional Integration CA Greenhouse				
	Regional Transmission Access Charge				
	Regional Resource Adequacy				
	Bid Cost Recovery Enhancements				
	Contingency Modeling Enhancements				
	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



New process focuses on improving efficiency and transparency

- More transparency to stakeholders
 - External and internal submissions to catalog are visible to all stakeholders
 - Gives more transparency to the CAISO's rationale and timing of initiatives
- Stakeholders provide input into the CAISO planning process for the next three years
- Three-year policy roadmap provides better visibility into alignment of policy and implementation schedules

Stakeholder comments requested

- Stakeholders should submit their comments to initiativecomments@caiso.com by the close of business on September 5, 2017

Next Steps

Process Schedule	
Date	Milestones
Aug 29	Stakeholder call on Draft Final Proposal
Sep 5	Stakeholder written comments due on Draft Final Proposal
Sep 6	Stakeholders provide submissions for the Policy Initiatives Catalog
Sep 15	Policy Initiatives Catalog submissions due
Sep 18 - 27	Stakeholder review and comment period on submissions
Oct 2017	Post Policy Initiatives Catalog and Draft Annual Policy Initiatives Roadmap