



# EIM Sub-Entity Scheduling Coordinator

## Revised Straw Proposal

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1/28/2021

# CAISO policy initiative stakeholder process



# Agenda

| Topic  | Presenter        |
|--|------------------|
| Welcome and stakeholder process                  | Kristina Osborne |
| Stakeholder comments and changes to the proposal | Danny Johnson    |
| Proposal   | Danny Johnson    |
| EIM classification and next steps                | Kristina Osborne |

# STAKEHOLDER COMMENTS & CHANGES TO PROPOSAL

## Proposal clarifies eligibility for the sub-entity scheduling coordinator role

- Stakeholders asked for clarification on what type of entities would be eligible for this functionality and expressed concern regarding sub-entity proliferation.
  - The CAISO clarifies in the revised straw proposal the types of entities eligible for sub-entity scheduling coordinator functionality.
- Sub-entity functionality must be agreed upon by the EIM entity as well as the sub-entity.
  - An entity can neither unilaterally decide to become a sub-entity nor be compelled to become a sub-entity.

Stakeholders requested CAISO standardize balancing authority area (BAA) level charges within the sub-entity proposal rather than allowing these charges to be determined by an EIM entity's Open Access Transmission Tariff (OATT)

- The proposal does not address EIM participant OATTs, nor does it intend to ensure they are aligned.
  - Allowing EIM entities to allocate costs internal to their balancing authority area per their OATT is a foundational piece of the EIM design.
  - An independent initiative started through the policy roadmap and stakeholder catalog process is a more appropriate venue to pursue this change.
- Current cost allocations determined by EIM entity participants' OATTs have been approved by FERC.

## Stakeholders asked for additional detail on which bill determinants will be available to the sub-entity

- CAISO proposes the EIM sub-entity shall have access to all bill determinants that provide EIM sub-entity data, EIM sub-entity resource specific information and the BAA specific common files.
  - Specific bill determinant identification will be done in implementation.
- The CAISO asks that if sub-entities believe additional determinants are necessary for them to be identified in written comments.

## Stakeholders requested additional information on full network model (FNM) submission and automatic dispatch system (ADS) availability

- The revised straw proposal proposes that FNM maintenance remain the responsibility of the EIM entity with flexibility to allow sub-entities to submit their model.
- The proposal reiterates that ADS data is pulled at a resource specific level.
  - The revised straw proposal intends to allow for both the EIM sub-entity and the EIM entity to have the ability to pull ADS data for resources they are the scheduling coordinator for, or within whose BAA they reside.

# Stakeholders requested additional detail on forecasting

- The revised straw proposal specifies that EIM entities will have control over the type of forecasting that a sub-entity is able to use.
- EIM entity will determine:
  - If a sub-entity is able to use their own Variable Energy Resource (VER) supply forecast.
  - If sub-entity is able to use their own load forecast, or if the forecast will be provided by the CAISO.
    - The decision has implications on the balancing test that will affect the entirety of the balancing authorities area.

Idaho Power raised a reliability concern regarding the EIM entity being responsible for passing the resource sufficiency evaluation (RSE) without full awareness of the forecast being reflected in sub-entity base schedules

- The reliability concern is that a significant difference in forecast could arise that the EIM entity would have to cure in a limited amount of time to pass the RSE.
- The revised straw proposal addresses this concern by proposing to provide an EIM entity with a display to view the summed generation base schedules submitted by the EIM sub-entity.
  - This concern is somewhat mitigated by the additional curing period added by the EIM Base Schedule Submission initiative.

## Stakeholders requested additional detail on how the sub-entity scheduling coordinator initiative would address intra-BAA transfers

- The revised straw proposal does not address this issue as the CAISO believes these transfers are handled outside of the EIM between the EIM entity and sub-entity. The results of this agreements must be reflected in the generator output identified in submitted base schedules.
- The revised straw proposal continues the current practice of having all intertie transactions remain at the EIM entity level.

## Stakeholders expressed a wide preference on how the CAISO would obtain outage information for EIM sub-entities

- The CAISO proposes webOMS as the platform for outage submission.
- The revised straw proposal clearly separates the responsibility for the submission of generation and transmission outages.

# REVISED STRAW PROPOSAL

## Sub-entity Eligibility (1 of 3)

An EIM sub-entity scheduling coordinator must:

- be an electric utility embedded within an EIM entity balancing authority area and not receive long-term wholesale requirements services from the EIM Entity;
- own a distribution system or transmission facilities directly connected to the transmission system of the EIM entity for the purpose of providing regulated electric service to eligible retail or wholesale customers; and
- own or control one or more resources for the primary purpose of serving its eligible customers.

## Sub-entity Eligibility (2 of 3)

An EIM entity can elect to allow any of the following:

- No sub-entities.
  - An EIM entity may not have eligible sub-entities or the financial or operational capabilities to support sub-entities.
- All entities that meet the CAISO definition of a sub-entity.
- All entities that meet the CAISO definition of a sub-entity that have an existing contractual or tariff based practice for accounting for imbalance energy that is unique among its transmissions service customers.

## Sub-entity Eligibility (3 of 3)

- The CAISO understands that there is a desire for EIM participants to obtain direct settlement with the CAISO, however due to the narrow scope of this initiative the CAISO believes that effort is better approached through the policy roadmap and stakeholder catalog process.
  - Sub-entity functionality results in significant system changes, integration and operational impacts for the EIM entity, sub-entity and the CAISO that may exceed what is necessary to obtain direct settlement with the ISO.

# Resource Sufficiency Evaluation (RSE)

- Will continue to be performed at the balancing authority area (BAA) level.
  - Ensuring supply/load balance is a BAA function.
- Sub-entity scheduling coordinators will be able to submit base schedules prior to the T-55 RSE.
- The EIM entity scheduling coordinator will retain the ability to make changes to those schedules after T-55.
  - Charges relating to those changes will be settled between the parties per the EIM entities OATT or other contractual agreement.

## Full Network Model (FNM)

- The revised straw proposal proposes that the network model submission is the responsibility of the EIM entity.
- The CAISO proposes that an EIM entity can designate a sub-entity to submit their model directly to the CAISO.
  - The sub-entity will remain responsible for updating the EIM entity and the CAISO for all model changes.
- All model submissions are subject to already established CAISO FNM updating process.

# Automatic Dispatch System (ADS)

- Will continue to be pulled on a resource specific level.
- ADS data will be able to be pulled by an EIM sub-entity acting as the scheduling coordinator for the resource as well as the EIM entity within whose balancing authority area the resource resides.
- The EIM entity will have the ability to decline an award.
  - This will serve to preserve their balancing function.
  - Any financial impact resulting from this action should be resolved between the EIM entity and sub-entity outside of the EIM.

## Forecasting - Supply

- The CAISO proposes that an EIM entity retain the ability to require an EIM sub-entity to use the CAISO provided forecast, or to allow the sub-entity to use its own forecast.
- The CAISO proposes to provide the ability for the EIM entity to view, in a summed format, the forecast of all of the variable energy resources within its balancing authority area.
- Forecasts used in the RSE will be locked at T-55.

## Forecasting - Load

- The CAISO proposal allows EIM entities to determine if they will be responsible for the load forecast for their entire area, or if they will allow the sub-entities to determine their own load forecast.
- If any sub-entity within a balancing authority area elects to submit its own load forecast, the entire balancing authority area will automatically fail the balancing test, and the entire balancing authority area will be subject to over/under scheduling charges.

## Over / Under Scheduling

- The over/under scheduling assessment is determined based on the net balancing authority area load deviation.
- Over/under scheduling is performed at the balancing authority area level while the penalties are assessed at the sub-entity level.
- EIM sub-entities will be allocated a portion of the over-scheduling and under-scheduling total costs based on the metered demand within the sub-entity and the sub-entity's submitted base schedule.

# Bid cost recovery (BCR), real time offset and flexible ramp movement

- The CAISO is proposing to continue allocating BCR charges and real time offset charges at the EIM entity level with sub-allocations to EIM sub-entity scheduling coordinators performed per the EIM entity's OATT.
  - These charges are calculated at a BAA level.
- Flexible ramp movement allocation and flexible ramp uncertainty allocation will be settled at the sub-entity level for resources the sub-entity is serving as the scheduling coordinator for.
  - These charges are calculated at a resource level.

# Invoicing

- The EIM entity shall have the ability to access the EIM entity statements and invoices as well as all EIM sub-entity statements and invoices for sub-entities within their balancing authority area.
- The EIM sub-entity will be invoiced based upon settlement of the resources associated with the sub-entity.

# Energy Transfers

All energy transfers will be conducted at the EIM entity level.

- Intra-BAA transfers will be conducted outside of the EIM and be reflected in the generator output submitted to the CAISO through base schedules.
  - Functionality to facilitate these transactions is outside the scope of this initiative.
- Interchange between sub-entities and external parties will be reflected in the EIM entity scheduling coordinators base schedule.
  - Maintains current paradigm.
  - Ensures the EIM entity retains the ability to resolve potential exceedances on interties.

## Outage Management (1 of 2)

- All outage submission will be performed using the CAISO webOMS application.
- All EIM entity and sub-entities that are RC West participants will submit outages per RC-0320.
- For EIM entity and sub-entities that are not RC West participants.
  - EIM entity scheduling coordinator will be responsible for the submission of all generation outages for their area. They will have the option to delegate this authority to sub-entity.
  - Sub-entity scheduling coordinators will submit to the CAISO transmission outages for equipment they are the Transmission Operator for.

## Outage Management (2 of 2)

- The CAISO will block outage data from neighboring Reliability Coordinators for non RC West members who are EIM participants.
  - The EIM entity and EIM sub-entities are responsible for ensuring that outages submitted to the CAISO and neighboring RC's are consistent.
- The EIM outage submission process does not replace the balancing authority area and transmission operator coordination required by neighboring Reliability Coordinator areas.

## Sub-entity onboarding

- Similar to the process currently used to onboard EIM entities.
  - Onboarding is currently performed in 6 distinct work streams that address program management, tariff changes, network model, system integration, metering and settlements and personal training.
- An implementation date between 6-24 months will be determined by the CAISO based upon the complexity and compatibility of the associated transmission and technology systems.
- The CAISO proposes an additional charge for incremental work required to facilitate new sub-entity onboarding.

# EIM CLASSIFICATION AND NEXT STEPS

## EIM Governing Body (GB) classification

- The CAISO believes the EIM Governing Body should have primary authority in the approval of the proposed changes.
  - The initiative satisfies both tests. The tariff rules to create a new type of scheduling coordinator role would be EIM-specific, because it would be available only to represent market participants within the balancing authority areas of EIM Entities and not across the entire market footprint. In addition, the primary driver for addressing this topic is to resolve an issue that is specific to one EIM balancing authority area. Accordingly, this initiative would fall within the primary authority of the EIM Governing Body.
- Based upon stakeholder comments on the straw proposal, the CAISO will proceed under the assumption that this initiative resides within the EIM GB's primary approval authority.

# Next Steps

| Date                 | Event                              |
|----------------------|------------------------------------|
| January 21, 2021     | Publish Revised Straw Proposal     |
| January 28, 2021     | Stakeholder Call                   |
| February 18, 2021    | Comments on Revised Straw Proposal |
| March 18, 2021       | Publish Draft Final Proposal       |
| March 25 or 26, 2021 | Stakeholder Call                   |
| April 9, 2021        | Comments on Draft Final Proposal   |
| May 6, 2021          | EIM Governing Body Meeting         |
| May 19-20, 2021      | CAISO Board Meeting                |

Please use the template on the initiative webpage to submit comments on the revised straw proposal:

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Western-EIM-sub-entity-scheduling-coordinator-role>