



California ISO

WESTERN ENERGY IMBALANCE MARKET (WEIM)

# Briefing on Policy Initiatives

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Joint WEIM Governing Body and ISO Board of Governors meeting

General Session

November 8, 2023

# Extended Day-Ahead Market (EDAM) & Day-Ahead Market Enhancements (DAME)

- On August 22, the ISO filed the EDAM and DAME tariff amendments with FERC and filed answers to comments and limited protests on October 11
  - FERC decision expected by December 21, 2023
- The ISO continues internal EDAM implementation activities, including continued engagement with prospective participants
  - PacifiCorp and Balancing Authority of Northern California (BANC) have indicated their intent to participate in EDAM
- Planning and preparations for DAME implementation working groups underway and expected to begin in 2024
- EDAM implementation date targeted for 2026 to support implementation and readiness of participating entities

# Transmission Services and Market Scheduling Priorities (TSMSP)

- On October 30, the Commission issued an order approving the filed TSMSP phase 1 tariff amendments
- The approved design provides for the calculation of Available Transfer Capability (ATC) and the process for establishing market scheduling priority for wheeling through the ISO transmission system
- Currently undertaking the tariff development process for TSMSP phase 2 focused on the study and expansion process for establishing wheel through priority on a long-term basis
  - Targeted FERC filing in January 2024
- Proposed Decisional Classification: WEIM Advisory

# WEIM Resource Sufficiency Evaluation Enhancements (RSEE)

- Five balancing authorities have elected to utilize assistance energy transfer functionality during the summer of 2023
- Enhancements related to RSEE phase 2 for lower priority exports are on track for a staggered fall 2023 software release
  - Enhancements will increase situational awareness regarding expected delivery of ISO BAA exports through aligning market results with e-tags
- Planned 2024 kick-off for RSEE phase 3
  - Scope will be partially informed by summer 2023 lessons learned
  - Proposed Decisional Classification: Joint Authority

# Price Formation Enhancements Working Groups

- ISO has facilitated seven stakeholder working group sessions on scarcity pricing and BAA-level market power mitigation and fast start pricing
- Goals of the current working groups are to:
  - Align on principles, problem statements, and generate fresh perspectives for a more regionally diverse audience
  - Educate stakeholders on existing ISO market processes
  - Scope and inform the analysis plan necessary to support data driven policy development

# Greenhouse Gas Coordination Working Group

- In August, the ISO initiated the GHG coordination working group which is focused on continuing to evaluate and evolve the ISO's GHG accounting design
  - Meetings on 8/16, 9/13, 10/19 have focused on developing principles and problem statements
- Stakeholders suggested the following topics to focus on:
  - Review of market operations as well as the WEIM and EDAM GHG accounting design
  - Market consideration of diverse state GHG reduction policies that may not have a price on carbon
  - Emissions tracking, analysis, and accounting to support market participants
- The working group's effort will culminate in a GHG Action Plan report to inform a policy initiative

# Gas Resource Management Working Groups

- ISO held working groups between July and October to identify and prioritize problem statements, and identify potential solutions to these statements
- Stakeholder identified working group priorities include:
  - Ensuring the accuracy and appropriate timing of advisory schedules prior to the day-ahead market run
  - Addressing potential reliability risks from gas system constraints
  - Evaluating the reasonableness of processes intended to allow participants to accurately reflect verifiable cost expectations
- Upcoming working groups will facilitate solution-focused discussion through identification of necessary analysis, and assessment of existing and potential solutions

# Resource Adequacy (RA) Working Groups

- October 5: The ISO had its first resource adequacy working group meeting
  - Opening meeting focused on level-setting the purpose and structure of the RA working group and the ISO's discussion paper

Key objectives of this effort are:

1. Enhanced modeling leading to consistent, transparent, and timely information on the sufficiency of the RA fleet in the ISO
  2. Updates to ISO's current requirements for RA capacity and program tools in light of evolving market and regulatory structures
  3. Addressing concerns about inequitable costs and cost allocation among market participants
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- The RA working group second meeting on November 1
  - ISO staff will also lead a workshop on November 8 on the CPUC's Slice of Day incorporation into our processes in 2025