



# Subscriber Participating TO Market Scheduling Options Draft Final Proposal


Riddhi Ray, Deb Le Vine, James Lynn  
California ISO

3/21/2025

# Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- This collaborative meeting is 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.
- If you need technical assistance during the meeting, please send a chat to the event producer

## Instructions for raising your hand to ask a question

- Open the Participant and Chat panels from the bottom right.
- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  located on the bottom of your screen.
  - **Note:** \*3 only works if you dialed into the meeting.
  - Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to all panelists.

# Agenda

Time	Topic	Presenter
9:00 – 9:10	Welcome & introductions	Yelena Kopylov-Alford
9:10 – 9:20	Background and straw proposal comments	Riddhi Ray
9:45 – 10:45	Straw proposal stakeholder comment review	Riddhi Ray
10:45 – 11:45	Draft Final Proposal	Riddhi Ray
11:45 – 11:55	Next Steps	Yelena Kopylov-Alford

# CAISO Policy Initiative Stakeholder Process



*This represents the typical process, and often stages of the process run in parallel.*

We are here

## FERC Approved

- Under the Subscriber Participating TO (PTO) model, the developer will place the new transmission facilities under CAISO operational control and connect generation to the CAISO balancing area, without seeking approval through the CAISO's transmission planning process.
- Subscribers receive Existing Transmission Contracts (ETCs) to the exit point of the Subscriber PTO transmission facilities.
- The ETCs provide the subscriber with a higher scheduling priority and a financial hedge against congestion and transmission charges.
- Subscriber PTO is paid for non-subscriber usage of the new transmission facilities.

# Background

- Straw Proposal published on January 16, 2025 describing proposed market scheduling alternative of exchanging ETCs for CRRs and economic bidding and removed the option for unbalanced ETCs.
- CAISO discussed the Straw Proposal on the January 27, 2025 stakeholder call on.
- The CAISO is proposing to proceed with only the ETC to CRR conversion and economic bidding option.
- CAISO posted the Draft Final Proposal on March 14, 2025 to expand on the final proposed ETCs for CRR market scheduling alternative option.

## Stakeholder comments

- A total of seven stakeholders submitted comments on the Draft Final Proposal.
- BAMx, Pattern, Six Cities, SCE and WPTF generally supported the CRR option but asked for additional clarification.
- BAMx, SCE and others raised concerns with the potential for substantive non-subscriber usage payment amount, while others raised concerns with certain costs not being included in market optimization.
- Stakeholder comments received after the submission deadline were considered but not published.



## Stakeholder comments *(continued)*

- SCE proposed a CRR credit against the non-subscriber usage payment amount.
- Six Cities asked for additional examples for clarification of the non-subscriber usage payment amount, while Pattern Energy asked for clarification on CRR allocation on SunZia transmission.

# Draft Final Proposal

- The CAISO proposes in its Draft Final Proposal to:
  - Adopt the CRR option/economic bidding design.
  - Clarifications on non-subscriber usage calculation.
  - Reporting of non-subscriber payment amounts by Subscriber PTOs.
  - Gaining operational experience of Subscriber PTO model for two years prior to discussing any redesign.
- The following slides discuss the proposals and clarifications in greater detail.

## CRR/Economic bidding option

- CAISO provided clarifications to the ETC to CRR conversion process
  - Nomination occurs on a quarterly basis and not monthly basis
  - CRRs are released for both off-peak and on-peak
  - ETC to CRR conversion can be performed by the ETC holders
- MT\_TOR CRR is the CRR Option type for subscribers.
- MT\_TOR CRRs are not subject to CRR underfunding allocation but are derated based on any reductions to the total transfer capability at the associated intertie.

## Limitations on Non-Subscriber Usage

- Subscriber PTO transmission entitlements may be subject to limitations if such entitlements are governed by OATTs of non-CAISO transmission service providers.
- These limitations may result in restrictions on the usage of these entitlements by non-subscribers, implemented by restricting SCIDs that can submit bids at a specific Subscriber PTO scheduling point.
- The CAISO is continuing to work on the implementation of this issue with SRP, WAPA, and TEPCO, as pertains to the SunZia transmission entitlements.

# Subscriber Registration

- Any import or export market schedule submitted without using ETCs on the Subscriber PTO transmission path could be considered as non-subscriber usage, unless associated with a known subscriber.
- Interconnected generators will have an associated subscriber MW capacity, which will be used to measure subscriber and non-subscriber usage.
- Subscribers must register export and import system resources at the scheduling points for their export and import transactions, and these resources shall be exempt from WAC and non-subscriber usage charge calculations.

# Non-Subscriber Usage Payment

- Interconnected generation will have non-subscriber usage calculated using meter data. The non-subscriber usage is the MW production above the registered subscriber MWs.
- CAISO will use submitted tags to calculate non-subscriber usage on export and import transactions.
- The non-subscriber usage payment will be paid on a monthly basis to the Subscriber PTO.
- CAISO will include both the import and export transactions in a wheel-through, based on which transaction occurs at a Subscriber PTO scheduling point.

## WEIM and EDAM Impact on Non-subscriber Usage

- IFM and HASP awards will be subject to WAC and non-subscriber usage calculations.
- Under WEIM reciprocity rules with WEIM BAAs, only FMM and RTD incremental transfers are not subject to WAC and will also not be considered as non-subscriber usage.
- In EDAM, any transfers at EDAM transfer points will not be subject to WAC or non-subscriber usage calculations. The Subscriber PTO may recover the non-subscriber usage revenue through EDAM access charge, either as historical transmission or new-use transmission.

# Non-Subscriber Usage Reporting and Design

- Stakeholders proposed that non-subscriber usage rate should be incorporated into the supply bids on Subscriber PTO lines, and CAISO should be more prescriptive regarding FERC ratemaking treatment of non-subscriber payments.
- CAISO will not prescribe ratemaking treatment for Subscriber PTOs non-subscriber charges, but will require them to report annual payments received to CAISO to be posted on CAISO website.
- CAISO proposes to implement and operate Subscriber PTO model for a period of at least two years prior to discussing and pursuing additional changes to the non-subscriber rate mechanism.



# Non-Subscriber Usage matrix

	Interconnected generation	Import/Exports	WEIM transfers
<b>Non-Subscriber Usage</b>	Non-subscriber usage on interconnected generation is the difference between metered generation in excess of the associated subscriber MW	Non-subscriber usage on import or export transactions is equal to adjusted e-tags, if the import or export resource is not associated with subscribers.	Not applicable
<b>Subscriber Usage</b>	Subscriber usage on interconnected generation is the metered generation that is less than or equal to the associated subscriber MW	Subscriber usage on import or export transactions is equal to adjusted e-tags, if the import or export resource is associated with subscribers.	Not applicable
<b>Other</b>	Not applicable	Not applicable	All WEIM transfers are considered neither as subscriber or non-subscriber usage.

# NEXT STEPS

# CAISO Request for Stakeholder Input

- CAISO is requesting stakeholders to provide input on the Draft Final Proposal by April 4, 2025.
- The Subscriber PTO model is currently being implemented using the ETC model as approved by FERC in 2024.
- CAISO believes this policy change is not subject to the joint authority of the WEM Governing Body.

# Stakeholder Process Schedule

DATE	EVENT
3/21/2025	Stakeholder meeting on Draft Final Proposal
4/4/2025	Comments due on Draft Final Proposal
4/21/2025	Publish Final Proposal
5/22/2025	Board of Governors Meeting

- Please submit comments through the ISO's commenting tool, using the template provided on the initiative webpage **by end of day April 4, 2025**:  
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Subscriber-participating-transmission-owner-market-scheduling-options>
- If you have any questions, please contact [isostakeholderaffairs@caiso.com](mailto:isostakeholderaffairs@caiso.com)

## Additional information

- Comments on the Draft Final Proposal and today's discussion are due by end of day **April 4, 2025**
- Submit comments through the ISO's commenting tool, using the template provided on the initiative webpage:
  - <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Subscriber-participating-transmission-owner-market-scheduling-options>
- If you have any questions, please contact [isostakeholderaffairs@caiso.com](mailto:isostakeholderaffairs@caiso.com)

# ENERGY matters

The California ISO's blog highlights its most recent news releases, and includes information about ISO issues, reports, and initiatives.



*Energy Matters* blog provides timely insights into ISO grid and market operations as well as other industry-related news.

<https://www.caiso.com/about/news/energy-matters-blog>



Story | Operations

**A small distributed energy resources project that could have a big impact**

By ISO Staff

03/10/2025



RC WEST

Story | Transmission

**Spring is the season of managing planned maintenance for RC West**

By Raja Thappetaobula

03/05/2025



Story | Leadership

**Another year of new challenges and opportunities at CAISO**

By Severin Borenstein

02/27/2025

Subscribe to [Energy Matters blog monthly summary](#)



## New Stakeholder Initiative - EDAM Congestion Revenue Allocation

CAISO will host a hybrid stakeholder workshop on the new Extended Day-Ahead Market (EDAM) Congestion Revenue Allocation Initiative, Mar. 24, 2025, from 10:00 am - 5:00 pm. Attendees may choose to participate virtually or in person at the ISO.

[Register here](#)

[Click here to register](#)