



California ISO

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  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.

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					
Revised straw proposal			Working group preparation			
			Conduct working groups			
Draft final proposal			Straw proposal			
Final proposal			Revised straw proposal		Working group preparation	
BOG/GB meeting					Conduct working groups	
			Draft final proposal		Straw proposal	
			Final proposal		Revised straw proposal	
			BOG/GB meeting			
					Draft final proposal	
					Final proposal	
					BOG/GB meeting	

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:
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Price-formation-enhancements>
- If you have any questions, please contact Brenda Corona at bcorona@caiso.com or isostakeholderaffairs@caiso.com



- *Energy Matters* blog provides timely insights into ISO grid and market operations as well as other industry-related news <http://www.caiso.com/about/Pages/Blog/default.aspx>.

Read a recent article featured in the blog:

May 16, 2023
Summer conditions

2023 Summer Loads and Resources Assessment has been posted

The California Independent System Operator has released its 2023 Summer Loads and Resources Assessment, which shows considerable improvement in resource availability for the upcoming summer, driven by accelerated resource development and high hydro conditions within California.

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The image shows a preview of a blog article. On the left is a photograph of solar panels in the foreground and wind turbines in the background under a bright sky. The text 'SUMMER OUTLOOK' is overlaid on the solar panels. To the right of the image is the article's metadata and title.

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