



Day Ahead Market Enhancement Status and Next Steps

Stakeholder Call

May 2, 2019

Time: 1 p.m. - 3 p.m. PDT

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Market Design Policy

ISO INTERNAL

Agenda

- Phase 1: 15-Minute Granularity
 - Status
 - Next Steps
- Phase 2: Day-Ahead Flexible Ramping Product
 - Status
 - Next Steps
 - Timeline

Phase 1: Stakeholder feedback on 3rd RSP indicates waning support for 15-minute granularity

- Concerns of benefits vs. implementation complexity
 - Without 15-minute unit commitment, benefit of layering Pmin burden for internal resources not realized
 - Creating additional ramping capability by scheduling imports in the day-ahead timeframe is uncertain
 - High implementation costs for both CAISO and market participants
- The CAISO deferring consideration of 15-minute scheduling at this time

Phase 1: Next steps for other elements in initiative

- Regulation energy settlement moving forward with BPM change
- Non-generator resource ancillary service rules to enforce state-of-charge when awarding capacity moved to ESDER 4 initiative

Phase 2: Continue efforts to develop a day-ahead product to procure 15-minute ramp capability and uncertainty needs in the real-time (1 of 2)

- Commit resources in the day-ahead timeframe to ensure sufficient economic bids and 15-minute ramp capability to clear the real-time market
- Reduce out of market actions needed to commit resources with 15-minute ramp capability in the day ahead market
- Compensate resources for real-time availability and participation

Phase 2: Continue efforts to develop a day-ahead product to procure 15-minute ramp capability and uncertainty needs in the real-time (2 of 2)

- Focus efforts on developing day-ahead products
 - CAISO will develop day-ahead product regardless of EDAM feasibility assessment
 - However, in developing new product, CAISO and stakeholders should be mindful that product will be an important element of EDAM resource sufficiency evaluation
- Re-optimizing ancillary services will be moved to planned real-time market enhancement initiative
 - Stakeholder initiative planned for 2020

DAME will no longer be phased and will target Fall 2021 implementation

- Post Revised Straw Proposal – June
- Post 2nd Revised Straw Proposal – August
- Post Draft Final Proposal – November
- Implementation - Fall 2021