



Extended Day-Ahead Market (EDAM) Stakeholder Meeting: Working Group Organization and Logistics

December 16, 2021

Agenda

Time:	Topic:	Presenter:
8:30 – 8:35	Welcome/Introduction	Kristina Osborne
8:35 – 8:40	Opening Remarks	Mark Rothleder
8:40 – 8:55	Overview of EDAM Stakeholder Process and Working Groups	Milos Bosanac
8:55 – 9:35	Working Group Organization and Logistics	Phil Pettingill, Emily Hughes
9:35 – 10:25	Working Group Initial/Draft Scope Items	<u>Facilitators:</u> Mark Richardson, Deb Le Vine, Kevin Head <u>Policy Leads:</u> Danny Johnson, Partha Malvadkar, Anja Gilbert
10:25 – 10:30	Next Steps	Kristina Osborne

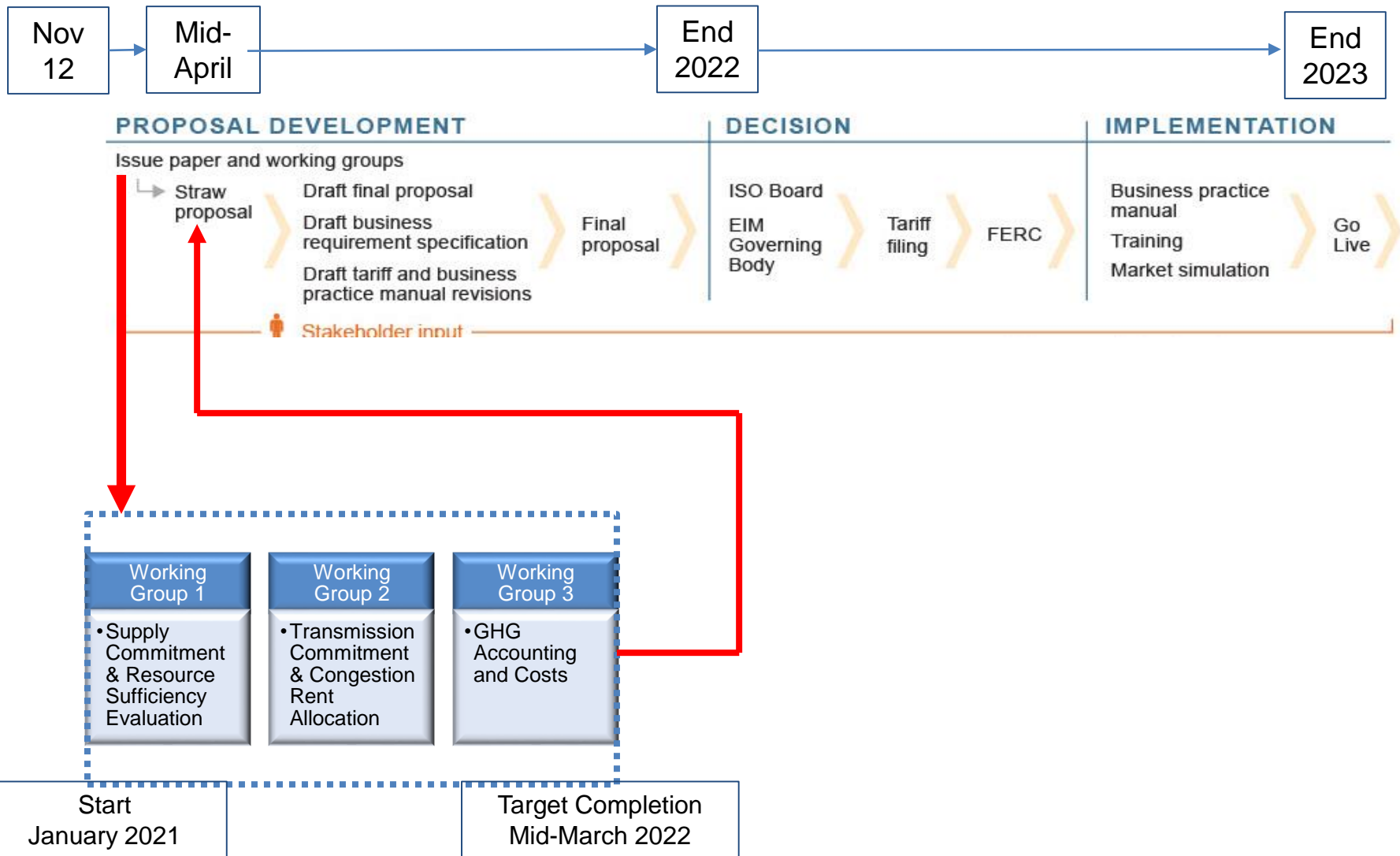


California ISO

Overview of EDAM Stakeholder Process and Working Groups

Milos Bosanac, EDAM Policy Lead

Open and Inclusive EDAM Working Group & Stakeholder Engagement



EDAM Stakeholder Working Groups

- Three stakeholder working groups to collaboratively design foundational elements of the EDAM

Working Group 1

Supply Commitment &
Resource Sufficiency
Evaluation

Working Group 2

Transmission Commitment
& Congestion Rent
Allocation

Working Group 3

GHG Accounting and
Costs

- Working groups open and inclusive of all stakeholders
 - Meetings are publicly noticed and added to CAISO calendar

Working Group Structure - Roles

- **Facilitator** - each group will be managed by designated ISO facilitator.
 - Responsible for guiding discussion, driving toward resolution of issues and toward deliverables.
- **Scribe** – each group will have a designated scribe.
 - Responsible for capturing discussion and evolution of proposal(s), publishing meeting summaries, and working jointly with facilitator.
- **Working Group Coordinator** – oversees overall working groups progression.
 - Responsible for overseeing working group engagement and ensuring consistency in organization of working groups.
- **Working group participants** – provide ideas, proposals, input and vetting.
 - Working groups are open to all stakeholders.
 - ISO staff will also be participants in working groups.

EDAM Stakeholder Working Groups - Roles

	Working Group 1	Working Group 2	Working Group 3
Facilitator	Mark Richardson	Deb Le Vine	Kevin Head
Scribe	Bob Kott	Emily Hughes	Brian Jacobsen
WG Coordinator	Phil Pettingill		

Stakeholder Process Schedule

Date	Milestone
January 3, 2021	Kick-off working group meetings
March 17, 2022	Working group – deliverables
April 15, 2022	Publish straw proposal
April 25, 2022	Stakeholder meeting to discuss straw proposal
May 16, 2022	Stakeholder comments due straw proposal
Late June 2022	Publish revised straw proposal
Late Aug 2022	Publish second revised straw proposal
Late Oct 2022	Publish draft final proposal
Late Nov 2022	Publish final proposal
Dec 2022	Briefing to Board of Governors & EIM Governing Body



EDAM Working Group Organization and Logistics

Phil Pettingill, Working Group Coordinator
Emily Hughes, Working Group 2 Scribe

EDAM Work Groups: Organization and Logistics

Work Group	Days	Times
Supply Commitment and Resource Sufficiency Evaluation	Mon & Wed	1-3 pm
Transmission Commitment and CR Allocation	Tues & Thurs	9-11am
Greenhouse Gas Accounting and Costs	Tues & Thurs	1-3 pm

- Work group discussions - run January 3rd thru March 17th
- Registration : <https://www.surveymonkey.com/r/EDAM-WG>
 - Not required; establishes contact info for coordination purposes

EDAM Work Groups: Organization and Logistics

- Collaborative and Inclusive
 - Open to all stakeholders
 - Active participation is critical to meet objectives
- Transparent
- Facilitator independent of ISO internal team
- Primary Deliverable: *market design proposal*
 - Weekly summary reports (capture the discussion)
 - Final summary report (recommended approach)
 - Identify consensus items
 - Capture alternative approaches
- Starting point for discussion are the *EDAM Common Design Principles*

EDAM Work Groups: Organization and Logistics

- Initial Meeting(s)

- Review of *EDAM Common Design Principles*
 - Consider refinements and additions
- Decide scope items and logical order
 - Update with stakeholder input at first meeting
- Identify and manage boundaries
 - Topics outside the WG scope: covered in separate initiatives
 - Seams topics between WGs
- Review schedule and time commitment

EDAM Work Groups: Organization and Logistics

- Participation and Coordination

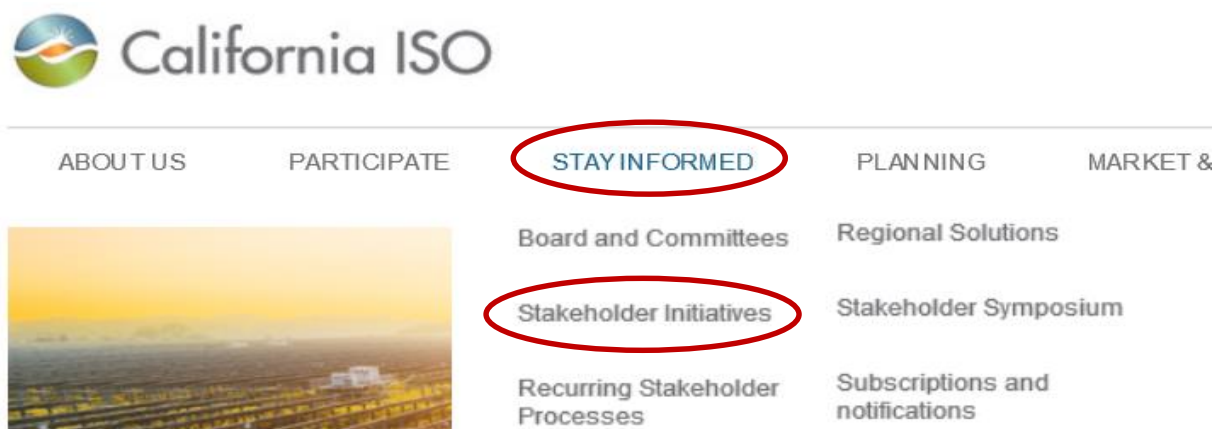
- Stakeholder Engagement
 - Establish topic agenda and presentation schedule
 - During meeting
 - Dialing in/raised hand/open lines
 - Give heads up on topics coming/encouraging presentations
 - Between meetings
 - Provide presentations ahead of meeting
 - Raise questions to consider ahead of meeting
 - Facilitator/Scribe outreach to clarify/capture discussions
- Coordination
 - Review progress, agenda adjustments
 - ISO technical team active participation in working groups

EDAM Work Groups: Meeting Summaries & Deliverables

- Weekly working group meeting summary report
 - Capture key discussion points
 - Post on associated EDAM working group webpage, along with recordings of the working group meetings
- Final summary report for each working group
 - Capturing the discrete proposal(s) on each of the scope items
 - Will be updated at conclusion of discussion on each discrete scope item
 - Document will remain posted on EDAM webpage

EDAM Initiative and Working Group Webpages

- The EDAM initiative webpage can be accessed from www.caiso.com – go to *Stay Informed* tab; select *Stakeholder Initiatives* from the drop down; the EDAM webpage link is located there.



- Dedicated webpages for each working, accessible from the EDAM initiative page
 - Repository related documents and meeting recordings.

EDAM Initiative Webpage

INITIATIVE: Extended day-ahead market

Started: Oct 03, 2019

Leads

Milos Bosanac

This initiative will develop an approach to extend participation in the day-ahead market to the Western Energy Imbalance Market (EIM) entities in a framework similar to the existing EIM approach for the real-time market, rather than requiring full integration into the California ISO balancing area. The extended day-ahead market (EDAM) will improve market efficiency by integrating renewable resources using day-ahead unit commitment and scheduling across a larger area.

EIM designation: TBD



[Relevant notices](#) [Contact us](#)

Status

Proposal Development	Decision	Implementation
Dec 16, 2021 Working group overview meeting		

The WG webpage links will remain near the top of the initiative webpage

Activities

	<p>Working group materials are available on the dedicated webpages linked below:</p> <p>Working Group 1 - Supply Commitment and Resource Sufficiency Evaluation (RSE) 12/14/2021</p> <p>Working Group 2 - Transmission Commitment and Congestion Rent Allocation 12/14/2021</p> <p>Working Group 3 - Greenhouse Gas (GHG) Accounting and Costs 12/14/2021</p> <p>Click here to register for the working groups 12/14/2021</p> <p> Extended-Day Ahead Market Common Design Principles and Concepts 12/14/2021</p>	
<p>Web meeting</p> <p>12/16/2021 08:30 am – 10:30 am PT</p>	<p> Presentation - Extended Day-Ahead Market - Stakeholder Working Group Organization and Logistics - Dec 16, 2021 12/15/2021</p>	

Working Group Webpage - Example

INITIATIVE:

Extended Day-Ahead Market: Working Group 2 - Transmission Commitment and Congestion Rent Allocation

The objective of this work group is to develop a comprehensive transmission commitment and congestion rent allocation that maximizes the amount of transmission made available to EDAM and propose how parties are compensated for the available transmission.

[Relevant notices](#) [Contact us](#)

Started: Dec 13, 2021

Leads




Facilitator: Deb Le Vine
Scribe: Emily Hughes

Status

Proposal Development	Decision	Implementation
Policy documents are available on the Extended Day-Ahead Market initiative webpage		

Meeting cadence, initial scope items doc, and inquiry submission link will remain near the top of each WG webpages

Activities

	<p>Click here to submit questions or inquiries related to the working group discussions 12/13/2021</p> <p>Working group 2 meeting cadence: every Tuesday and Thursday starting the week of Jan. 3, 2022 through Mar. 16, 2022 from 9 a.m. - 11 a.m. Pacific Time</p> <p> Initial/Draft List of Scope Items for Consideration - EDAM Stakeholder Working Group 2 - Transmission Commitment and Congestion Rent Allocation 12/14/2021</p> <p> Extended-Day Ahead Market Common Design Principles and Concepts 12/14/2021</p>	
Web meeting 12/16/2021	<p> Presentation - Extended Day-Ahead Market - Stakeholder Working Group Organization and Logistics - Dec 16, 2021 12/14/2021</p>	



EDAM Working Groups – Initial/Draft Scope Items

WG 1:

Mark Richardson, Facilitator
Danny Johnson, Policy Lead

WG 2:

Deb Le Vine, Facilitator
Partha Malvadkar, Policy Lead

WG 3:

Kevin Head, Facilitator
Anja Gilbert, Policy Lead

WG1 – Supply Commitment & Resource Sufficiency Evaluation

- A resource sufficiency evaluation is a core element of an EDAM framework.
- A resource sufficiency evaluation ensures that EDAM entities are able to meet their demand with their own supply prior to engaging in day-ahead transfers.
- The working group will need to design key aspects of the evaluation framework to ensure an accurate and transparent evaluation across the footprint and participating EDAM entities.

Supply Commitment and Resource Sufficiency Evaluation (RSE) Core Design Elements

Objective: *Ensure adequate supply to cover participants' forecast load, reserves, and potential uncertainty needs while not dictating resource adequacy rules or requirements*

- What qualifies as a resource in the EDAM RSE?
 - Do resources have to be modeled?
 - Do scheduled forecast adjustments that represent demand side resources count?
- How granular and detailed will the RSE be?
 - Test for ability to meet hourly demand, imbalance variations; or
 - Is a less stringent test feasible
- What is “leaning” in the context of EDAM?
- What level of ancillary service or minimum reserve requirement procurement be part of EDAM? What is necessary to guarantee transfers?
- Relationship between EDAM and EIM RSE

Resource Sufficiency Design

Components

- Capacity Test
- Daily Energy and Start Limitations
- Ramping Capability (Hourly Demand and BAA Imbalance Reserve Allocations)
- Timing Requirements

Failure Consequences

- Freezing of incremental transfers
- Consideration of financial consequences
- Priorities for constraint relaxation

Resource Requirements

- Treatment of VERs
- Imports from non-EDAM BAAs
- Counting of storage resources
- Demand response treatment

RSE Inputs

- What demand forecast is used
- Common AS or reserve rules
- Treatment of existing reserve sharing group obligations

WG2 – Transmission Commitment and Congestion Rents and Allocation

- The availability of transmission service is a critical component of a successful EDAM
- Transmission service made available to the EDAM supports optimization of transmission and transfers in the day-ahead timeframe
- The working group will focus on the following overarching elements:
 - How transmission is made available to EDAM and associated quality
 - How parties are compensated for the transmission made available to support EDAM transfers

Transmission Commitment and Congestion Rent Allocation

Objective: *Maximize the amount of transmission made available to EDAM, while respecting the existing OATT framework, contractual commitments, and FERC Open Access*

- **Bucket 1:** Transmission supporting resource sufficiency evaluation generation.
 - **Bucket 2:** Additional transmission made available to support EDAM transfers (in return for congestion rents)
 - **Bucket 3:** Unsold transmission capacity voluntarily made available for EDAM transfers in return for usage rate.
- Align Resource Sufficiency Evaluation and Bucket 1 transmission processes.

Transmission Commitment & Congestion Rent Allocation Design Topics

Availability

- Definition – quality of transmission
- Modeling energy transfers and exports
- Existing Transmission Uses
- Risks

Timing and Duration

- Timing of availability
- Duration of availability
- Assessing impact to EIM

Compensation

- For Buckets 2 and 3:
 - What rate/fee is conveyed
 - How congestion rents are conveyed
 - How are rates/fees conveyed
 - Settlement implications

Congestion Rent Allocation

- Allocation of rents supporting EDAM transfers
- Process for allocation of rents and distribution

WG3 – GHG Accounting and Costs

- Because GHG policies differ across the West, a well-designed EDAM should have a consistent approach to dealing with the costs and the reporting requirements arising from these policies.
- This topic will focus on two main areas:
 - Whether and how an EDAM market optimization should factor in GHG costs in arriving at an efficient dispatch while balancing state policy objectives and not inappropriately impacting resources in non-GHG zones.
 - Whether and how information about the carbon intensity of energy transacted through the CAISO's market is affected by the implementation of an EDAM.

Greenhouse Gas (GHG) Accounting and Costs

Objective: *Account for GHG emissions and costs equitably and consistent with state policy*



- What are we accounting for?
 - Area
 - Participation
 - Emissions rate
- How is this captured?
 - Compliance tools
 - Different carbon pricing programs
 - Settlement
- How are entities equitably treated regardless of their GHG zone?

GHG Design Topics

Accounting

- Compliance area
- Secondary dispatch
- Emissions rate attribution
- Base schedule development and timing
- RPS policy alignment

Equity

- Level playing field (GHG zone)
- Minimizing leakage

Market Efficiency

- Ensuring solutions promote market efficiency
- GHG accounting model between DA and RT

Costs / Settlements

- Recovery of GHG compliance costs
- Payment (unspecified vs. marginal resource bids)

Next Steps

- Stakeholders are encouraged to review the suggested initial working group topics and consider edits/additions.
 - Please submit questions and inquiries using the [link](#) available on the EDAM landing page and each of the WG webpages.
- Links to initial working group scope topics:
 - [Working Group 1 – Supply Commitment and RSE](#)
 - [Working Group 2 – Transmission Commitment and CR Allocation](#)
 - [Working Group 3 – GHG Accounting and Costs](#)
- Working groups launching week of January 3rd, 2022.
- Stakeholders are encouraged to [register for the individual working groups](#) to help gauge interest and facilitate communication throughout process.