

Market Initiatives Roadmap



Presented By:
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California ISO
Your Link to Power

Stakeholder Conference Call
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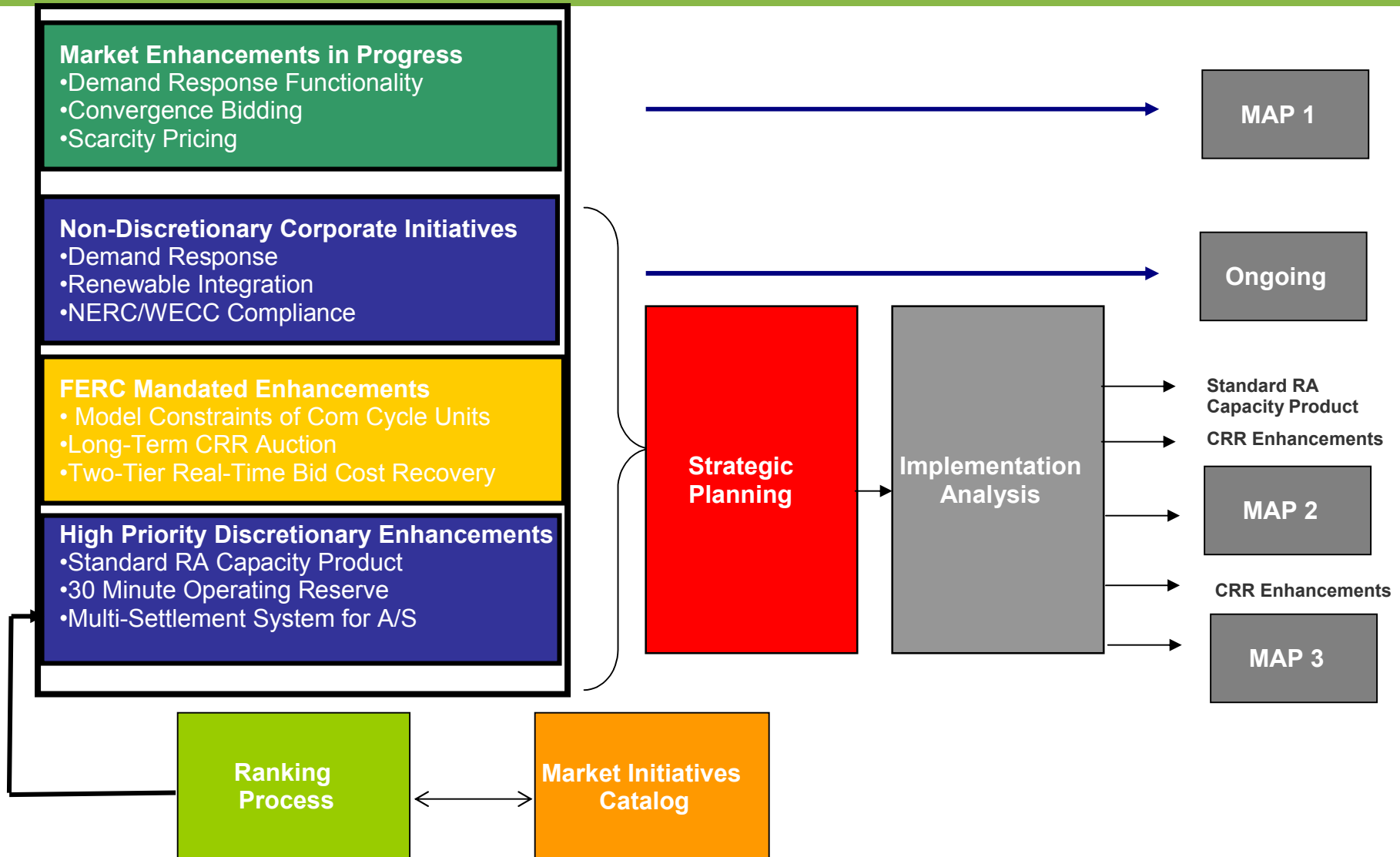
Market Initiatives Ranking Process

- 🌐 Documents posted to the CAISO website for this effort:
 - Report on Results of Ranking of High Priority Market Initiatives
 - Includes revised results of High Level Prioritization
 - Results of detailed ranking process
 - Updated and reorganized Market Initiatives Catalogue
 - Document name changed from Roadmap to Catalogue since document contains a collection of identified market initiatives rather than a planning guide
 - Items categorized in time series order and flagged to indicate status

All documents posted at:






<http://www.caiso.com/1fb1/1fb1856366d60.html>

Market Initiatives Roadmap Process



High Priority Market Enhancements





The following discretionary market enhancements ranked “High” through the formal ranking process:

-  Standard RA Capacity Product
-  30 Minute Operating Reserve
-  Ability to designate Ancillary Services Contingency Hourly
-  Multi-Settlement System for Ancillary Services
-  Market Power Mitigation of Start-Up and Minimum Load Bids

These market initiatives were ranked again using more extensive prioritization criteria

FERC Mandated Market Initiatives

The following four FERC Mandated Market Initiatives Ranked high through the formal ranking process:

-  Long Term CRR Auction
-  Sale of CRRs in the CRR Auction
-  Modeling of Combined Cycle Units
-  Ancillary Services Substitution

FERC mandated enhancements were included in the ranking process to assist the CAISO in planning for implementation of these items and to incorporate desired priority reflected in stakeholder comments.

Review of Results of High Ranked Market Initiatives



Standard RA Capacity Product

Strategic Objective	Weight	Score
Grid Reliability	10	3
Improving Market Efficiency	10	7
Promote Infrastructure Development	10	0
Desired by Stakeholders	10	10
Process Improvement (ISO & MP)	5	7
MP Implementation Cost	7	10
MP Implementation Impact (systems and resources)	7	10
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	7
CAISO Implementation Impact (systems and resources)	7	7
Impact on CAISO Ongoing Operating Costs	7	7
Total Benefit Score		235
Total Feasibility Score		308
Total Score		543

Long-Term CRR Auction

Strategic Objective	Weight	Score
Grid Reliability	10	3
Improving Market Efficiency	10	7
Promote Infrastructure Development	10	3
Desired by Stakeholders	10	7
Process Improvement (ISO & MP)	5	0
MP Implementation Cost	7	10
MP Implementation Impact (systems and resources)	7	10
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	7
CAISO Implementation Impact (systems and resources)	7	7
Impact on CAISO Ongoing Operating Costs	7	7
Total Benefit Score		200
Total Feasibility Score		308
Total Score		508

Sale of CRRs in the CRR Auction

Strategic Objective	Weight	Score
Grid Reliability	10	0
Improving Market Efficiency	10	7
Promote Infrastructure Development	10	0
Desired by Stakeholders	10	7
Process Improvement (ISO & MP)	5	7
MP Implementation Cost	7	7
MP Implementation Impact (systems and resources)	7	7
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	7
CAISO Implementation Impact (systems and resources)	7	7
Impact on CAISO Ongoing Operating Costs	7	3
Total Benefit Score		175
Total Feasibility Score		259
Total Score		434

Ancillary Services Substitution

Strategic Objective	Weight	Score
Grid Reliability	10	3
Improving Market Efficiency	10	3
Promote Infrastructure Development	10	0
Desired by Stakeholders	10	3
Process Improvement (ISO & MP)	5	3
MP Implementation Cost	7	10
MP Implementation Impact (systems and resources)	7	10
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	10
CAISO Implementation Impact (systems and resources)	7	7
Impact on CAISO Ongoing Operating Costs	7	10
Total Benefit Score		105
Total Feasibility Score		359
Total Score		464

30 Minute Operating Reserve

Strategic Objective	Weight	Score
Grid Reliability	10	3
Improving Market Efficiency	10	7
Promote Infrastructure Development	10	3
Desired by Stakeholders	10	3
Process Improvement (ISO & MP)	5	3
MP Implementation Cost	7	7
MP Implementation Impact (systems and resources)	7	7
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	7
CAISO Implementation Impact (systems and resources)	7	7
Impact on CAISO Ongoing Operating Costs	7	7
Total Benefit Score		175
Total Feasibility Score		287
Total Score		462

Hourly Designation of Ancillary Services Contingency

Strategic Objective	Weight	Score
Grid Reliability	10	3
Improving Market Efficiency	10	3
Promote Infrastructure Development	10	0
Desired by Stakeholders	10	3
Process Improvement (ISO & MP)	5	3
MP Implementation Cost	7	10
MP Implementation Impact (systems and resources)	7	10
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	7
CAISO Implementation Impact (systems and resources)	7	10
Impact on CAISO Ongoing Operating Costs	7	10
Total Benefit Score		105
Total Feasibility Score		350
Total Score		455

Market Power Mitigation of Start-Up and Minimum Load Bids

Strategic Objective	Weight	Score
Grid Reliability	10	0
Improving Market Efficiency	10	3
Promote Infrastructure Development	10	0
Desired by Stakeholders	10	7
Process Improvement (ISO & MP)	5	7
MP Implementation Cost	7	10
MP Implementation Impact (systems and resources)	7	10
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	7
CAISO Implementation Impact (systems and resources)	7	7
Impact on CAISO Ongoing Operating Costs	7	7
Total Benefit Score		135
Total Feasibility Score		308
Total Score		443

Modeling Constraints of Combined Cycle Units

Strategic Objective	Weight	Score
Grid Reliability	10	7
Improving Market Efficiency	10	7
Promote Infrastructure Development	10	0
Desired by Stakeholders	10	7
Process Improvement (ISO & MP)	5	7
MP Implementation Cost	7	10
MP Implementation Impact (systems and resources)	7	10
Impact on MP Ongoing Costs	7	10
CAISO Implementation Cost	10	0
CAISO Implementation Impact (systems and resources)	7	0
Impact on CAISO Ongoing Operating Costs	7	0
Total Benefit Score		245
Total Feasibility Score		140
Total Score		385

Multi-Settlement System for Ancillary Services

Strategic Objective	Weight	Score
Grid Reliability	10	7
Improving Market Efficiency	10	7
Promote Infrastructure Development	10	0
Desired by Stakeholders	10	3
Process Improvement (ISO & MP)	5	7
MP Implementation Cost	7	7
MP Implementation Impact (systems and resources)	7	7
Impact on MP Ongoing Costs	7	7
CAISO Implementation Cost	10	3
CAISO Implementation Impact (systems and resources)	7	3
Impact on CAISO Ongoing Operating Costs	7	3
Total Benefit Score		205
Total Feasibility Score		170
Total Score		375

Next Steps

- 🌐 Written comments requested from Stakeholders by June 17th to mmiller@caiso.com
- 🌐 Briefing at July Board meeting
- 🌐 Planning and further scoping to occur following July Board meeting to formulate a proposed implementation plan that considers:
 - How high ranked items link to goals and initiatives described in CAISO's 5-Year Business Plan
 - How market enhancements can be packaged to provide the most benefit from a design and implementation perspective
 - Linkages to CAISO non-discretionary initiatives and external activities
- 🌐 Work plan shared with stakeholders in late summer early fall for comments
- 🌐 Initiate stakeholder process on Standardized RA Capacity Product with issue paper in July followed by stakeholder meeting August