



Decision on minimum state of charge extension

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Background

- Minimum state of charge constraint initially developed in preparation for summer 2021
 - Ensures that storage has sufficient energy (state of charge) to meet day-ahead discharge awards
 - Approved in 2020
- This was an interim solution
 - Requirement imposes constraints on storage resources in the real-time market, but the constraints are not priced
 - The tool is only in place during critical hours on the most critical days
- Use has been very limited, and included use during the summer 2022 heatwave

Management proposes extension of existing minimum state of charge through summer 2023

- Policy for replacement tools was completed and approved in the energy storage enhancements initiative December 2022
- Software development for replacement tools will not be implemented until fall 2023

Stakeholder Feedback

- Several stakeholders support the extension, but requested the duration be minimized, as reflected in Management's proposal
- Storage operators and generation representatives generally oppose the extension and request development of replacement tools prior to summer 2023
 - Management determined that this timeline is not feasible

Management recommends the Board of Governors approve the minimum state of charge extension proposal

- This proposal will extend the use of the minimum state of charge constraint until September 30, 2023, and allow time for the implementation of new exceptional dispatch functionality and associated settlement rules from the energy storage enhancements initiative.