

State and Federal Policy and Wholesale Market Design

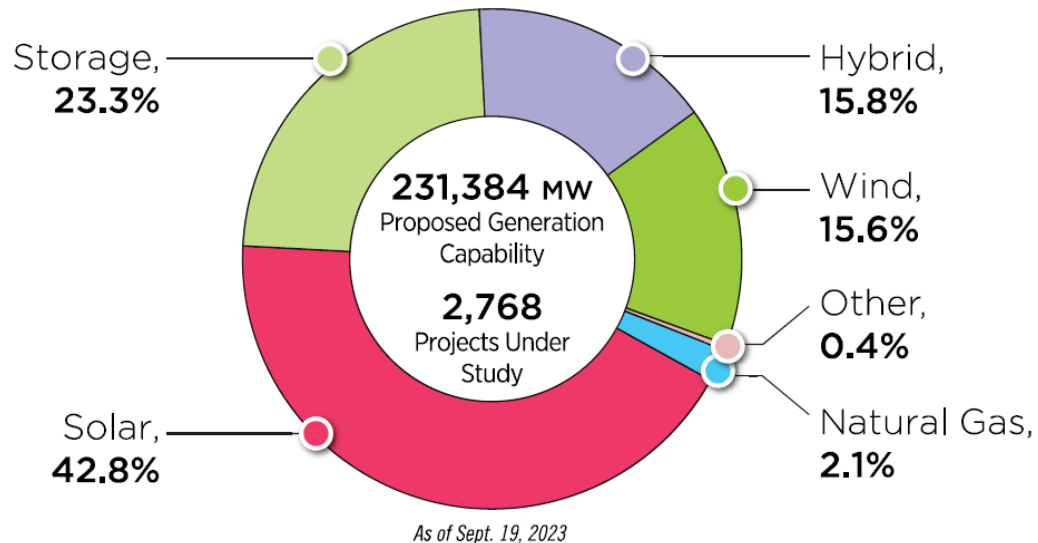
Adam Keech
VP, Market Design & Economics

Kleinman Center
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What are the kinds of things the system operator or planner might experience differently?

- More renewables
 - Increasing uncertainty
 - Increasing common mode unavailability
- Less resources able to follow dispatch
- Shrinking unforced capacity reserve margin
- Shifting risk patterns
 - Summer to winter
 - Daytime to nighttime

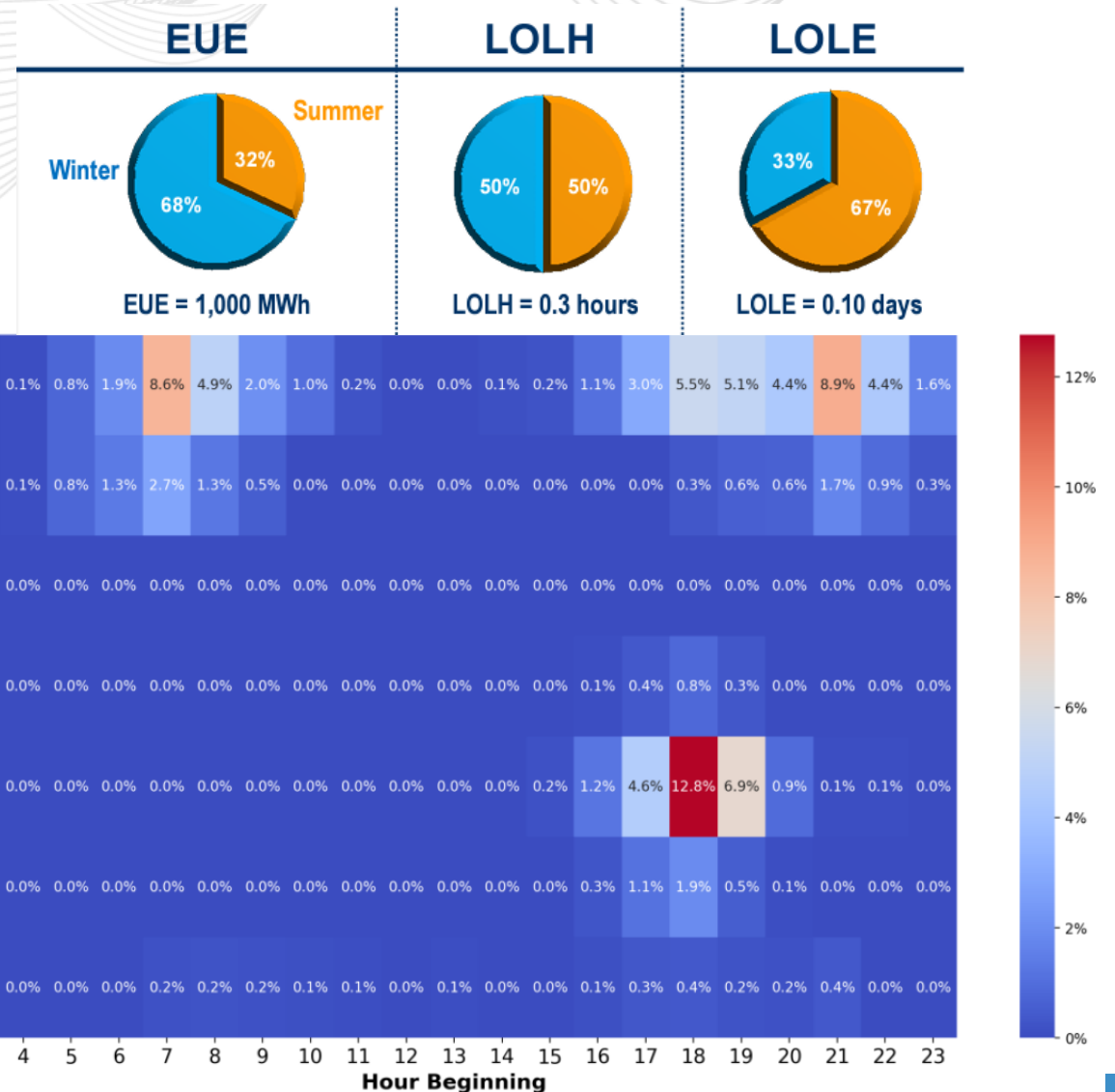


PJM filed Capacity Market changes on Oct. 13, 2023.

- Enhancements to risk analysis and accreditation (correlated outages)
- Align compensation with expected performance during risk periods

Future work may consider:

- Movement towards sub-annual designs markets
- Investigation of shorter forward periods





ISO/RTOs are Focusing on Reserve Markets

CAISO, MISO and SPP have products.	MISO is also reevaluating scarcity pricing levels .	ERCOT implemented two new longer-term Reserve products .
SPP is also implementing an Uncertainty Reserve Product .	NYISO opened a stakeholder process to discuss Balancing Intermittency and is considering an additional reserve product.	
CAISO is also implementing a 30-minute Imbalance Reserve Product .	ISONE filed a set of reforms this fall to make targeted enhancements to their day-ahead reserve markets. One of their goals is to address fuel procurement incentives.	

Some ISO/RTOs have implemented and are further investigating ramping products. Investigation of multi-period dispatch, pricing and settlement processes are also being researched.

Two common trends:

- Scheduling and pricing for all flexibility needs.
- Integration of out-of-market activities into market outcomes.