

# **GHG Coordination Working Group**

27 Nov - 03 Dec 2023

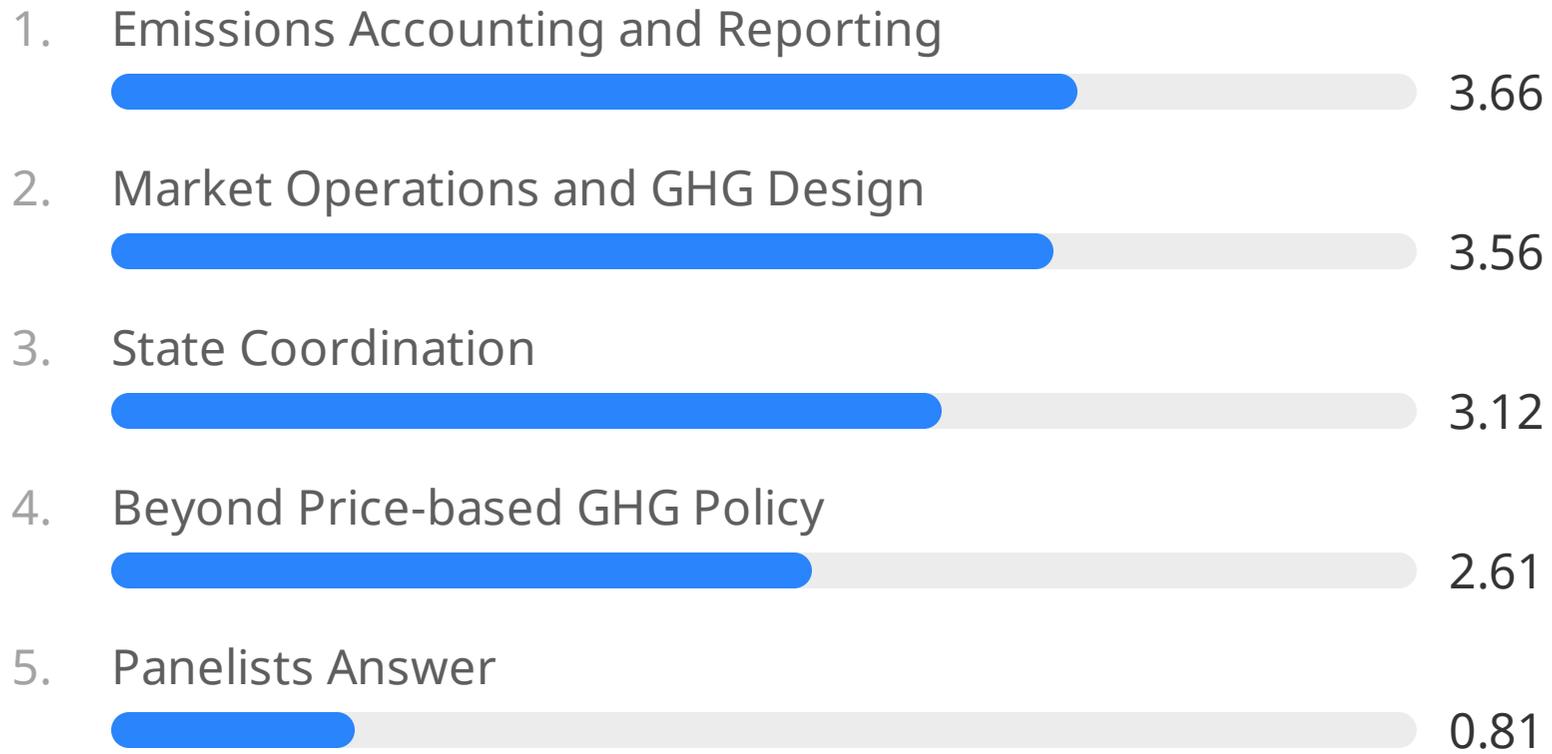
Poll results

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- Please sequence the following topic areas in order of highest priority for discussion to lowest priority for discussion:
- Please sequence the consolidated problem statements in order of highest priority for discussion to lowest priority for discussion. The ISO is dedicated to addressing each problem statement, but will use the top listed problem statements to indicate near term priorities for assessment and further discussion if necessary.
- Please provide any questions you have on the current GHG design that you would like the ISO to answer:
- Please provide any other feedback on the prioritization of problem statements that has not already been captured:

**Please sequence the following topic areas in order of highest priority for discussion to lowest priority for discussion:**

0 4 1



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(1/5)

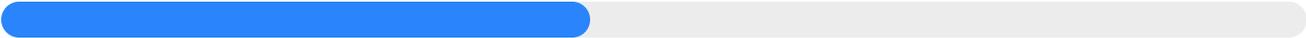
1. When there are multiple unlinked GHG regulation areas or different reporting requirements by different states, market participation may result in double counting, undercounting, or inconsistent counting of emissions.  
 6.45
2. The ISO does not provide all metrics desired by market participants.  
 5.62

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(2/5)

3. The optimization does not take the explicit cost of secondary dispatch into account, and therefore may not balance optimized attribution with constraints to limit secondary dispatch.  
 5.03
4. There is not a market mechanism for utilities, operating in states with a declining cap on emissions, to ensure load is served by generation and wholesale market transfers that meet those emission reduction targets.  
 4.69

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(3/5)

5. The current GHG design does not limit attribution to only capacity above the baseline which results in the potential for secondary dispatch.  
 3.90
6. There is not a market mechanism for states with both a price on carbon and a declining cap on emissions to reflect both requirements in the market.  
 3.59

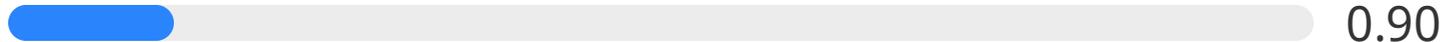
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(4/5)

7. There is not a market mechanism for a utility in a state with a declining cap on emissions, to offer generation to the market on a portfolio basis (regardless of point of consumption) that meets the state's emissions target over a given time period.  
 3.38
8. Attribution is not scale-able because it creates the potential for secondary dispatch. This secondary dispatch could increase with market expansion.  
 3.17

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(5/5)

9. Panelists Answer



## Please provide any questions you have on the current GHG design that you would like the ISO to answer:

0 1 0

(1/2)

- How does attribution in the market design (which differs from actual physical dispatch) influence GHG accounting?
- Is there any load served that would be incorporated into the market dispatch, that would not fall under state utility compliance obligations?
- I am curious as to how the CAISO estimates the cost of secondary dispatch (or would estimate) if it would include it in constraint modeling. This may have already been explained and I missed it.
- nothing now.
- What is the overall emissions impact of the GHG design from a market footprint perspective? And how what is the cost of those emissions reductions, assuming the design is reducing (or at least not increasing) emissions?
- Overcollection of GHG revenue relative to actual GHG compliance cost.

**Please provide any questions you have on the current GHG design that you would like the ISO to answer:**

0 1 0

(2/2)

- Why "the portion attributed below the base-line" represents secondary dispatch and is the best proxy for "leakage"?
- Panelist answer
- How does the design relate to CARB's proposed changes to its Outstanding Emissions Calculation?
- what is the cost of secondary dispatch

## Please provide any other feedback on the prioritization of problem statements that has not already been captured:

(1/2)

- Priorities could be informed by state regulators who may need to develop and update state policies informed by these discussions. So their points of interest could be front loaded
- I hope the ISO continues to take into consideration the challenges that multi-jurisdictional entities are facing with GHG market design (either/both load in differing GHG states, as well as gen/supply in differing GHG states), as well as the "competition" of attribution between different GHG states.  
Thank you!
- It would be helpful if a problem statement currently only applies to one state that it be listed to that state so that we can then evaluate if there are any conflicts with a problem statement that applies to other states or if it can in the future be made to apply to other states.

## Please provide any other feedback on the prioritization of problem statements that has not already been captured:

(2/2)

- None of the problem statements directly gets at exploring load-based accounting as a future GHG design. Can the CAISO make sure this issue is discussed either explicitly or within the discussion of the eight problem statements.
  - Secondary dispatch, as defined as attribution below base schedule, is not always problematic and may often be appropriate.
- Will the problem statements allow more discussion of how to actually define something that is problematic?
- More clarity about how these will be used to get to and drive solutions will be needed
  - understanding the current design would help inform what metrics for reporting are appropriate
  - Panelist answer