

Business Requirements Specification

CPM Enhancements Track 1

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Revision History

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02/10/2024	1.0	Document Created.
3/25/2025	1.1	Added Minor clarifications to BRQ003, BRQ003B, BRQ003C BRQ012, BRQ014. Clarifications are red-lined.

Owner:

Program Office

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 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

Table of Contents

1	Introduction.....	3
1.1	Status of Document	Error! Bookmark not defined.
1.2	Purpose.....	3
2	Details of Business Need/Problem.....	4
2.1	Description.....	4
3	Project Impact Assessment (IA)	5
3.1	Business Practice Manuals (BPM).....	5
3.2	Other.....	7
4	Business Requirements.....	9
4.1	CPM Enh Track 1:	9
4.1.1	<i>Business Requirements: Proposal 4.1 Reducing Volume</i>	<i>9</i>
4.1.2	<i>Business Requirements: Proposal 4.2 Reducing Term.....</i>	<i>12</i>
4.1.3	<i>Business Requirements: Proposal 4.3 CPM Reporting.....</i>	<i>13</i>
4.1.4	<i>Business Requirements: Proposal 4.4 CPM Market Notices</i>	<i>14</i>
4.1.5	<i>Business Requirements: Proposal 4.5 CPM Notifications to SCs.....</i>	<i>15</i>
4.2	Business Process: Market/Business Simulation.....	16
4.2.1	<i>Business Requirements</i>	<i>16</i>

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

1 Introduction

1.1 Purpose

Disclaimer:

All information contained in this draft Business Requirements Specification (BRS) as provided by the California Independent System Operator Corporation (ISO) is prepared for discussion and information purposes only. The draft BRS is provided “as is” without representation or warranty of any kind, including, without limitation, a representation or warranty as to accuracy, completeness, or appropriateness for any particular purpose. The draft BRS shall be revised as the development and review of the business requirements progresses. The ISO assumes no responsibility for the consequences of any errors or omissions. The ISO may revise or withdraw all or part of this information at any time at its discretion without notice.


Background/Purpose:

The ISO uses its capacity procurement mechanism (CPM) to address resource adequacy (RA) deficiencies and potential reliability concerns. The ISO can use its CPM authority to address specific circumstances defined by the following six CPM designation types:

1. Insufficient local capacity area resources in an annual or monthly RA plan
2. A collective deficiency in local capacity area resources
3. Insufficient RA resources in a load-serving entity’s annual or monthly RA plan
4. A CPM significant event
5. A reliability or operational need for an exceptional dispatch CPM
6. A cumulative deficiency in the total flexible RA capacity included in the annual or monthly flexible RA capacity plans, or in a flexible capacity category in the monthly flexible RA capacity plans When the ISO makes CPM designations, it relies on capacity willingly offered to the ISO by resource owners. To attract such capacity, the ISO conducts annual, monthly and intra-monthly competitive solicitation processes, into which resource owners may offer their capacity to the ISO at prices up to a soft offer cap, currently set at \$7.34/kw-month.

Resource owners may also cost justify offers above the soft offer cap. The CPM Enhancements stakeholder initiative is comprised of at least two tracks. Track 1 addresses five operational and process enhancement issues, and the ISO is planning to take Track 1 for approval at the December 2022 Board of Governors meeting. Track 2 re-examined the CPM soft offer cap which is now \$7.34/kw month.


Program Office

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

2 Details of Business Need/Problem

2.1 Description

Business Opportunity/Problem Statement:	
What:	<p>CPM Enhancements Track 1:</p> <ul style="list-style-type: none"> – <u>Proposal 4.1:</u> Reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed. <ul style="list-style-type: none"> • System changes, Leverage existing functionality, BPM changes – <u>Proposal 4.2:</u> Reducing the term of significant event CPM designations when the designated capacity has already been committed or is unavailable to the ISO <ul style="list-style-type: none"> • Leverage existing functionality, BPM changes – <u>Proposal 4.3:</u> CPM reporting <ul style="list-style-type: none"> • Leverage existing functionality, BPM changes – <u>Proposal 4.4:</u> CPM market notices <ul style="list-style-type: none"> • Business process, BPM changes – <u>Proposal 4.5:</u> CPM notifications to scheduling coordinators <ul style="list-style-type: none"> • System changes, BPM changes


 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

3 Project Impact Assessment (IA)

3.1 Business Practice Manuals (BPM)


BPM	Description of Impact(s)
Reliability Requirements	Yes <ul style="list-style-type: none"> • <u>Proposal 4.1</u>: Update Reliability Requirements BPM to document MW adjustment changes associated with CPM designation. • <u>Proposal 4.2</u>: Update Reliability Requirements BPM to document term adjustment changes associated with CPM designation. • <u>Proposal 4.3</u>: Update Reliability Requirements BPM to document related changes for the reporting requirement and note that the reports will be in OASIS. • <u>Proposal 4.4</u>: Update Reliability Requirements BPM to document that the market notice will be sent within 5 business days following a CPM designation. • <u>Proposal 4.5</u>: Update Reliability Requirements BPM to document that the SC contact info for CPM notifications can be viewed and edited by the SC in CIRA and under which screen. (Note: this should be added to the CIRA use guide).
Settlements and Billing	Yes <ul style="list-style-type: none"> • For Proposals 4.1, 4.2: Update description for the input for the significant event CPM. • For Proposal 4.2: Add business rule to mention a significant event designation can be less than 30 days.
BPM Change Management	Not Impacted

Program Office

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

BPM	Description of Impact(s)
Candidate CRR Holder Registration	Not Impacted
Compliance Monitoring	Not Impacted
Congestion Revenue Rights	Not Impacted
Credit Management and Market Clearing	Not Impacted
Definitions and Acronyms	Not Impacted
Demand Response	Not Impacted
Direct Telemetry	Not Impacted
Distributed Generation for Deliverability	Not Impacted
Energy Imbalance Market	Not Impacted
Generator Interconnection and Deliverability Allocation Procedures	Not Impacted
Generator Interconnection Procedures	Not Impacted
Generator Management	Not Impacted
Managing Full Network Model	Not Impacted
Market Instruments	Not Impacted
Market Operations	Not Impacted
Metering	Not Impacted
Outage Management	Not Impacted
Reliability Coordinator Services	Not Impacted
Rules of Conduct Administration	Not Impacted
Scheduling Coordinator Certification and Termination	Not Impacted
Transmission Planning Process	Not Impacted


Program Office

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023


3.2 Other

Impact	Description (optional)
Market Simulation	No <ul style="list-style-type: none"> End-to-end internal Testing: Market Participants to validate their contact information.
Market Participant Impact	No
External Bid Publication	No
Customer Readiness Impact	Yes <i>See below.</i>
<ul style="list-style-type: none"> External Communication Needed 	Yes <ul style="list-style-type: none"> Proposal 4.1: Reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed. Proposal 4.2: Reducing the term of significant event CPM designations when the designated capacity has already been committed or is unavailable to the ISO. Proposal 4.3: CPM reporting in OASIS Proposal 4.4: CPM market notices
<ul style="list-style-type: none"> External Onboarding and Maintenance 	No
<ul style="list-style-type: none"> External Training 	Yes <ul style="list-style-type: none"> Proposal 4.2: Training related the process that scheduling coordinators will need to follow for requesting a shorter term significant event CPM, after receiving an ISO attempt to make a 30-day designation.

Program Office

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

Impact	Description (optional)
<ul style="list-style-type: none"> External Computer Based Training 	No
Policy Initiative	<p>Yes</p> <p>https://stakeholdercenter.caiso.com/StakeholderInitiatives/Capacity-procurement-mechanism-enhancements</p>

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

4 Business Requirements

The sections below describe the business processes and the associated business requirements involved in the project. These may represent high-level functional, non-functional, reporting, and/or infrastructure requirements. These business requirements directly relate to the high-level scope items determined for the project.


4.1 CPM Enh Track 1:

4.1.1 Business Requirements: Proposal 4.1 Reducing Volume

Proposal 4.1: Reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed


ID#	Business Feature	Req. Type	Potential Application(s) Impacted
CPM – BRQ012	<p>Proposal 4.1:</p> <p>System (CIRA) must have the capability to change the Exceptional Dispatch (ED) CPM volume (MW) due to RA increasing during CPM term at the time of the CPM designation:</p> <p>If daily max (generic RA, flexible RA) on the first day of the CPM designation term < daily max (generic RA, flexible RA) during any day within the CPM designation term then CPM MW = existing CPM MW – Increase in RA MW</p> <p>Implementation note: E.g., On May 17th the RA on the resource equal 50 MW. Starting May 17th there is a CPM designation for 30 MW. The CPM term is</p>	Core	CIRA

Program Office


 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

	30 days. On June 3 rd RA on the resource increases to 60 MW. For June 3 rd , the CPM MW should be reduced by 10 MW to equal 20 MW.		
CPM – BRQ014	<u>Proposal 4.1:</u> System (CIRA) must have the capability to change the Significant Event CPM volume (MW) due to RA increasing during CPM term at the time of the CPM designation:	Core	CIRA
CPM – BRQ003C	<u>Proposal 4.1:</u> Reducing the volume (MW) of Exceptional Dispatch event CPM designations when the designated capacity has already been committed In the event of an existing CPM and RA being added after the CPM designation, System (CIRA) must have the capability to reduce CPM volume (MW) by the increase in RA. Note: this new RA that is reducing an existing CPM is only applicable to shown RA and does not apply to RA substitution.	Core	CIRA
CPM – BRQ013	<u>Proposal 4.1:</u> System (CIRA) must not change the CPM MW if RA MW is reduced. Note: PMin adjustments still apply. No change in existing Incremental CPM.	Core	CIRA

Program Office

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023


CPM – BRQ003	<p>Proposal 4.1: Reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed</p> <p>In the event RA is already present and a CPM occurs, System (CIRA) must have the capability to reduce CPM volume (MW) by the increase in RA.</p>	Core	CIRA
CPM – BRQ003B	<p>Proposal 4.1: Reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed</p> <p>In the event of an existing CPM and RA being added after the CPM designation, System (CIRA) must have the capability to reduce CPM volume (MW) by the increase in RA.</p> <p>Implementation note: this new RA that is reducing an existing CPM is only applicable to shown RA and does not apply to RA substitution.</p>	Core	CIRA
CPM – BRQ004	<p>Proposal 4.1: Reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed</p> <p>System (CIRA) must continue to broadcast adjusted CPM designation MW to downstream systems.</p>	Existing	CIRA

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

4.1.2 Business Requirements: Proposal 4.2 Reducing Term


Proposal 4.2: Reducing the term of significant event CPM designations when the designated capacity has already been committed or is unavailable to the ISO

ID#	Business Feature	Req. Type	Potential Application(s) Impacted
CPM – BRQ001	<p>Proposal 4.2: Reducing the term of significant event CPM designations when the designated capacity has already been committed or is unavailable to the ISO.</p> <p>Internal ISO team must update significant event CPM designation term in CIRA.</p> <p>Note: CIRA has existing functionality for updating the term and sending to downstream system(s), there are no CIRA system impacts expected for this scope item).</p>	Business Process	CIRA

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023


4.1.3 Business Requirements: Proposal 4.3 CPM Reporting

ID#	Business Feature	Req. Type	Potential Application(s) Impacted
CPM – BRQ010	<u>Proposal 4.3:</u> CPM reporting System (OASIS) must display CPM report on OASIS User Interface.	Existing	OASIS
CPM – BRQ011	<u>Proposal 4.3:</u> CPM reporting System (OASIS) must have the capability for users to download CPM Report from OASIS User Interface and through API.	Existing	OASIS

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023


4.1.4 Business Requirements: Proposal 4.4 CPM Market Notices

ID#	Business Feature	Req. Type	Potential Application(s) Impacted
CPM – BRQ020	<p><u>Proposal 4.4:</u> CPM Market Notices</p> <p>Market notice will be sent within 5 business days following a CPM designation.</p>	Business Process	CAISO.com

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

4.1.5 Business Requirements: Proposal 4.5 CPM Notifications to SCs

ID#	Business Feature	Req. Type	Potential Application(s) Impacted
CPM – BRQ016	<p><u>Proposal 4.5:</u> CPM notifications to scheduling coordinators</p> <p>System (CIRA) must have the capability for SC's to view their contact information on CIRA User Interface.</p>	Core	CIRA
CPM – BRQ017	<p><u>Proposal 4.5:</u> CPM notifications to scheduling coordinators</p> <p>System (CIRA) must have the capability for SCs to update their contact information on CIRA User Interface.</p>	Core	CIRA

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023


4.2 Business Process: Market/Business Simulation

This section shall provide a basis for the development of the Market/Business Simulation Scenarios. These requirements will provide guidance on the market participant impacts, inputs into the Scenarios, endpoints to the Scenarios and reasons for potential Scenarios. The guidance on market participant impacts shall be gathered from the requirements that impact rules, interfaces, applications/reports, new system processes, new/modified data models, and new user roles. The source and sink systems shall be determined through the development of the system context diagram and the web service requirements. The *Reason for the Potential Scenario* column will be to offer guidance regarding what potential scenarios, and their context, may be needed for this project. This section applies to all policy development projects, market enhancements, technology enhancements, operation enhancements, Energy Imbalance Market (EIM) implementations, and Reliability Coordination (RC) service implementations. If the project team has deemed that no structured testing is needed, an end-to-end test case must be specified.

In the Reason for Potential Scenario column, select one or more of the following reasons:

- 1. Rule Impacts:** Generalized changes in market rules, bidding rules, settlements rules, market design changes, or other business rules.
- 2. Interface changes:** Changes that impact templates (e.g., the Resource Adequacy (RA) supply plan), user interface (UI), and application programming interface (API) (e.g., retrievals of new shadow settlement data).
- 3. New application/report:** Changes that cause addition/modification of market software or reports, especially when market data input is required by the market participant.
- 4. New system process:** Modification of data flow in systems, especially if the new process requires the market participant to demonstrate proficiency prior to production.
- 5. New/Modified model data:** Addition or substantial modification of model data as a market solution or export provided by the ISO.
- 6. New user role:** The addition or modification of access permissions for a user role applied to specific business units within an EIM entity or market participant organization (e.g., Load Serving Entity (LSE) as a Local Regulatory Authority (LRA) role). Scenarios are beneficial for market participants taking on a new function or process within their organization.

4.2.1 Business Requirements

 California ISO	Technology	Template Version:	6.8
		Document Version:	1.1
CPM Enhancements Track 1 Business Requirements Specification - Planning		Date Created:	3/22/2023

ID#	Guidance on Market Participant Impacts	Source System	Sink System	Reason for Potential Scenario
	No Market Simulation has been noted by the project team at this point in time. Market Participants are expected to validate their own contact information.			