Updated 2021 Three-Year Policy Initiatives Roadmap and Annual Plan

Market and Infrastructure Policy

June 17, 2021

Primary drivers of updates to proposed 2021 three-year policy roadmap and annual plan

- **Market Enhancements for Summer 2021 Readiness**
  - Stakeholder process resulted in adding two initiatives to the 2021 annual plan:
    - External Load Forward Scheduling Rights Process, Resource Sufficiency Evaluation
  - Focus on ensuring grid reliability for summer 2021 meant several initiatives delayed starting in 2022:
    - Frequency Response Measures, VER Dispatch Enhancements, Joint Owned Unit Model, Hybrid Evolution
- **Resource Adequacy Enhancements**
  - Two phased approach to re-examine the resource adequacy requirements to align with the changing nature of resources and load and tightening western supply conditions

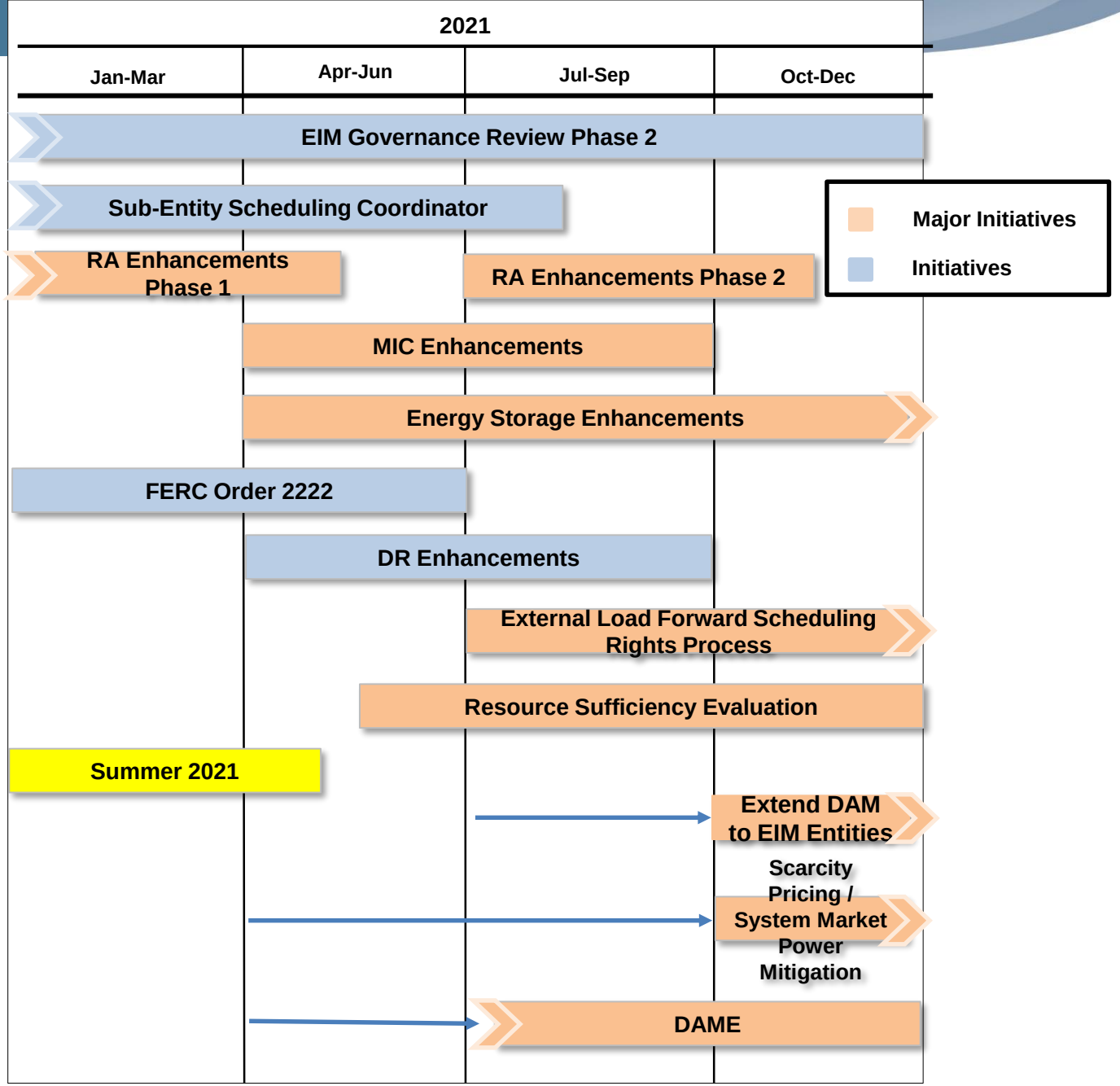
Reforms to resource adequacy program needed to align procurement with operational needs

- Phase 1 - Implementation 2021 (RA Yr. 2022)
  - Planned Outage Process Enhancements
  - Backstop Capacity Procurement – CPM for local energy sufficiency
  - Operationalizing Storage

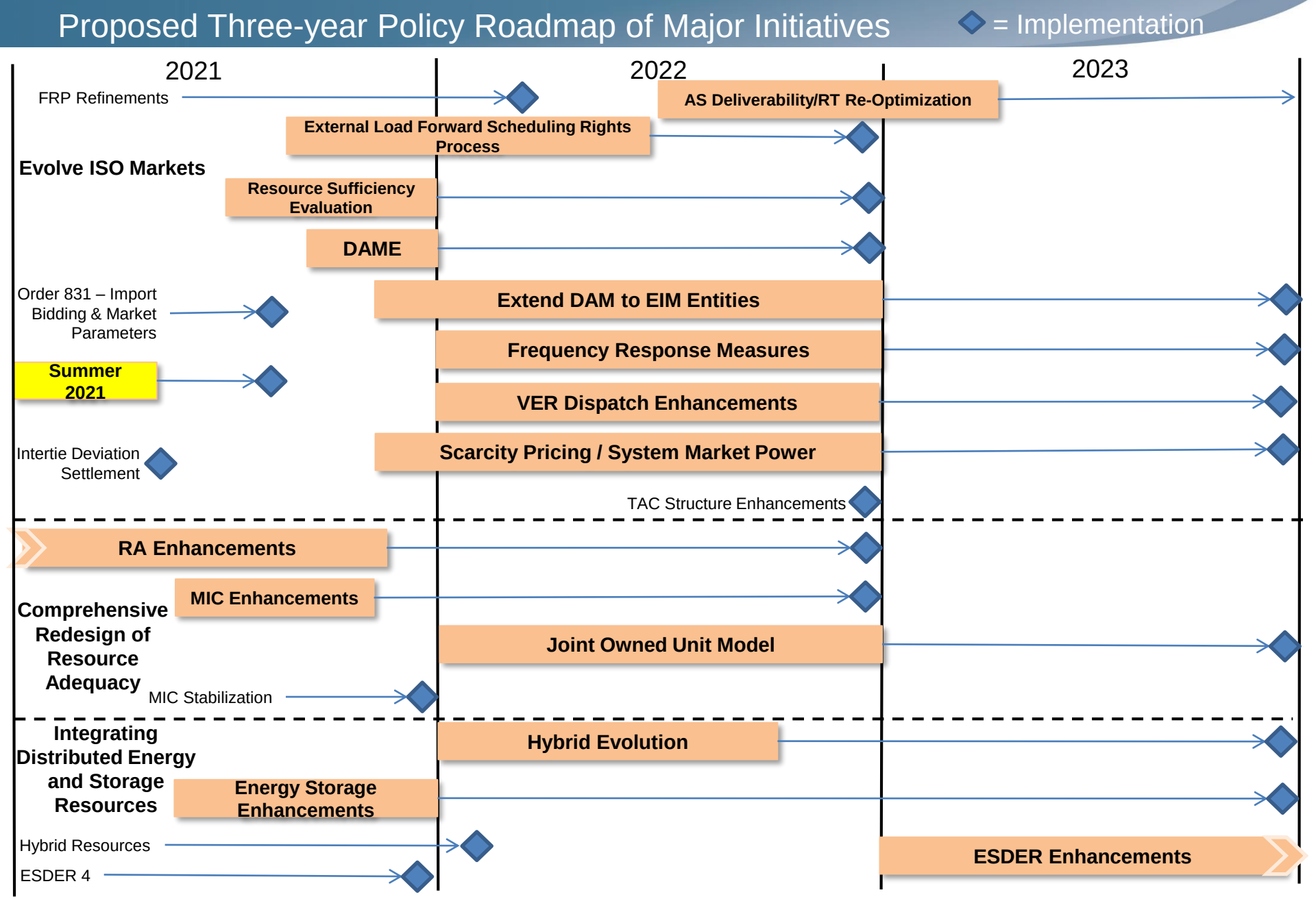
- Phase 2 - Implementation 2022 (RA Yr. 2023)
  - Unforced Capacity Evaluations (UCAP)
  - Import RA enhancements
  - Planned Outage Process Enhancements – Phase 2
  - Changes to align RA requirements with day-ahead market enhancements
    - Must Offer Obligations and Bid Insertion
    - Flexible Resource Adequacy

Updated 2021 Draft Annual Plan

*Timeframes are approximate and subject to change



Proposed Three-year Policy Roadmap of Major Initiatives



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2021 and 2022 Policy Initiatives Roadmap process schedule

- Updated 2021 roadmap and annual plan
  - Stakeholder call – June 17
  - EIM Governing Body briefing – June 30
  - Board of Governors briefing – July 14-15
- 2022 roadmap and annual plan
  - Stakeholder call Q4
  - EIM Governing Body and Board of Governors briefings Q4