

Price Formation Enhancements

Stakeholder Meeting 06/26/2023

Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- These collaborative working groups are intended to stimulate open 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.

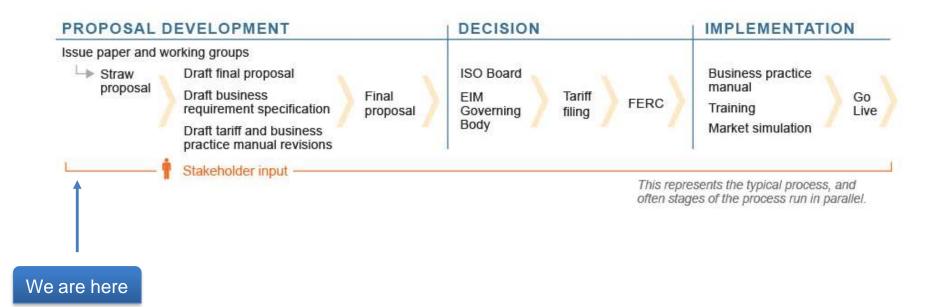


Instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the "call me" option, select the raise hand icon blocated 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.



ISO Policy Initiative Stakeholder Process



- · Working groups will inform the development of a straw proposal
 - Issue paper posted July 12, 2022
- The ISO will take notes and produce reports of each of our working group meetings.



Price Formation Enhancements (PFE) Working Groups

The PFE initiative will establish stakeholder working groups, aiming to foster transparency and trust, and enhance the quality of market design policy. This process is intended to:

- 1. Engage Stakeholders Empower stakeholders through their active participation to help form and justify problem statements and guiding principles.
- 2. Promote Shared Ownership Build a collective commitment and shared ownership for the formulated policy.
- **3. Foster Mutual Trust** Encourage a more collaborative policy development process.

The outcome of this stakeholder collaboration is a PFE policy that is responsive to the diverse perspectives of stakeholders.



Schedule and Format

Phase 1			Phase 2		Phase 3	
Scarcity pricing	BAA-level MPM	Fast-start pricing (analysis)	Fast-start pricing (policy)	Extended FRP	Multi-interval optimization + storage	Replacement reserves + preparing for nodal AS
Working group preparation						
Conduct working groups						
Straw proposal		FSP data analysis				
			Working group	preparation		
Revised straw proposal			Conduct working groups			
Draft final proposal			Straw proposal			
			Revised straw proposal		Working group preparation	
Final proposal BOG/GB meeting					Conduct working groups	
			Draft final proposal Final proposal BOG/GB meeting		Straw proposal	
					Revised straw proposal	
					Draft final	proposal
					Final proposal	
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Phase 1 Working Group Structure & Schedule

1. Working Group Topics

- Scarcity Pricing/MPM
- Fast-Start Pricing (Analysis)

2. Meeting Cadence

- Kick off: First week of August
- Frequency: Weekly meetings, 2 hours each
- Approach: One topic focus at a time, moving to the next topic upon completion

3. Deadlines

- Goal: Complete Phase 1 Working Groups by end of October
- Goal: Issue straw proposal and fast-start pricing analysis by end of 2023
- These are soft constraints; we will be flexible and hold as many or few working group sessions as needed to accommodate all viewpoints



Working Group Structure - Roles

- Facilitator the group will be managed by a designated ISO facilitator.
 - Responsible for guiding discussion, driving toward resolution of issues and toward deliverables.
- **Scribe** the group has a designated scribe.
 - Responsible for capturing discussion and evolution or proposal(s), publishing meeting summaries, and working jointly with the facilitator.
- Working Group Participants provide ideas, proposals, input and vetting.
 - Working groups are open to all stakeholders.
 - ISO staff will also be participants in working group.



Working Group Deliverable: Action Plan

1. Main Deliverable: Working Group Action Plan

- Size: 5-10 pages
- Authors: Scribe, Facilitator, Policy Lead

2. Content

- Summary: Recaps all viewpoints discussed during the working group sessions
- Action Items: Identifies policy direction and forms the basis of the straw proposal and analysis

3. Stakeholder Involvement

Stakeholders will have the opportunity to provide written comments on the Action Plan



For reference

- Visit initiative webpage for more information: <u>https://stakeholdercenter.caiso.com/StakeholderInitiatives/Pric</u> <u>e-formation-enhancements</u>
- If you have any questions, please contact Brenda Corona at <u>bcorona@caiso.com</u> or <u>isostakeholderaffairs@caiso.com</u>





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