



California ISO

Preview of Day Ahead Market Enhancements

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Day-ahead market enhancements address net load curve and uncertainty previously left to real-time market

- 15-minute scheduling granularity in IFM
- Day-ahead imbalance reserve product
- Combined IFM and RUC

Why these three elements are dependent on each other?

- 15 minute scheduling addresses granularity issues between day-ahead market and FMM
- DA imbalance reserve product ensures sufficient real-time bids to meet imbalances that materializes in RTM
- Integrated IFM/RUC allows the DA imbalance reserve product to be procured relative to ISO net load forecast, not bid in demand

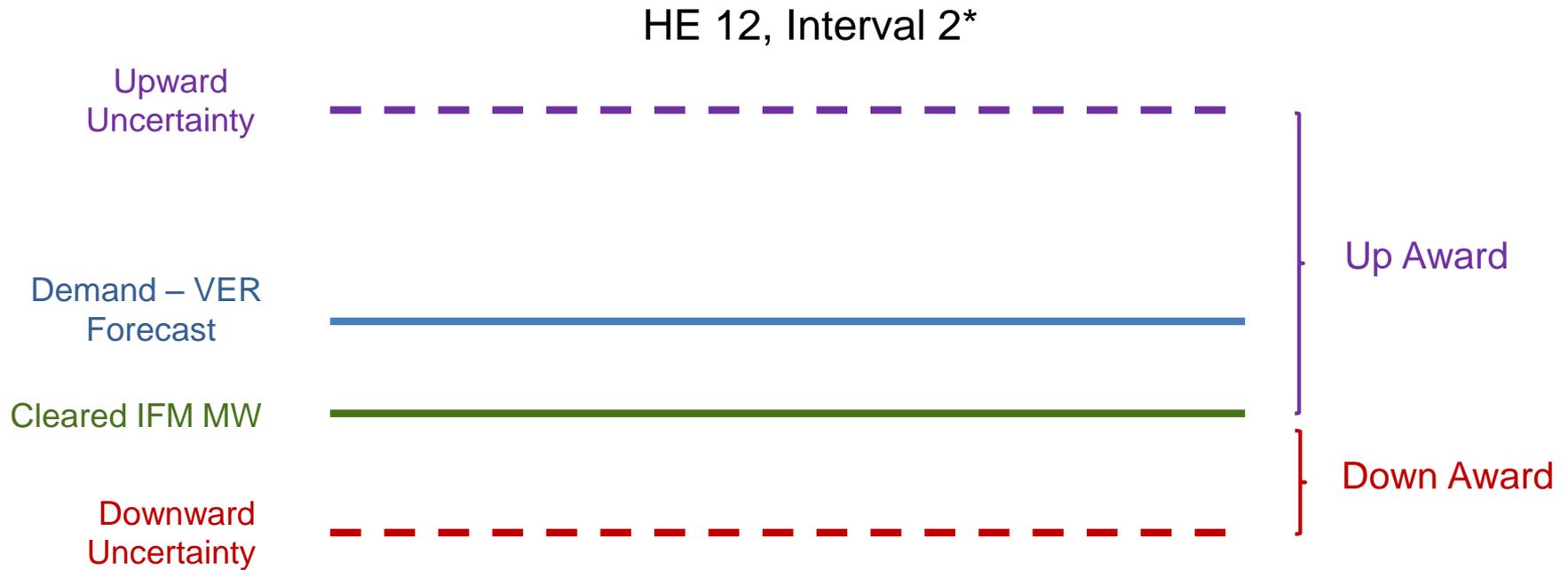
Currently RUC will commit additional resources if needed to match CFCD

HE12



- RUC net short will commit additional resources when IFM clears below CAISO forecast of CAISO Demand (CFCD)
- Intermittent Resource Adjustments account for under-scheduled VERs that will over-generate in real time.

DA imbalance reserve product ensures sufficient RT bids to meet changes in net load forecast



* 15-minute interval

Currently RUC will not de-commit resources if needed to match CFCD

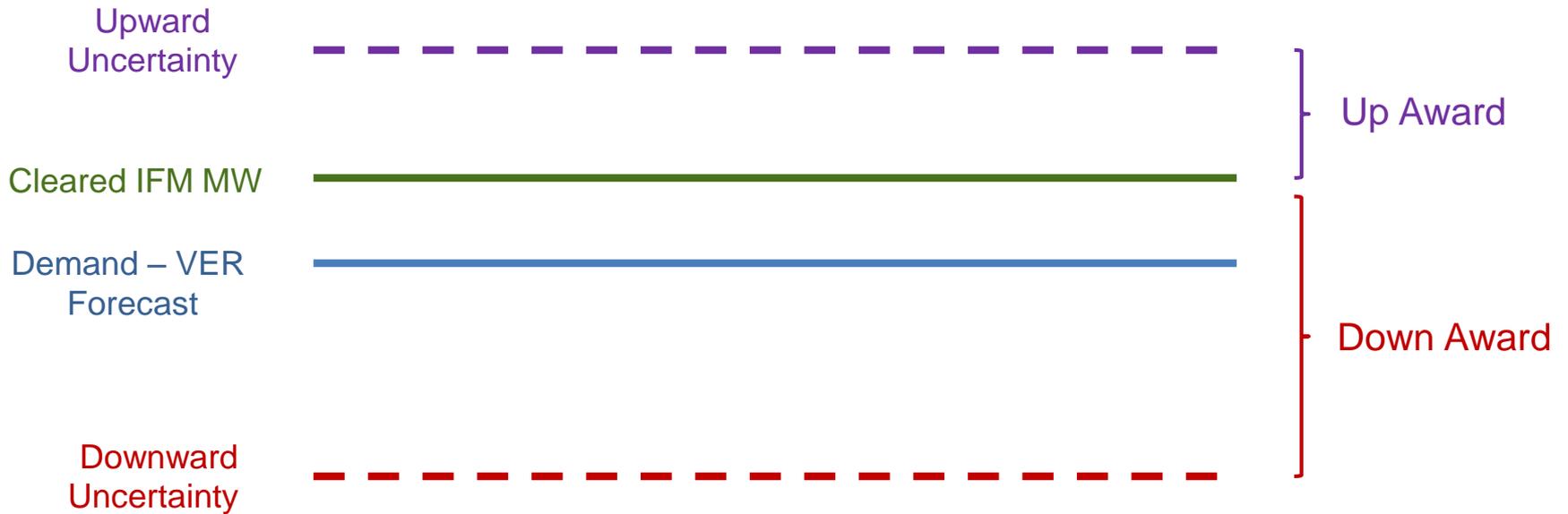
Current Design - HE 10



RUC is unable to de-commit units to match the CFDF. Therefore, imbalance is left to real-time market to resolve.

DA imbalance reserve product ensures sufficient RT bids to meet changes in net load forecast

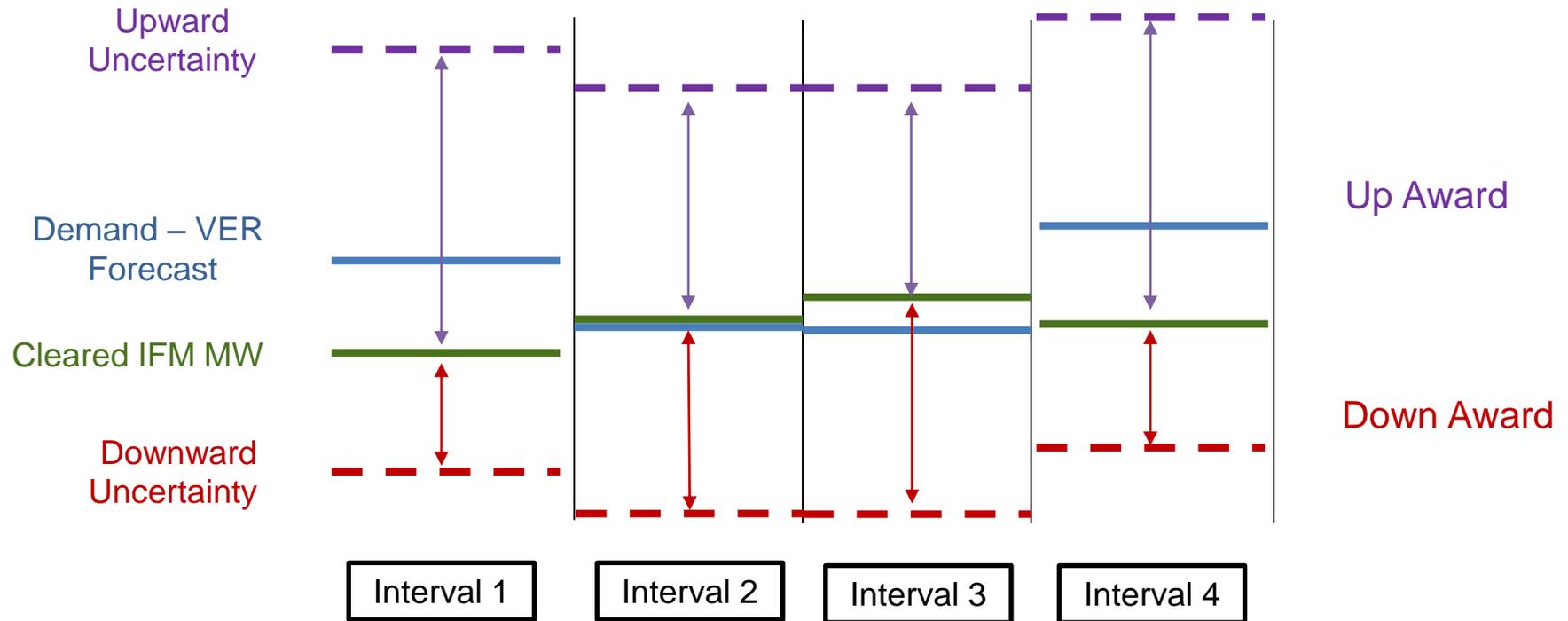
HE 10, Interval 1*



* 15-minute interval

DA imbalance reserve product ensures sufficient RT bids to meet changes in net load forecast

Proposed Design - HE 12, Intervals 1-4



Day Ahead Market Enhancements Schedule

- Post issue paper/straw proposal February 22
- Stakeholder Meeting March 1
- Stakeholder Comments March 15

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