



# Extended Day-Ahead Market Working Group 3: *Greenhouse Gas Accounting and Costs*

Facilitator: Kevin Head

Scribe: Brian Jacobsen

January 20, 2022

Meeting Cadence: Tuesdays and Thursdays, 1 – 3 p.m.

# Agenda:

Time:	Topic:	Presenter:
1:00 – 1:05	Welcome/introductions	Kristina Osborne
1:05 – 1:15	Brief recap of resource-specific approach presented on 1/18	Kevin Head
1:15 – 2:15	Evaluation of this approach compared to design objectives	Kevin Head
2:15 – 2:30	Powerex Perspective on resource-specific approach	Jeff Spires
2:30 – 2:45	Working group reaction and discussion about Powerex perspective	All
2:45 – 2:55	Recap of discussion	Brian Jacobsen
2:55 – 3:00	Upcoming topics	Kevin Head

## Reminders:

- These collaborative working groups are intended to foster open dialogue and sharing of ideas and perspectives
- Please raise your hand if you have a question or comment at any time during the meeting and the facilitator will call on you
  - Please start by stating your name and affiliation
- Meetings are recorded and video files posted on corresponding working group webpages
- Stakeholders are welcome to present perspectives at these meetings
  - Please submit a request to present using the link located on the EDAM Resources slide at the end of this presentation

# Today's Objectives

- Complete evaluation of resource-specific approach that was presented on 1/18
- Hear competing views on a resource-specific approach

## Housekeeping:

- **DON'T FORGET:** Next Tuesday's (1/25) meeting was moved to Wednesday (1/26) from 9-11AM

# Summary of Resource Specific Approach

Issue	Key Market Design Question	Detailed Market Design Element
<b>What are we optimizing?</b>	Which costs are included in the market optimization?	GHG Costs: <b>Yes</b> RPS/CES: <b>No</b>
<b>Accounting: Availability:</b> Eligibility to serve demand in the GHG compliance area	What rules for availability need to be developed for EDAM for GHG?	Optional: <b>Yes</b> Frequency (of election to serve GHG zone): <b>TBD</b> Can supply elect not to serve GHG zones: <b>Yes</b> Can demand (LSEs) elect to not receive GHG-intensive energy: <b>TBD</b>
<b>Accounting: Area</b> Identify GHG Compliance Area(s)	Are entities aligned that state boundaries are the GHG compliance area?	Geographic: <b>GHG compliance area. Separates the BAA transfer from GHG transfer.</b> International considerations: <b>TBD</b>
<b>Accounting: Emissions rate attribution:</b> Associating resources to loads in the EDAM	How should GHG emission rate attribution be determined?	Emissions rate attribution: <b>Resource-specific</b> Determining emissions attribution with different participation options: <ul style="list-style-type: none"> <li>- Imports at EDAM boundaries: <b>TBD</b></li> <li>- Pseudo-ties: <b>TBD</b></li> <li>- Wheels though GHG compliance area: <b>TBD</b></li> <li>- Virtual bids: <b>Excluded from GHG transfer (transfer is limited by physical supply)</b></li> <li>- Energy storage: <b>TBD</b></li> <li>- Jointly-owned units: <b>TBD</b></li> </ul> Requires second optimization: <b>Yes, proposes to use RUC D+1 Forecast w/o transfers</b>
<b>Bidding: Bidding to serve demand in the GHG compliance area</b>	How will GHG costs be reflected to EDAM within, between, and outside a GHG zone?	How should GHG costs be calculated: <b>TBD</b> How should GHG costs be reflected: <b>TBD</b> How are reference level (DEBs and proxy costs) calculated: <b>TBD</b> And how are they used in market power mitigation: <b>TBD</b>
<b>Costs: Settlements</b>	How are GHG costs settled?	How does settlement work: <b>TBD</b>
<b>Market Efficiency: EIM:</b> Roll over to Real Time (EIM)	What GHG bid and settlement implications arise from DA vs. RT deviation?	What allowable changes to either GHG quantity or bid price between DA and RT should be allowed: <b>TBD</b> What are the associated settlement impacts to any variation allowed: <b>TBD</b>

*Note: this is meant to be descriptive of the approach outlined on 1/18 and not a fully-fledged proposal*

# Evaluation of Resource Specific Approach

Design Objective	Evaluation
1) No inappropriate or unacceptable GHG impact in non-GHG zone.	
2) Leakage should be minimized.	
3) Enable similarly situated/similar technology resources in non-GHG zone to compete on a level playing field with resources inside GHG zone and vice versa (objective not fully finalized).	
4) Do not inadvertently undermine RPS and CES policies.	
5) Allow for market efficiency by accurately reflecting relevant costs, including GHG compliance costs.	
6) Seeking simple solutions where possible while balancing precision and implementation feasibility to support state policy objectives.	
7) Durable market design including but not limited to allowing for future policy designs and potential linkage	

# EDAM Resources

- List of [\*Common EDAM design principles and concepts\*](#)
- Initiative and working webpages:
  - EDAM initiative webpage: <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market>
  - Working Group 3 webpage: <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-Day-Ahead-Market-Working-Group-3-Greenhouse-Gas-Accounting-Costs>
    - The working group webpages include meeting materials, initial scope items, and weekly summary reports
- Please submit EDAM WG inquiries and/or requests to present at <https://www.surveymonkey.com/r/EDAMWG-Inquiries>
  - Presentations due 5 business days prior to the meeting where they are scheduled to present, if time allows
- [Register](#) for working groups to help the ISO gauge interest and facilitate communication throughout process.
- Nov 30, 2021 Day-Ahead Market Overview Training: <https://youtu.be/lbXRsfVbCg>