

Policy Initiatives Update

Anna McKenna

Vice President, Market Design & Analysis

Joint ISO Board of Governors and WEIM Governing Body Meeting

General Session

July 19, 2023

Day-Market Enhancements (DAME) – Upcoming Milestones

- The DAME Tariff process is underway
 - July 11th - Revised draft tariff language posted
 - July 25th - Comments due
 - July 27th – Stakeholder meeting
- Final version of the DAME tariff, informed by stakeholder comments, will be posted in mid-August prior to FERC filing.
- Planning and preparations for DAME implementation working groups underway and expected to begin in 2024

Extended-Day Ahead Market (EDAM) - Tariff Development Activities

- Second revised draft EDAM tariff
 - Published on June 8th
 - Comments received on July 6th
 - Stakeholder meeting scheduled for July 26th
- Final version of the EDAM tariff, informed by stakeholder comments, will be posted in mid-August prior to FERC filing.
- FERC filing is targeted for mid-August as a joint, single, filing of the DAME and EDAM tariffs, seeking a December 2023 decision.
 - Joint filing recognizes interdependency of the designs

EDAM - Implementation Activities

- Continued internal development of business requirements to implement EDAM design.
 - Started engagement with vendors to support timely implementation.
 - Publication of the business requirements in July 2023.
- Commenced onboarding activities with PacifiCorp.
 - Engagement between teams on implementation activities.
 - Review of business requirements to facilitate engagement with vendors.

ISO EDAM BAA Participation Rules - Activities

- The initiative evaluates certain rules and processes detailing how the ISO participates in the EDAM.
- These rules include consideration of:
 - Allocation of revenues and surcharges which are settled with entities with the ISO BAA
 - Consideration of a net EDAM export transfer constraint for the ISO BAA
 - Tools and processes for supporting the ISO passing the resource sufficiency evaluation
- Track 1 of the initiative is slated for presentation to the ISO Board of Governors in **September**.
 - Proposes elements needed to support EDAM go-live

Transmission Service & Market Scheduling Priorities – Activities

- Continued engagement in stakeholder tariff development activities.
- **Phase 1** tariff filing focuses on the process for requesting available transfer capability (ATC) in monthly and daily horizons for establishing wheeling through scheduling priority.
 - FERC filing targeted for the end of July.
- **Phase 2** tariff development will focus on the process for studying requests for ATC of 1-year or longer and pursuing a transmission upgrade.
 - Publication of draft tariff on July 14 for stakeholder review.
 - Target FERC filing by January 2024.

Greenhouse Gas (GHG) Accounting Working Groups

- The ISO committed to continued active discussions and evaluating opportunities to evolve the GHG accounting design.
- Recognition of diverse and evolving GHG regulatory frameworks around the West.
- Initiating a series of stakeholder working groups in August to discuss ideas, perspectives and proposals for evolving the GHG accounting framework.

GHG Working Groups

- Topics of discussion include:
 - Review and common understanding of current design
 - Leakage, resource shuffling, secondary dispatch
 - GHG accounting reporting
 - Different regulatory frameworks in the West
- The working group discussion will inform the scope of a formal GHG policy initiative to evaluate key elements and recommendations emerging from the working groups.

Price Formation Enhancements

- Weekly Phase I working groups begin in August, continue through October
 - Topics: Scarcity pricing/market power mitigation, fast-start pricing analysis
 - Deliverable: Working Group Action Plan
- Straw proposal and fast-start pricing analysis by end of 2023 (tentative)

Phase 1			Phase 2		Phase 3	
Scarcity pricing	BAA-level MPM	Fast-start pricing (analysis)	Fast-start pricing (policy)	Extended FRP	Multi-interval optimization + storage	Replacement reserves + preparing for nodal AS
Working group preparation						
Conduct working groups						
Straw proposal		FSP data analysis				
Revised straw proposal			Working group preparation			
Draft final proposal			Conduct working groups			
Final proposal			Straw proposal			
BOG/GB meeting			Revised straw proposal		Working group preparation	
			Draft final proposal		Conduct working groups	
			Final proposal		Straw proposal	
			BOG/GB meeting		Revised straw proposal	
					Draft final proposal	
					Final proposal	
					BOG/GB meeting	