



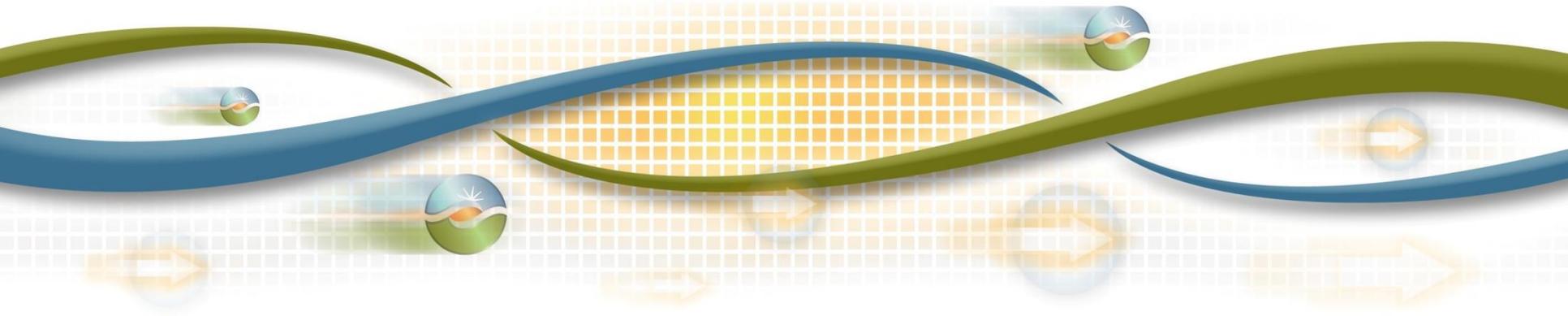
# BPM Change Management Meeting

May 23, 2017

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# Agenda – BPM Change Management Meeting, May 23, 2017

Topic	Presenter
Introduction/meeting overview	Julia Payton
<u>Discussion of current PRRs:</u> Reliability Requirements Energy Imbalance Market Market Operations Generator Interconnection and Deliverability Allocation Procedures Settlements and Billing	Gautham Katta Jamal Batakji Jamal Batakji Phelim Tavares  Elizabeth Caldwell
PRRs to be discussed at later date Wrap up and next steps	Julia Payton

# California ISO Stakeholder Initiative Process:



- Business Practice Manuals
  - The purpose of BPMs is to set forth business practices that implement the ISO tariff.
  - The ISO conducts a yearly policy initiative roadmap process to consider and rank initiatives.
    - *Policy changes submitted through the PRR process will be referred to the policy initiative road map process.*
  - Each subject area in a BPM is based on enabling language in the ISO tariff.
    - *The PRR process cannot be used to introduce changes that are not supported by existing tariff authority.*

# PRRs for Discussion – Recommendation Phase Reliability Requirements BPM

PRR	PRR Title
986	Update resource adequacy availability incentive mechanism assessment hours

## PRR 986 – Update resource adequacy availability incentive mechanism assessment hours

- **Reason for revision:** The change is due to the flex assessment study.
- **Recommendation stakeholder comments:**
  - California Large Energy Consumers Association 5/16/17
- **ISO response/position:**
  - PRR 986 has been moved back into Recommendation Comment period to allow comments on the revised Redlined BPM, version 3 attached to the bottom of the PRR.
    - 1) ISO agrees to stakeholder feedback about keeping the availability assessment hour (AAH) in the BPM which includes the AAH for generic and flexible RA for 2017 and 2018.
    - 2) ISO also included the methodology used to calculate the hours in the new redline version.
    - 3) ISO has set up a stakeholder meeting on 6/6 – “2018 Annual Review of Determination of Availability Assessment Hours” to discuss the change in the hours and the methodology used.
    - 4) ISO has moved this PRR in to a comment period

### **Recommendation comment period expiration:**

- The PRR has been moved back into a Recommendation Comment period until 6/5/17 11:59:59 and will use the 6/6 meeting to go over the details and questions from stakeholders.

# PRRs for Discussion – Recommendation Phase

## Energy Imbalance Market BPM

PRR	PRR Title
984	Emergency: Hourly block schedule difference calculation

# PRR 984 – Hourly block schedule difference calculation

- Reason for revision:
  - This is due to a recent discovery regarding netting, versus not netting, imports and exports for every hour, for the purpose of calculating histograms percentage differences. Effective 4/1/17.
- Recommendation stakeholder comments:
  - Pacific Gas & Electric Company, 5/11/17
- ISO response/position:
  - ISO posted the Recommendation on 5/2/17
  - ISO will post response to comment prior to 5/23 meeting
- Recommendation comment period expiration:
  - May 16, 2017
- Next step: Post Final Decision

# PRRs for Discussion – Recommendation Phase

## Market Operations BPM

PRR	PRR Title
985	Emergency: Power balance constraint relaxation

# PRR 985 – Power balance constraint relaxation

- Reason for revision:
  - The first change is to reduce the amount of power balance constraint relaxation for over-supply conditions. The other two changes are updates due to additional EIM entities; and deletion of penalty prices related to flexible ramp constraint which is no longer in place after the implementation of the flexible ramping product. Effective date for the power balance relaxation constraint is April 10th.
- Recommendation stakeholder comments:
  - No comments submitted
- ISO response/position:
  - ISO posted the Recommendation on 5/2/17
- Recommendation comment period expiration:
  - May 16, 2017
- Next step: Post Final Decision

# PRRs for Discussion – Initial Phase Market Operations BPM

PRR	PRR Title
991	Emergency: Changes to reflect the new tariff requirements and new policy on administrative pricing.

# PRR 991 – Changes to reflect the new tariff requirements and new policy on administrative pricing

- Reason for revision:
  - Changes to reflect the new tariff requirements and new policy on Administrative pricing. Effective May 2, 2017
- Initial stakeholder comments:
  - No comments submitted
- ISO response/position:
  - ISO submitted the PRR on 4/28/17
- Initial comment period expiration:
  - May 12, 2017
- Next step: Post Recommendation

# PRRs for Discussion – Initial Phase

## Generator Interconnection and Deliverability Allocation Procedures BPM

PRR	PRR Title
982	Submitted by Large-Scale Solar Association: Phased Third Interconnection Financial Security Posting Clarifications
983	Submitted by Large-Scale Solar Association: Interconnection Financial Security Posting Process Clarifications

# PRR 982 – Phased Third Interconnection Financial

- Reason for revision:
  - Title change: To match the associated tariff provision and avoid confusion with policies related to Project generation-project Phasing. Other changes: Clarifications of existing CAISO policy
- Initial stakeholder comments:
  - Pacific Gas & Electric Company, 5/2/17
  - Westlands Solar Park, 5/2/17
- ISO response/position:
  - ISO posted proposed edits on 4/18/17
  - ISO posted a response to comments on 5/15/17
- Initial comment period expiration:
  - May 3, 2017
- Next step: Post Recommendation

# PRR 983 –Interconnection Financial Security Posting Process Clarifications

- Reason for revision:
  - Interconnection financial security posting process clarifications
- Initial stakeholder comments:
  - San Diego Gas & Electric Company, 5/4/17
  - Pacific Gas & Electric Company, 5/2/17
  - Westlands Solar Park, 5/2/17
- ISO response/position:
  - ISO posted a response to comments on 5/15/17
- Initial comment period expiration:
  - May 3, 2017
- Next step: Post Recommendation

# PRRs for Discussion – Recommendation Phase

## Settlements and Billing BPM

PRR	PRR Title
978	Emergency: Update CC 7077 and CC 7087 to reflect correct unit of measure (UOM) for inputs that convey resource-specific RTD Flexible Ramp Uncertainly Movement and BAA-level uncertainty.
979	Emergency: Update pre-calculation start-up and minimum load cost to resolve an issue that relates to the qualification of real time market transition cost for a multi-stage generating resource
987	Emergency: Resource adequacy availability incentive mechanism updated calculations and business rules for reliability demand response resource, long start, and extremely long start resources

# PRRs for Discussion – Recommendation Phase

PRR	CC/ PC	Comment Expiration / Next Step	ISO Position / Reason for Revision
978	<p>CC 7077 – Daily Flexible Ramp Up Uncertainty Award Allocation</p> <p>CC 7087 – Daily Flexible Ramp Down Uncertainty Award Allocation</p>	<p>No Recommendation comments submitted.</p> <p>Recommendation comment period expired 5/16/17;</p> <p>Next Step: Post Final Decision</p>	<p><b><i>No changes since the last meeting</i></b></p> <p>A CIDI ticket reveals that the CCs 7077 and 7087 are incorrectly applying some inputs in a different unit of measure (MW) than expected (MWh). The error associated with uncertainly movement category quantities results in an incorrect allocation quantity for Supply and MSS Load Following resources.</p> <p>The proposed revision converts the above input from MW to MWh before applying it, it entails a division by 12.</p> <p>These changes have a retroactive effective date starting with Trade Day November 1, 2016 to capture all Trade Days for which a Flexible Ramping Product (FRP) charge allocation expected to be settled.</p>
979	<p>Pre-calculation Start-up and Minimum Load Cost</p>	<p>No Recommendation comments submitted.</p> <p>Recommendation comment period expired 5/16/17;</p> <p>Next Step: Post Final Decision</p>	<p><b><i>No changes since the last meeting</i></b></p> <p>A CIDI ticket reveals that the Start-up and Minimum Load Cost Pre-calculation is incorrectly calculating the Bid Cost Recovery (BCR)-eligible Transition Cost (TC) of a Multi-Stage Generating Resource, when the resource exceeds the Pmax limit in response to an ISO instruction to another MSG Configuration that is higher than the MSG Configuration to which the Pmax applies.</p> <p>The proposed revision removes the PMax requirement imposed on the MSG “To” configuration in order for the cost of such transitioning to be eligible for BCR.</p> <p>These changes have a retroactive effective date starting with Trade Day May 1, 2014 to capture all Trade Days for which the defect affects the configuration.</p>

# PRRs for Discussion – Recommendation Phase

PRR	CC/ PC	Comment Expiration / Next Step	ISO Position / Reason for Revision
987	<p>PC RA Availability Incentive Mechanism</p> <p>CC 8830 Monthly Resource Adequacy Availability Incentive Mechanism Settlement</p>	<p>No Recommendation comments submitted.</p> <p>Recommendation comment period expired 5/16/17;</p> <p>Next Step: Post Final Decision</p>	<p><b><i>No changes since the last meeting</i></b></p> <p>A dispute made highlights how the RAAIM settlement calculation was determining RA obligation for RDRR and PDR resources that were Long Start.</p> <p>The below Business Rules are proposed to be added to the RAAIM pre-calculation:            *RDRR resources shall not be subject to RA obligation in the Day Ahead Market            *Long Start resources not committed in the Day Ahead Market or RUC for a given trade hour, will be released from any RA obligation in the Real Time Market for the given trade hour            *Extremely Long Start resources not committed by Day Ahead Market under ELC process for a given trade hour, will not be subject to RA obligation in Real Time Market for the given trade hour</p> <p>The calculations for determining the average monthly RA and Flexible RA are being revised to ensure that hours in the Real Time Market not subject RA obligation are not included in the average monthly RA and Flexible RA MWs.</p> <p>The rules and associated formula changes are anticipated for implementation by 4/24/2017 with a 11/1/2016 effective date.</p>

# PRRs for Discussion – Initial Phase Settlements and Billing BPM

PRR	PRR Title
988	Emergency: Update configuration guides to ensure that balancing authority area(s) which has declared a market interruption are not assessed over and under-scheduling EIM over and under-scheduling EIM allocation during the market interruption periods
989	Emergency: Updated BPM Configuration guides for PC RUC No Pay Quantity to accommodate the fact that the RUC No Pay calculations were incorrectly did not incorporate the FMM minimum load energy quantity implemented with FERC 764 on 5/1/2014

# PRRs for Discussion – Initial Phase

PRR	CC/ PC	Comment Expiration / Next Step	ISO Position / Reason for Revision
988	<p>CC 6045 - Over and Under Scheduling EIM Settlement</p> <p>CC 6046 - Over and Under Scheduling EIM Allocation</p>	<p>No Initial comments submitted</p> <p>Initial comment period expired 5/2/17;</p> <p>Next Step: Post Recommendation</p>	<p>If the Market Operator declares a Market Interruption for a specific Balancing Authority Area (BAA), Settlements will exclude that BAA for assessment of Over and Under-Scheduling EIM Settlement, and Allocation, for the duration of the Market Interruptions.</p> <p>As part of the Market Interruption conditions, the BAA Real Time Market Transfer Capacity will be locked at BAA's Base Schedule EIM Transfer Quantity. Because the EIM Transfer is set to base transfers and the EIM Operator is responsible for dispatching resource to resolve load variations, the assessment of Over and Under-Scheduling EIM Settlement for that BAA is moot. In addition, during Market Interruption periods, the affected BAA should not receive an allocation (payment) from the charge assessed to other BAAs Over and Under-Scheduling EIM Settlement.</p> <p>The implementation date was 4/24/2017 to support a 3/1/17 production effective trade date.</p>
989	<p>Pre-calculation RUC No Pay Quantity</p>	<p>No Initial comments submitted</p> <p>Initial comment period expired 5/3/17;</p> <p>Next Step: Post Recommendation</p>	<p>A dispute revealed that rescission of RUC awarded capacity was occurring despite the units performing according to dispatch. With FERC 764, the minimum load energy input was split into FMM and RTD. The original input was made RTD only, while a new BD was created for FMM. The RUC No Pay calculation was not updated to use this new FMM minimum load energy quantity.</p> <p>Resolution involves inserting and summing the FMM minimum Load energy input with the already existing RTD minimum Load energy input in four formulas.</p> <p>The change is retroactive to the implementation of FERC 764 and the FMM market on 5/1/2014. The implementation date was 4/24/2017.</p>

# Next Steps

Next Meeting:

June 27, 2017

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