



California ISO

Updated 2019 Annual Plan

May 23, 2019

Market and Infrastructure Policy

Changes to 2019 Annual Plan posted in December

Initiatives removed:

- Day-Ahead Market Enhancements – 15-Minute Granularity
 - Deferring in consideration of stakeholder comments
- Storage as a Transmission Asset
 - Deferred to 2020 to provide time for storage dispatch policy resolution in ESDER 4

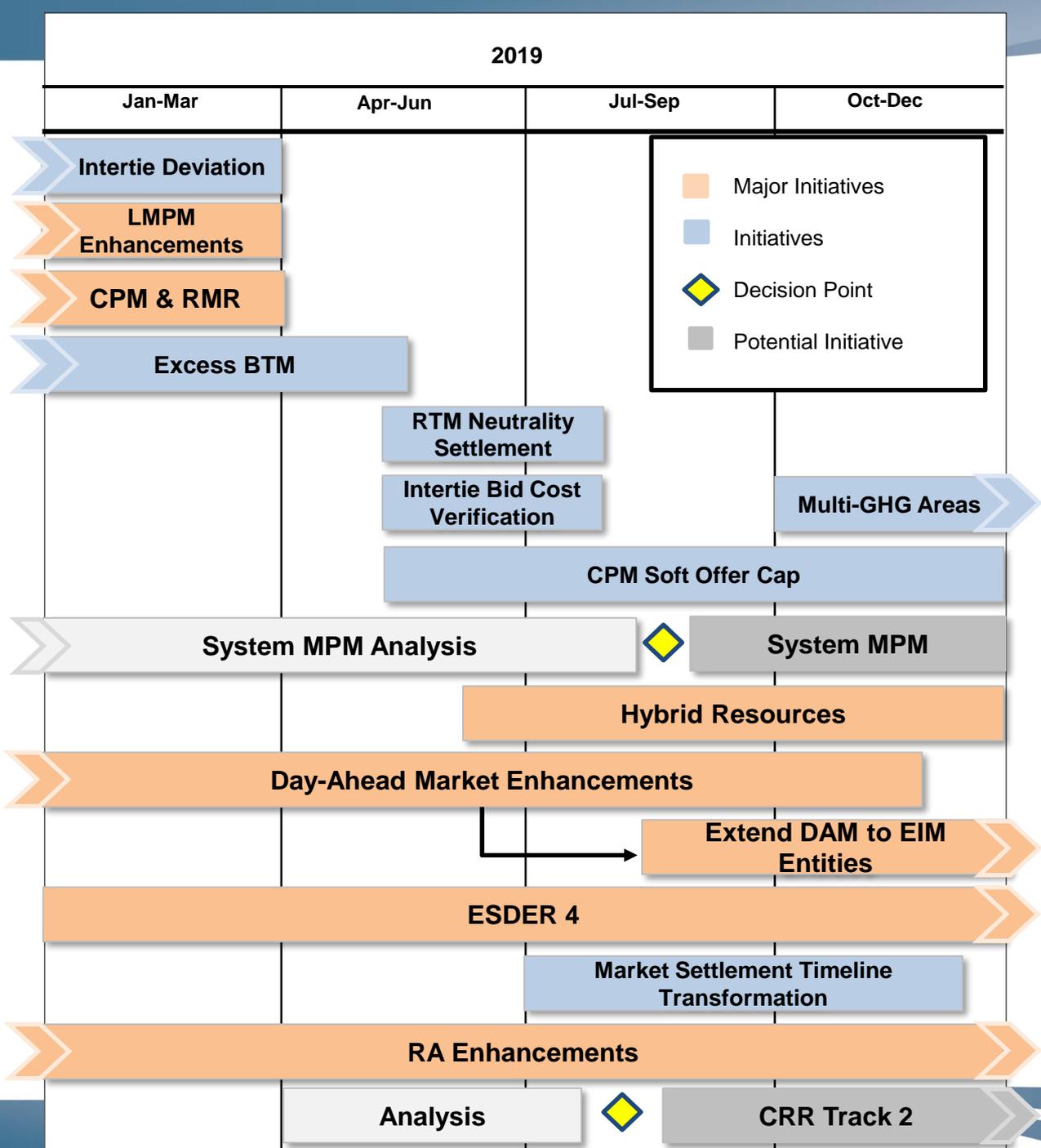
Changes to 2019 Annual Plan posted in December

New initiatives added:

- Real-time Market Neutrality Settlement
 - Addresses allocation inefficiency identified in current approach
- Intertie Bid Cost Verification
 - Aligns intertie resource requirements with internal resources under FERC Order 831
- Capacity Procurement Mechanism—Soft Offer Cap
 - Update soft offer cap and consider pricing options for 12 month CPM designations
- Hybrid (solar + storage) Resources
 - Explore and address issues related to hybrid resources, including forecasting, operations, resource adequacy, and market design

2019 Annual Plan

*Timeframes are approximate and are subject to change



Other initiative updates

- TAC Structure Enhancements
 - Targeting Board of Governors in February 2020 to ensure coordination and alignment with EDAM policy
 - Targeting 2021 implementation for 2022 ratemaking year

Next Steps

- EIM Governing Body Briefing: June 28, 2019
- Board of Governors Briefing: July 24, 2019