



California ISO

Extended Day Ahead Market  
Working Group 1 Weekly Report

Supply Commitment and Resource Sufficiency  
Week 1 Report  
1/3/22 – 1/7/22

## Progress Tracker

Topic	Schedule
<b>Core Design Decision</b>	
Resources qualifying	
Expected granularity and detail	
Ancillary Services requirement	
<b>Transfer Reliability</b>	
Reliability and confidence in EDAM transfers	
<b>RSE Advisory Showing</b>	
Characteristics of 45 day ahead advisory showing	Discussed 1/5/2022
<b>RSE Timing</b>	
Timing of conducting the EDAM RSE	
<b>EDAM RSE Components</b>	
Capacity Test	
Ramp Capability Test	
Test Constraints	
Inputs	
<b>EDAM RSE</b>	
Resource Counting Rules	
Failure Consequences	
EDAM to EIM RSE	
<b>Interaction with Western RA Programs and Reserve Sharing Groups</b>	
Reserve Sharing	
RA Programs	

## Weekly Discussion

January 3

**Scope Items Discussed:** Review principles and scope items

**Presenters:** None

**Discussion:**

The meeting opened with the participation logistics to provide all stakeholders the expectation that the work group sessions are intend to foster a collaborative space for open dialogue among all stakeholders to share ideas and perspectives with active and balanced participation in constructive and inclusive discussions. Links were provided to common Extended Day Ahead Market (EDAM) concepts and principles, EDAM initiative webpage, working group webpages, questions and inquires submittals, and work group registration. The focus of the day was a review of principles and scope items related to the Supply Commitment and Resource Sufficiency EDAM Working Group 1 with the goal of reviewing, clarifying, modifying or adding items as needed.

The review of guiding principles relevant to resource sufficiency including the following:

1. A resource sufficiency evaluation (RSE) will ensure EDAM entities can meet individual capacity and balancing authority obligations based on conditions known in Day Ahead time frame
2. EDAM participation should not modify state/local control or other aspects of long term capacity or integrated resource planning
3. The RSE should recognize and count the resources complying with various resource adequacy and planning programs of EDAM entities
4. The RSE should be transparent and be applied equally across all EDAM entities
5. Failure to meet the EDAM RSE should carry incentive-based consequences to ensure EDAM transfer feasibility and prevent leaning among EDAM entities
6. EDAM transfer are consider firm and reliable under different conditions

Stakeholders discussed the principles to understand the meaning and raised questions related these principles. Some of these questions will be addressed when the group gets into detailed discussion of specific scope items while other questions related to overall EDAM design. For the questions relative to the resource sufficiency scope items, these will be discussed in detail at the time those items are addressed. As for questions relative to the principles, there were several suggestions for a presentation to provide some further clarity on the principles of EDAM.

The initial list of scope items for the work group was reviewed and modified to add questions or issues for consideration when the detailed discussions occur.

**Conclusion:**

The principles discussion generated several questions relative to the EDAM design suggesting a need for background information and a consensus this would be helpful to set the stage for discussion of the scope items. The review of the scope items generated questions, comments and suggested additions and while some details were added to the existing scope items, the list of items was not altered during this meeting to add any new items.

## January 5

Scope Items Discussed: Review fundamentals and 45 day Advisory Showing

Presenters: George Angelidis – CAISO

### **Discussion:**

After reviewing the meeting reminders, the meeting started with a review of objectives for the meeting to review: scope item updates, proposed order of topics, a foundational overview, Resource Sufficiency Evaluation (RSE) purpose, and principles of the 45 day advisory showing scope item.

The order of discussion was proposed as main categories and the associated topics in the following order: Advisory Showing main category with Intent, Design and Transparency topics; Resource Sufficiency Evaluation main category with Timing, Qualification, and Failure Ramifications topics; and EDAM Transfers main category with Priority and Transfer Confidence topics. Comments on the Advisory Showing category included inquiries regarding the equivalent in the DAM and participation rules, and a suggestion to consider wheel through rules. This suggested a need to move on to the fundamentals review.

The fundamentals of the RSE were presented by George Angelidis to establish a common understanding to discuss the scope items. The RSE purpose is to ensure each EDAM Balancing Authority Area (BAA) submits physical schedules and bids to meet capacity and ramping capability to meet their reliability requirements. These include hourly demand forecast/uncertainty, and ancillary service requirements. The BAA requirements will be adjusted by declared bilateral energy/capacity transfers on bucket 1 transmission. After passing the RSE, economic displacement takes place in the IFM/RUC. This raised questions and comments regarding transmission buckets, load versus demand bids for use in IFM and/or RUC market runs, inclusion of GHG, impact demand resources on load, and a suggestion the fundamentals of day ahead and real time markets are consistent. Clarifications were provided for the questions and comments relevant to RSE while topics such as GHG were deferred to the appropriate working group.

Each EDAM BAA submits sufficient capacity to meet demand forecast with ancillary services and sufficient flexibility to meet cumulative forecast and uncertainty variation across consecutive hours while considering bucket 1 transmission transfers, then after passing the RSE, the market runs and considers bucket 2 and 3 transmission available for additional optimization. Load is scheduled and voluntarily bid at the entity discretion using the most accurate forecast while demand resources are considered as negative supply and clear against load. The purpose was stated as expanding the day ahead market rather than redesign and this drew comments that EDAM should include regional considerations. This was acknowledged with the understanding that the day ahead market is the foundation and serves as the starting point for discussion.

Further comments/questions included clarification of demand/virtual bidding, RUC process, expectations for an entity with transmission not participating, honoring resource adequacy obligations in EDAM, and uncertainty relative to congestion and outages. Clarification provided that uncertainty is based on demand forecast only and does not include outages. Final comments and questions included an indication that the day ahead market was the expected foundation for EDAM, need to discuss timing

of failure consequences, and potential need for deliverability test. These will be covered in the appropriate scope item discussions. This concluded the foundational review portion of the meeting.

The relevant guiding principles surrounding the 45 day advisory showing were reviewed and discussed in which the entities involved in the development stated the concept was to provide transparency regarding each BAA and respective plans to meet load obligations, and in the event there are potential shortages, there is time to resolve these before the actual RSE. The idea was to keep the process simple with either daily or monthly peak granularity and make adjustments as needed. A few comments suggested that the advisory should be a 2 day ahead RUC style run instead of the proposed 45 days. A comment regarding granularity suggested the evaluation must be hourly to account for energy limited resources such as hydro and that the purpose is resource sufficiency rather than resource adequacy intended to meet load forecast not the monthly peak every hour of the month. It was clarified the 45 day advisory was not intended to be an onerous exercise and instead intended to prevent leaning and provide an opportunity to correct deficiencies. Other comments included: shorter advisory showing does not provide time to correct deficiencies, advisory showing addresses a need for market participant to gain confidence there will not be leaning, clarify role of the reliability coordinator, balancing area operator may not have plan on 45 day basis, and a suggestion to clarify the purpose of the 45 day advisory showing.

**Conclusion:**

The presentation of fundamentals provided a common understanding for discussing scope items going forward. Initial discussion of the 45 day advisory showing raised objections from a few entities and several questions regarding the details and intent of the provision. Entities involved in the original proposal for this element were requested to prepare information to answer these questions. As such, the 45 day advisory showing topic will need further discussion.