

Discretionary Initiatives High Level Ranking Template

California Department of Water Resources State Water Project Ranking of CAISO's 2013 Stakeholder Initiatives Catalog

November 22, 2013

Initiative 1: 3.6 Regulatory Must-Run Pump Load

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	7
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	7
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	10
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
						Total	31

Grid Reliability (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Providing higher scheduling priority for regulatory must run pumps would enforce resource management in the DAM and RTM to meet the load obligation. Higher scheduling priority would enhance grid reliability.

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Discretionary Initiatives High Level Ranking Template

Higher scheduling priority provides an opportunity for the market system to meet must run requirement for the pumps as well as market functionality in advance rather than in real time.

Market Participant Implementation Impact (\$ and resources) *(provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –*

From market participants perspective the impact is invaluable because of the need to protect certain pumps that are vital operationally. The reason why this initiative was considered in the first place represents the importance of this initiative. The cost impact to market participant for implementation is none.

ISO Implementation Impact (\$ and resources) *(provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –*

Initiative 2: 9.5 Seasonal Local RA Requirement

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	7
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	10
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
						Total	31

Grid Reliability *(provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –*

Discretionary Initiatives High Level Ranking Template

It may improve the grid reliability efficiently because redundant local capacity would be freed up compared to flat round the year local capacity requirement.

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

It could provide an opportunity for ISO to manage local resources only to the degree of actual need.

Market Participant Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

It could cost less for market participants to acquire lesser amount of local resources assuming that seasonal needs will be lower.

ISO Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

It could require more time and resources for ISO to perform the studies.

Initiative 3: 4.12 Mitigating Transient Price Spikes, Real-Time Imbalance Energy Offset (RTIEO) / Real-Time Congestion Offset (RTCO)

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	7
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	10
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
E		ISO Implementation	No Impact	Minimal	Moderate	Significant	7

Discretionary Initiatives High Level Ranking Template

	Impact (\$ and resources)		Impact	Impact	Impact	
					Total	31

Grid Reliability (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Addressing Hour-Ahead Scheduling Process (HSAP) price impact and disconnected price spikes may improve grid reliability. Reducing price difference between HASP and Real-Time Dispatch (RTD) could decrease the RTIEO and RTCO amount, and also improve grid reliability.

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

In 2012, CAISO allocated \$203.54 million of RTIEO and RTCO costs to Measured Demand. In the past 10 months, market rate payers were charged \$147.18 million of RTIEO and RTCO costs. Mitigating and reducing the RTIEO and RTCO costs are necessary. This initiative could decrease the RTIEO and RTCO amount and improve market efficiency.

Market Participant Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

It will reduce the market participant's costs (for rate payers).

ISO Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

CAISO implementation impact may not be significant.

Initiative 4: 4.14 Regional Flexible Ramping Product

High Level Prioritization Criteria Matrix

	Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
		10	7	3	0	Use 0, 3, 7, or 10
A	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	10
B	Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	7

Discretionary Initiatives High Level Ranking Template

C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
						Total	31

Grid Reliability (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

The ramping product could improve dispatch flexibility in the Real-Time, and meet CAISO ramping need. CAISO implemented the Flexible Ramping Constraint and will implement the Flexible Ramping Product to replace the Flexible Ramping Constraint. Developing the Regional Flexible Ramping Product could meet a regional ramping requirement, enhance the Flexible Ramping Product, and increase grid reliability.

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Flexible Ramping Product could improve market efficiency, decrease price spikes, and incentivize market participants to provide the ramping capacity to meet regional ramping requirement.

Market Participant Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

The market participant implementation impact may not be significant.

ISO Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

Minimal because it should follow the Flexible Ramping Product and related software changes.

Initiative 5: 6.5 Pay for Performance Review and Enhancement

High Level Prioritization Criteria Matrix

Discretionary Initiatives High Level Ranking Template

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	10
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	7
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
						Total	31

Grid Reliability (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

The current Pay for Performance (Pay4Perf) implementation is presenting challenges which may reduce the number or resources providing regulation.

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Improvements to this design on an operation level should allow more resources to participate effectively.

Market Participant Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

The current Pay for Performance implementation is presenting challenges and affecting regulation settlements.

ISO Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

Discretionary Initiatives High Level Ranking Template

CAISO should be able to augment the existing Pay4Perf without substantial costs.