



California ISO

External Load Forward Scheduling Rights Process Workshop

July 13, 2021

Opening Remarks

Elliot Mainzer, President and CEO of the California ISO

Marybel Batjer, President of the California Public Utilities Commission

Agenda

Time:	Topic	Presenter
9:00 - 9:05	Welcome and introductions	Kristina Osborne
9:05 - 9:15	Opening Remarks	Elliot Mainzer Marybel Batjer
9:15 - 10:10	Initiative Background	Milos Bosanac
10:10 - 10:50 10:50 - 11:30	Stakeholder Presentations: <ul style="list-style-type: none"> Salt River Project, Arizona Public Service Electric and Tucson Electric Power Powerex 	Barbara Cenalmor Jeff Spires
11:30 - 12:30	<i>Lunch</i>	
12:30 – 1:25 1:25 – 2:05 2:05 – 2:25	Stakeholder Presentations: <ul style="list-style-type: none"> PG&E, SDG&E, SCE, Six Cities and CalCCA BANC Pattern Energy 	Bonnie Blair Kevin Smith, Jon Olson Johnny Casana
2:25 - 2:35	<i>Break</i>	
2:35 - 3:50	Open Forum	
3:50 - 4:00	Next Steps	Kristina Osborne

Stakeholder Process

PROPOSAL DEVELOPMENT

Issue paper and working group

↳ Straw proposal

Draft final proposal

Draft business requirement specification

Draft tariff and business practice manual revisions

Final proposal

DECISION

ISO Board

EIM Governing Body

Tariff filing

FERC

IMPLEMENTATION

Business practice manual

Training

Market simulation

Go Live



Stakeholder input

This represents the typical process, and often stages of the process run in parallel.

We are here

Initiative Background

Milos Bosanac, Lead Infrastructure and Regulatory Policy Developer

External Load Forward Scheduling Rights Process - Initiative Background

- This initiative builds upon the policy discussions in the *Market Enhancements for Summer 2021 Readiness* initiative concluded earlier in the year regarding market scheduling priorities.
- ISO committed to undertaking an initiative to develop a long-term, durable, framework for establishing priority scheduling rights in the market.
- This initiative also aims to explore near-term enhancements implementable by Summer 2022.

Purpose of workshop

- Seeking stakeholder input and perspectives on:
 - Problems and issues presented by ISO's rules for managing schedule curtailments at the interties and access to the transmission system.
 - Potential near-term enhancements to scheduling priority framework and requirements for summer 2022.
 - Guiding principles for a long-term, durable, solution.
 - Approaches or frameworks that the ISO should consider for a long-term solution.

Current Framework – Background

- The ISO manages schedules on its grid through the day-ahead and real-time markets, and applies scheduling priorities to conduct curtailments of self-schedules in these markets.
- If there is sufficient generation and transmission capacity to support self-schedules, the ISO market will uphold these.
- If there is insufficient supply or binding transmission constraints, ISO markets will curtail self-schedules to clear the market based on market penalty parameters that reflect respective scheduling priorities.

Interim Priorities

- Wheels can establish high scheduling priority (equal to load) by:
 - Notifying the ISO 45 days prior to the month the MW quantity of the wheel supported by a firm supply contract to serve load in an external balancing authority area for the month.
 - Attesting that they have secured firm transmission to the ISO border for the entire month.
- Exports can establish high scheduling priority (equal to load) by:
 - Sourcing from designated non-resource adequacy capacity.
 - Confirming a load serving entity outside of ISO has rights to the capacity.

Problem Statement

- The current framework creates uncertainty for both the ISO and external load serving entities.
- In constrained system conditions, the ISO's ability to serve native load and manage system reliability may be impaired as well as the ability of external load serving entities to depend on delivery across or through the ISO's system to reliably serve load.

Initial Principles

- Ensure ISO ability to serve native load needs while providing non-discriminatory access to the transmission system consistent with open access principles.
- Ensure ISO has the tools and processes necessary to manage the grid reliably.
- Maintain the efficiencies of the ISO markets in dispatching resources, on a least cost basis, to serve load and meet market needs.

Initiative Phasing

- Phase 1 – Near-Term Enhancements
 - Enhancements to current framework that can be implemented by Summer 2022.
 - ISO Board presentation in March 2022.
- Phase 2 – Long-Term Framework
 - Development of holistic framework for establishing market scheduling priorities.
 - ISO Board presentation targeted for May 2023, with implementation in January 2024.
- Issue paper publication by end of August capturing stakeholder input and further outlining timelines.



California ISO

Stakeholder Presentations

Next Steps

- Please submit comments on the workshop presentations and discussion using the commenting template linked on the initiative webpage
 - Comments are due by end of day Aug 3, 2021
- Visit initiative webpage for more information:
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/External-load-forward-scheduling-rights-process>
- If you have any questions, please contact Kristina Osborne at kosborne@caiso.com or isostakeholderaffairs@caiso.com