



California ISO

2017 Policy Initiatives Roadmap

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1 Introduction

The *Policy Initiatives Roadmap* is used in conjunction with the *Stakeholder Initiatives Catalog* in developing which policy initiatives the ISO will undertake in 2017 and their approximate timeframes. As illustrated in section 5, below, the ISO already has a substantial number of in-progress and already planned initiatives. As part of the policy development roadmap process, the ISO works with stakeholders to rank discretionary initiatives. Based on this ranking and other factors such as implementation and regulatory considerations, the ISO may add initiatives to the roadmap if time and resources allow.

The ISO initially performs an analysis and ranks each discretionary initiative based on overall benefit and feasibility. The ISO will subsequently revise this initial ranking based on stakeholder feedback.

The roadmap development process consists of:

1. Ranking of discretionary initiatives for consideration in the development of the policy initiatives roadmap;
2. Review stakeholder input of the rankings of discretionary initiatives and revising initiatives as necessary;
3. Finalizing the ranked discretionary initiatives; and
4. Publishing the final *2017 Policy Initiatives Roadmap*.

2 Changes since Previous Version

The ISO made the following changes to the roadmap published on December 15, 2016 in this version:

1. The ISO removed “Transitional Grid Management Charge for New PTOs” from the 2017 roadmap. The ISO deferred this initiative to 2018. However, the ISO in 2017 will conduct a grid management charge cost of service study.
2. The ISO added “Donation by Third Party for Transmission Capacity Available for EIM Transfers” to the 2017 roadmap. The ISO added this non-discretionary initiative since it would not have a significant impact on policy development resources or the ISO’s 2018 implementation plan. A more detailed description of this initiative is included in the *2017 Stakeholder Initiatives Catalog*.
3. The ISO added “EIM Wheeling Rate” to the 2017 roadmap. This initiative was part of a larger initiative, “Potential EIM-wide Transmission Rate” and selected for the 2017 roadmap to address equity issues arising from EIM areas experiencing wheels. This initiative is included in the *2017 Stakeholder Initiatives Catalog*.
4. The ISO split “Regional Integration and EIM Greenhouse Gas Compliance” into two initiatives because the timeline for regional integration was extended. It was renamed to

“Regional Integration Greenhouse Gas Compliance” and added “EIM Greenhouse Gas Enhancements” to the 2017 roadmap. A more detailed description of these initiatives are included in the *2017 Stakeholder Initiatives Catalog*.

5. Updated 2017 Policy Initiatives Roadmap description.
6. Deleted the Stakeholder Engagement section.

3 2017 Roadmap Initiative Ranking Process

The initiative ranking process occurs in two steps. First, the ISO independently conducts a high level assessment of proposed policy initiatives. The ISO applies a simplified ranking process of three benefit and two feasibility criteria as show in Table 1 below. Each initiative is graded with “High”, “Medium” or “Low” based on the results of their criteria ranking.¹ The grade criteria also has an associated number scale that ranges from one (1) to ten (10); ten (10) being the highest. The total possible score an initiative can receive is fifty (50). These results are then published for stakeholders to review and comment.

After the ISO reviews stakeholder’s comments, initiative’s rankings are changed, if necessary. Based on the new rankings, the information is used in determining which policy initiatives will be a part of the *2017 Policy Initiatives Roadmap*.

Table 1: ISO’s High Level Prioritization Criteria

	Criteria	HIGH	MEDIUM	LOW	NONE	
		10	7	3	0	
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact
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
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact

¹ A score of “high” receives a ten (10). A score of “medium” receives a seven (7). A score of “low” receives a three (3). A score of “none” receives a zero (0).

Some stakeholders raised concerns about the ISO's roadmap process and provided suggestions for improving the process in the future. In particular, some stakeholders expressed a need for a more transparent, meaningful, and frequent catalog and roadmap process. Suggestions also included revising or deleting our "Desired by Stakeholder" metric, adding a "EIM Stakeholder" Category, adding an every six-month abbreviated catalog and roadmap process, and the ISO selecting only five (less/more) discretionary initiatives to be considered and ranked per process.

The ISO will consider enhancements to the upcoming *2018 Stakeholder Initiatives Catalog* and *2018 Policy Initiatives Roadmap* process.

4 High Level Prioritization

The ISO's 2017 Ranking Table below lists the top eight discretionary policy initiatives that were considered for the *2017 Final Policy Initiatives Roadmap*. The initiatives above the red line are the initiatives that were selected and added to the roadmap. The initiatives below the red line, although highly ranked, were not selected to be added to the *2017 Policy Initiatives Roadmap*. Those initiatives will be considered for the *2018 Stakeholder Initiatives Catalog* and *2018 Policy Initiatives Roadmap* process.

ISO's 2017 Ranking Table

Initiative Name	Grid Reliability	Improving Overall Market Efficiency	Desired by Stakeholders	Total Benefit	Market Participant Implementation (\$ and resources)	ISO Implementation (\$ and resources)	Total Feasibility	Total Score
Real-Time Market Enhancements	7	7	7	21	7	3	10	31
Management of EIM Imbalance Settlement for Bilateral Schedule Changes	3	7	7	17	7	7	14	31
Risk-of-Retirement Process Enhancements	10	3	3	16	10	3	13	29
CRR Auction Efficiency	0	7	7	14	7	7	14	28
Donation by Third Party for Transmission Capacity Available for EIM Transfers	3	7	3	13	7	7	14	27
EIM Wheeling Charge	3	3	3	9	7	7	14	23
Multi-Year RA	7	7	3	17	7	3	10	27
Export Charges	3	3	7	13	7	7	14	27
Combine IFM/RUC with Multi-Day Unit Commitment	3	10	7	20	3	3	6	26

5 2017 Policy Initiatives Roadmap

The illustration below reflects the eighteen initiatives currently underway and the six discretionary initiatives planned for 2017.

The light grey bars indicate the non-discretionary/on-going initiatives. The green bars indicate the discretionary items that were added to the roadmap following the policy roadmap development process. The ISO has also determined that additional analysis is needed before formally starting certain initiatives to clearly identify what issues should be included in the scope of the initiative. This is indicated below by blue bars.

Timeframes are estimates and are subject to change.

