2021 Summer Readiness Update

Stakeholder Call

January 19, 2021

Agenda

Topic	Presenter
Welcome and introductions	Kristina Osborne
Updates: - Final root cause analysis - Market Enhancements for Summer 2021 Readiness initiative - 2021 resource planning	Delphine Hou Greg Cook Neil Millar
Q&A	

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Final Root Cause Analysis
Joint report with CAISO, CPUC, and CEC on the mid-August 2020 Extreme Heat Event

Delphine Hou

Director, California Regulatory Affairs

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Final Root Cause Analysis confirms preliminary findings

- The climate change-induced extreme heat wave across the western United States resulted in demand for electricity exceeding existing Resource Adequacy and planning targets

- Planning targets in the transition to a reliable, clean and affordable resource mix have not resulted in sufficient resources to meet demand in the early evening hours of extremely hot days

- Several practices in the energy markets exacerbated the supply challenges under highly stressed conditions

Updates from Preliminary Root Cause Analysis

- Discussion of the Labor Day weekend heat wave

- Additional analysis of resource performance by resource type, including demand response based on customer meter settlement data

- Scheduling/bidding of load into the day-ahead market by type of load serving entity

- References to analysis provided in the Department of Market Monitoring report on the rotating outages

- Revised and updated recommendations

Market Enhancements for Summer 2021 Readiness Initiative

Greg Cook

Executive Director, Market and Infrastructure Policy

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Market Enhancements for Summer 2021 Readiness Initiative – Scope and Schedule

1. Export and load priorities
2. Reliability demand response resource dispatch and real-time price impacts
3. Requirements for storage resources during tight system conditions
4. Cost recovery provisions for hourly block imports during tight system conditions
5. Short term scarcity price enhancements
6. EIM coordination and resource sufficiency test review
7. Other items that can be vetted though stakeholder process and implemented by June 1

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Other items to be considered though stakeholder process for implementation by June 1

- Independent study interconnection enhancements to provide additional capacity by summer 2021

- Consider enhancements to the resource adequacy availability incentive mechanism (RAAIM)

- Look to push forward implementation of certain elements of the Resource Adequacy Enhancements initiative
  - Planned outage substitution rules
  - Minimum state of charge requirements for storage resources

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Stakeholder Process Schedule

Date	Milestone
Jan 6	Stakeholder call – scope/schedule
Jan 12 - 13	Workshops on export and load priorities, and EIM resource sufficiency evaluation
Jan 14	Comments due – scope/schedule
Jan 20	Comments due - Jan 12-13 workshops
Jan 22*	Post straw proposal presentation
Jan 26 or 27*	Stakeholder call – straw proposal
Feb 3*	Comments due – straw proposal
Feb 8-12*	Post draft final proposal (board memo), BRS, and tariff language
Feb 16-18*	Stakeholder call – draft final proposal and draft tariff
Feb 25*	Comments due – draft final proposal and draft tariff
Mar 10	EIM Governing Body meeting
Mar 24-25	ISO Board of Governors meeting
Jun 1	Implementation

*Tentative

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2021 Resource Planning

Neil Millar

Vice President, Infrastructure and Operations Planning

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Resources

- 2021 Summer Readiness webpage:

  http://www.caiso.com/about/Pages/News/SummerReadiness.aspx

- Summer 2021 Reliability Monthly Report – Jan. 11, 2021

  http://www.caiso.com/Documents/Summer-2021-Reliability-MonthlyReport-Jan11-2021.pdf

- Market Enhancements for Summer 2021 Readiness initiative webpage:
  https://stakeholdercenter.caiso.com/StakeholderInitiatives/Market-enhancements-for-summer-2021-readiness

- Submit summer 2020 data requests and/or Final Root Cause Analysis questions through CIDI; select corresponding subject types

  - If you do not have access to CIDI, send questions to Contact Us linked on ISO's homepage; members of media should contact isomedia@caiso.com.