



# Notice

**To:** Mary Leslie, Chair, ISO Board of Governors  
Rob Kondziolka, Chair, WEIM Governing Body

**From:** Roger Collanton, Vice President, General Counsel and Corporate Secretary

**Date:** March 6, 2023

**Re:** Notice of Planned Decisional Classification for “Market Parameter Changes Enhancement”

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***Any objection by the Chairs to this decisional classification is due by March 13, 2023.***

This is formal notice of Management’s decisional classification for “Market Parameter Changes Enhancement,” which proposes two sets of tariff amendments. First, it would reduce the shift factor threshold from two percent to 0.2 percent for default load aggregation points and trading hubs, which are aggregated locations within the ISO balancing authority area only. Second, it would create a procedure to enable the ISO to adjust identified penalty price values to address production issues. Management believes that the WEIM Governing Body has an advisory role with respect to the first issue (reduction of shift factor) and joint authority over the second issue (adjustment of penalty price), to the extent the proposed tariff changes for that issue apply to the real-time market.

Any objection by the Chairs to this decisional classification is due by Monday, March 13, 2023. Otherwise, the initiative will be presented for decision consistent with this classification.<sup>1</sup>

The first issue falls outside the scope of WEIM Governing Body and ISO Board joint authority (“joint authority”) because it would apply only to locations within the ISO balancing authority, and would not apply to WEIM entities or other participants. Because this set of changes apply to the rules of the real-time market, the WEIM Governing Body has the option of providing advisory input to the ISO Board.

The second issue falls within the scope of joint authority, for changes that apply to the real-time market, because the proposed procedure applies across the entire market footprint, including WEIM balancing authority areas.

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<sup>1</sup> The process is described in the “Guidance Document,” available [here](#).

Written stakeholder comments on the draft final proposal were due January 31, 2023. While no commenters objected to the proposed classification, Puget Sound Energy observed that the first change, the reduction of the shift factor threshold, could potentially be applied in the future to EDAM. Because it “may have market or pricing implications for future EDAM participants,” Puget Sound asked that “the decisional classification for this item should not be determined until CAISO provides ... draft tariff language for EDAM.”

Management agrees with Puget Sound that EDAM stakeholders would want input on this policy to the extent it may be extended to apply to EDAM, but also believe that this initiative should move ahead without delay for the ISO balancing authority area only. To accommodate both needs, Management has committed to a “catch up” stakeholder process for this policy, and for any other new market rules adopted between now and the publication of the draft EDAM tariff, that apply only to the ISO balancing authority at this time but may be extended to EDAM in the initial tariff. Management explained these plans to the Puget Sound representative, who was satisfied with this resolution.

The draft final proposal for this initiative is located [here](#). Additional relevant papers for this initiative are located [here](#).