



Bidding Rules on External WEIM Interties CAISO Policy Roadmap

May 8, 2024

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About Gridwell Consulting

- Analysis and advocacy consulting firm located in Sacramento, California
www.gridwell.com
- Legislative support and advocacy
- California regulatory agency support and advocacy
- Seminars on CAISO market, resource adequacy, interconnection, and hydrogen development
- Interconnection evaluation and contract negotiation services

Educate, Model, Advise, Advocate



About WPTF

- The Western Power Trading Forum (WPTF) is a broad-based industry organization of companies that do business and advocate for competitive market rules throughout the Western Interconnection
- More about the WPTF CAISO Committee can be found at www.gridwell.com/wptf



Impact of limiting economic intertie bidding

- Economic intertie bidding is a typical feature of ISO markets to allow for efficient scheduling and dispatch around seams between two or more areas
- Today, each WEIM entity has the option to enable economic intertie bidding, but none have done so
- Intertie bidding increases the market's ability to optimize transmission and resource capability, improves open access, reduces seams inefficiencies
- In the near future, the West will likely have EDAM, SPP Markets+, and potentially BAAs outside of both markets
 - Trading between markets will be challenging
 - Limiting trading between seams will undermine benefits across the entire West



Background

- WPTF has long supported intertie bidding at the market boundaries, including during the WEIM implementation process
 - Ensures open access to market participation
 - Increases market efficiency and use of generation and transmission assets
 - Aligns incentives for voluntary external supply offers
- CAISO intertie points are the interfaces between the CAISO BAA and external BAAs in the integrated forward market, hour-ahead scheduling process, and fifteen-minute markets
- Non-CAISO WEIM BAA external interties are interfaces between a WEIM Entity BAA and a BAA not participating in WEIM
- CAISO allows economic bidding at the CAISO intertie points but the decision to allow economic bidding at non-CAISO WEIM BAAs is deferred to the non-CAISO WEIM Entity



Economic intertie bidding value proposition

- Intertie bidding at the EDAM/WEIM boundaries would provide additional market liquidity and optimization benefits
- Allows for and incentivizes increased supply to be offered into EDAM
 - Without EDAM/WEIM intertie economic bidding, excess energy from resources outside both EDAM and SPP Markets+ will be incented to offer into Market+ because that allows for economic intertie bidding
- Helps address potential seams issues where EDAM and Markets+ have connections
 - Exchanging supply economically between the markets will increase market efficiencies across both markets
- Economic bidding at interties in WEIM/EDAM does not exist primarily because WEIM/EDAM entities are concerned about transmission “free-riders”, associated cost allocation, and certainty of intertie supply



EDAM/WEIM Intertie Bidding Potential Scope

- CAISO should explore how to enable economic intertie bidding with external areas in both EDAM and WEIM
 - Entities outside of the boundaries should be able to participate economically in the WEIM or EDAM by submitting energy bids at the WEIM, or EDAM, external interties
 - EDAM and WEIM should allow for efficient intertie trading across the markets seams between its market footprint and eventually SPP Markets+ and Western Energy Imbalance Services footprints
- Effort should identify the Non-CAISO EDAM/WEIM entity concerns with economic intertie bidding and consider proposals to address these concerns





Thank you! Questions?

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