



California ISO

WESTERN ENERGY MARKETS

Policy Initiatives Roadmap Update

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ISO Board of Governors and WEM Governing Body meeting

Joint General Session

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Goals for the policy catalog and roadmap

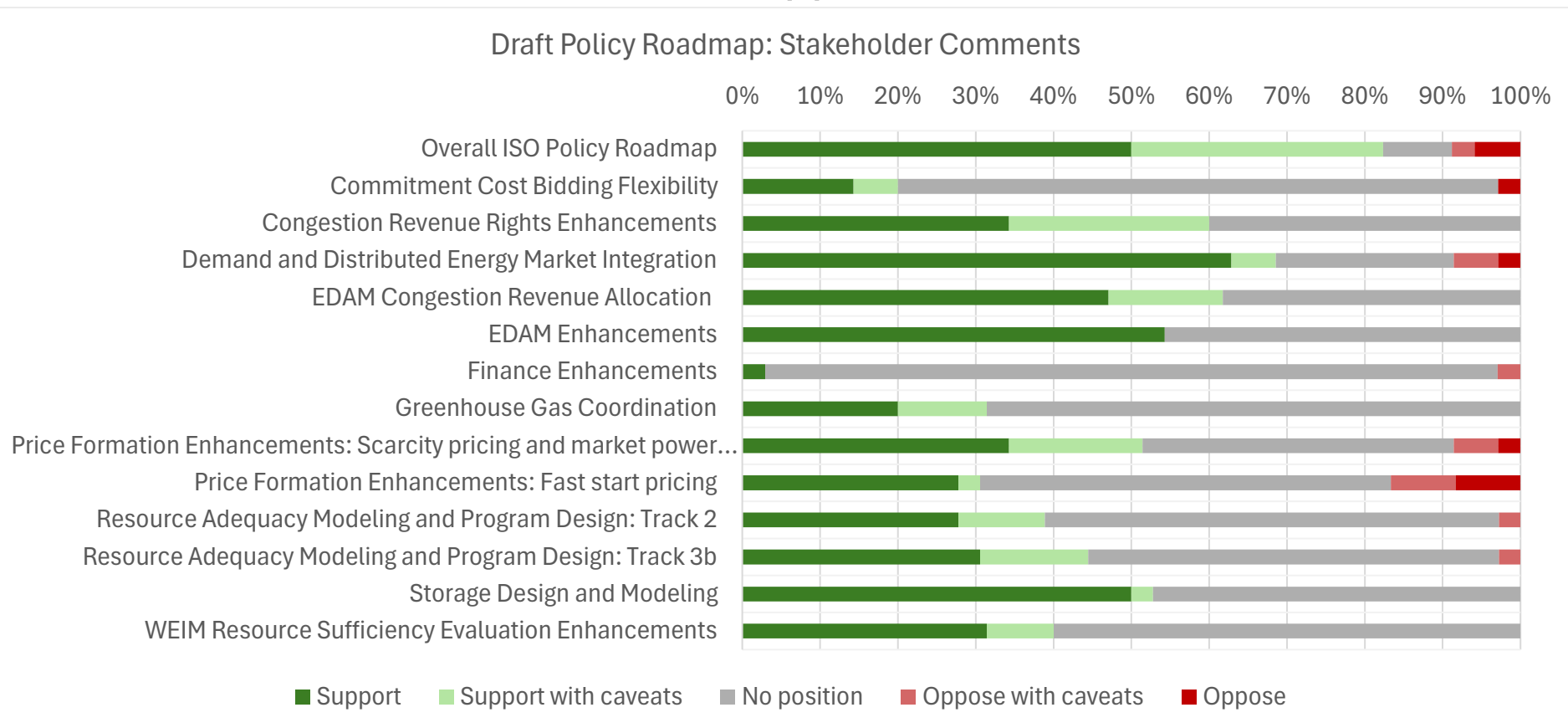
- **Meaningfully engage external stakeholders**
 - Stakeholders propose and advocate for their own initiatives
 - Final catalog includes stakeholder prioritization
- **Transparent**
 - Clear methods to identify and prioritize proposals
 - Open and transparent access to all stakeholders to influence policy enhancements roadmap
- **Allows stakeholder prioritization to be considered in the ISO's internal planning processes, together with:**
 - Alignment with ISO strategic goals and already planned work
 - Project impact on market efficiency and system reliability
 - Implementation cost
 - Other ISO commitments
- **Incorporate urgent requests**

Final 2026-2028 policy roadmap presented for review

January	<ul style="list-style-type: none">• 2025 kickoff stakeholder meeting
February	<ul style="list-style-type: none">• Stakeholders submit policy initiatives to Catalog
April	<ul style="list-style-type: none">• Stakeholder prioritization workshops + RIF roundtable
April	<ul style="list-style-type: none">• Stakeholders submit prioritization rankings
May	<ul style="list-style-type: none">• Publish updated 2025 Policy Initiatives Roadmap + present at governance meetings
June	<ul style="list-style-type: none">• Publish 2025 policy initiatives catalog
July	<ul style="list-style-type: none">• Begin 2026-2028 policy initiatives roadmap development
November	<ul style="list-style-type: none">• Draft policy roadmap released
 December	<ul style="list-style-type: none">• Final policy roadmap released

Stakeholders provided valuable feedback for draft roadmap

- 38 stakeholder comments submitted on December 2
- Asked to characterize their ability to support the roadmap
- Asked to characterize their support for individual initiatives



The final policy roadmap supports strategic objectives

Strategic objectives include:

- encouraging participation in efficient and competitive markets,
- promoting regional market expansion and enhancement,
- supporting market integration of new technologies, and
- maintaining reliable operations for market participating balancing authority areas

Strengthen resource adequacy and meet California's SB100 goals through long-term transmission planning and effective coordination with state agencies

Policy roadmap:

- Resource adequacy modeling and program design

Also furthered by Transmission planning and generator interconnection:

- Transmission planning, approval, and energization
 - Order 1920 implementation
 - Transmission development forum
- Interconnection reforms

Encourage participation in efficient and competitive markets

- Congestion revenue rights enhancements
- Price formation enhancements
- Storage design and modeling
- Demand and distributed energy market integration
- Commitment cost bidding flexibility

Promote regional market expansion and enhancement

- EDAM enhancements
- EDAM congestion revenue allocation
- Price formation enhancements: balancing authority area-level market power mitigation & scarcity pricing
- Finance enhancements
- Demand and distributed energy market integration
- Storage design and modeling
- WEIM resource sufficiency evaluation enhancements
- Greenhouse gas coordination
- Gas resource management

Support integration of new generation technologies

- Storage design and modeling
- Demand and distributed energy market integration

Maintain reliable operations for market participating balancing authority areas

- Resource adequacy modeling and program design
- Storage design and modeling
- Demand and distributed energy market integration
- Price formation enhancements
- WEIM resource sufficiency evaluation enhancements