



California ISO

# Capacity Procurement Mechanism (CPM) Enhancements

## Track 1 – Draft Final Proposal

Stakeholder Meeting  
September 23, 2022

# Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- Meeting is structured to stimulate dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.

## Instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  located on the top right above the chat window. **Note:** #2 only works if you dialed into the meeting.
  - Please remember to state your name and affiliation before making your comment.
- If you need technical assistance during the meeting, please send a chat to the event producer.
- You may also send your question via chat to either Brenda Corona or to all panelists.

# Today's Agenda

Time	Topic	Presenter
9:00 – 9:05	Welcome and stakeholder process	Brenda Corona
9:05 – 10:50	<p>CPM enhancements: track 1 draft final proposal</p> <ul style="list-style-type: none"><li>• <u>4.1</u>: reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed</li><li>• <u>4.2</u>: reducing the term of significant event CPM designations when the designated capacity has already been committed or is unavailable to the ISO</li><li>• <u>4.3</u>: CPM reporting via OASIS</li><li>• <u>4.4</u>: CPM market notices</li><li>• <u>4.5</u>: CPM notifications to scheduling coordinators</li></ul>	CB Hall, Abdul Mohammed-Ali
10:50 – 11:00	Next steps and proposed schedule	Brenda Corona

# CAISO Policy Initiative Stakeholder Process



# TRACK 1 DRAFT FINAL PROPOSAL

# CPM Enhancements Track 1 Draft Final Proposal

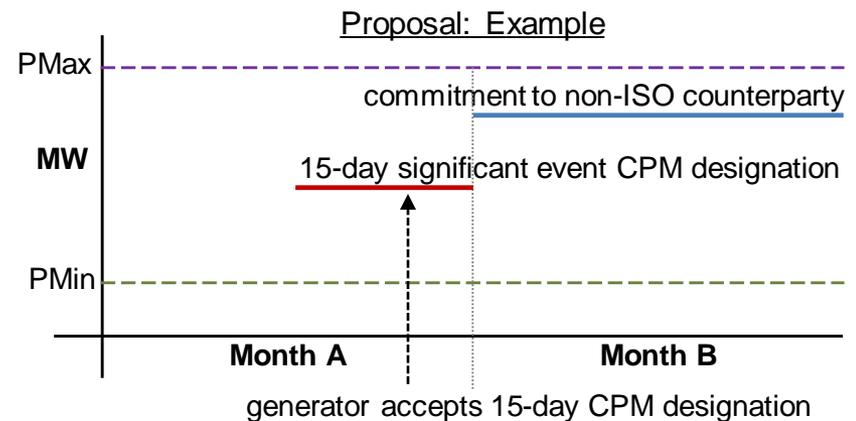
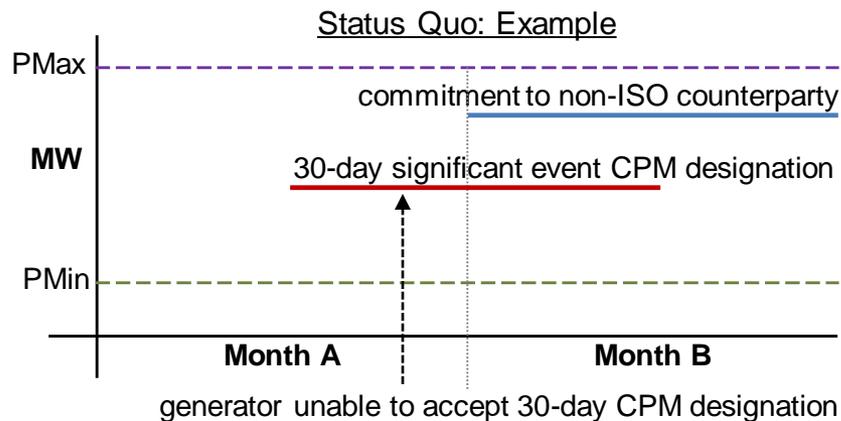
## **Proposal 4.1: reducing the volume (MW) of significant event CPM designations when the designated capacity has already been committed**

- The ISO should be able to make mid-term significant event CPM award reductions if the designated capacity ~~receives~~ **has already been committed (and shown to the ISO)** for an RA contract, reliability must-run (RMR) contract or monthly CPM designation (**referred to here as “other capacity commitments”**).
- The ISO will only be allowed to make such mid-term significant event CPM award reductions when the other capacity commitments are accepted **before** the significant event CPM award is accepted.
- In conjunction with this proposal, the ISO plans to make a tariff clarification to more explicitly forbid CPM designated capacity from taking on new RA obligations that conflict with the CPM obligations. However, this tariff clarification will not impact the CAISO’s current authority to adjust exceptional dispatch CPM quantities per ISO Tariff Section 43A.2.5.2.4.

# CPM Enhancements Track 1 Draft Final Proposal

## **Proposal 4.2: Reducing the term of significant event CPM designations when the designated capacity has already been committed or is unavailable to the ISO**

- The ISO proposes to allow resources to voluntarily accept significant event CPM designations for less than 30 days **at the discretion of the resource scheduling coordinator**. ~~when the designated capacity has already been committed for the upcoming month, but the commitment is not visible to the ISO~~
- Examples of **designated capacity already committed or unavailable** commitments not visible to the ISO
  - Commitments to counterparties outside the ISO
  - RA capacity not shown on an ISO supply plan
  - **Planned outages**



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## Proposal 4.3: CPM reporting via OASIS

- The ISO proposes to meet its CPM designation reporting obligations through its open access same-time information system (OASIS), which now receives CPM designation information directly from the ISO's customer interface for resource adequacy (CIRA) application
- As part of this proposal, the ISO plans to remove the tariff requirement (under section 43A.6.2) for the ISO to post a market notice when the CPM designation report is available.

Example of Existing CPM Designation Report<sup>5</sup>

California ISO  
California Independent System Operator Corporation

October 2021 Significant Event Capacity Procurement Mechanism Designations Report

**Designation Summary:**  
In October 2021, the California ISO issued Significant Event Capacity Procurement Mechanism (CPM) designations to multiple generating units. The designations' effective dates are listed in the table below and have a 30-day term. Prior designations have been included in a previous report.

**CPM Significant Event Designations**

**Amount and Cost:**

Resource ID	CPM MWs	Designated Start Date	CPM Type	Price \$/kW-mon	Tac Area
OMAR_2_UNIT 1	2.32	10/1/2021	SIGEV	6.31	SYS
OMAR_2_UNIT 2	2.12	10/1/2021	SIGEV	6.31	SYS
OMAR_2_UNIT 3	2	10/1/2021	SIGEV	6.31	SYS
OMAR_2_UNIT 4	2	10/1/2021	SIGEV	6.31	SYS
SYCAMR_2_UNIT 1	3	10/1/2021	SIGEV	6.31	SYS
SYCAMR_2_UNIT 2	8	10/1/2021	SIGEV	6.31	SYS
JAWBNE_2_SRWWD2	2.36	10/1/2021	SIGEV	6.31	SYS
GATEWT_2_GESBT1	5	10/1/2021	SIGEV	6.31	SYS

**Reason for CPM Significant Event Designations:**  
The California ISO (ISO) issued CPM Significant Event designations to the resources listed above to address a CPM Significant Event. A CPM Significant Event is "a substantial event, or a combination of events, that is determined by the CAISO to either result in a material difference from what was assumed in the resource adequacy program for purposes of determining the Resource Adequacy Capacity requirements, or produce a material change in system conditions or in CAISO Controlled Grid operations, that causes, or threatens to cause, a failure to meet Reliability Criteria absent the recurring use of a non-Resource Adequacy resource(s) on a prospective basis."

Preliminary Mock-Up of OASIS CPM Designation Report

RESOURCE_ID	RESOURCE_NAME	PERIOD_TYPE	CPM_TYPE	CPM_MW	CPM_PRICE	START_DATE	END_DATE	DURATION	DESIGNATION_DETAILS
CALBCH_1_TEST	California Beach	INTRAMONTHLY	SIGEV	60	6310	6/1/2021	7/1/2021	30	Significat Event CPM for Summer 2021
CALHLS_1_TEST	California Hills	INTRAMONTHLY	ED	100	6310	9/1/2021	10/31/2021	60	Exceptional Dispatch CPM to mitigate a local reliability need in the Hubmoldt area

<sup>5</sup> October 2021 Significant Event CPM Designations Report  
<https://www.caiso.com/Documents/October2021SignificantEventCPMReport.pdf>

# CPM Enhancements Track 1 Draft Final Proposal

## **Proposal 4.3: CPM reporting via OASIS**

#	Stakeholder Requests	ISO Response*
1	Significant event CPM award reductions reflected in OASIS	The ISO will explore the feasibility of this request.
2	Significant event CPM term reductions reflected in OASIS	The ISO agrees with this request
3	CPM final costs in OASIS	The ISO may take this issue up in a subsequent track and/or initiative.
4	OASIS multi-month date ranges	The ISO agrees with this request
5	Consolidated CPM history	The ISO cannot accommodate this request

*\*Please refer to Track 1 draft final proposal for more detail and context*

# CPM Enhancements Track 1 Draft Final Proposal

## **Proposal 4.4: CPM market notices**

- The ISO proposes to extend the CPM designation market notice deadline from two business days to five business days<sup>6</sup>
- Will ensure the ISO has sufficient time to collect the information needed for the market notice, undertake the proper reviews, obtain necessary approvals, and issue a market notice

<sup>6</sup> ISO tariff section 43A.6.1

# CPM Enhancements Track 1 Draft Final Proposal

## **Proposal 4.5: CPM notifications to scheduling coordinators**

- The ISO proposes enhancements to its customer interface for resource adequacy (CIRA) application to make the resource scheduling coordinator contact information visible to and editable by the resource scheduling coordinator.
- Will help ensure that CPM designation notifications are sent to the right contacts
- These changes will likely not require any tariff modifications

# NEXT STEPS

# CPM Enhancements Track 1 Initiative Schedule

Date	Development
<b>09/16/22</b>	Published draft final proposal
<b>09/23/22</b>	Stakeholder conference call: draft final proposal
<b>10/7/22</b>	Comments due: draft final proposal
<b>11/03/22</b>	Publish draft tariff language
<b>11/08/22</b>	Publish final proposal
<b>11/15/22</b>	Stakeholder conference call: draft tariff language and final proposal
<b>11/17/22</b>	Comments due: draft tariff language
<b>12/15/22</b>	Board of Governors Meeting
<b>2023</b>	FERC filing and implementation

*\*Dates are tentative and subject to change.*

## Next Steps

- Please submit comments on the track 1 draft final proposal and meeting discussion using the commenting tool linked on the initiative webpage
  - Comments are due by end of day, **Friday, October 7, 2022**
- Visit initiative webpage for more information:  
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Capacity-procurement-mechanism-enhancements>
- If you have any questions, please contact [isostakeholderaffairs@caiso.com](mailto:isostakeholderaffairs@caiso.com)



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