

February 2, 2023

Contact: ISOMedia@caiso.com

Western day-ahead market enhancements approved

EDAM vote marks major step forward for regional market integration

FOLSOM, Calif. – The California Independent System Operator’s (ISO) governing bodies have approved three complementary initiatives that would establish an extended day-ahead market (EDAM) and help lower costs, improve reliability and strengthen collaboration across the West.

At a joint meeting yesterday, the ISO Board of Governors and the Western Energy Imbalance Market (WEIM) Governing Body took action on two market design initiatives and a governance proposal, the result of more than two years of policy development and stakeholder engagement.

The two governing bodies approved the [EDAM](#) final proposal, which will allow WEIM entities who currently buy and sell energy in the real-time market to participate in an extended day-ahead market. By doing so, they will gain access to additional economic, environmental and reliability benefits and be even better positioned to respond to operational challenges stemming from a changing resource mix and extreme weather events.

Along with the EDAM initiative, the governing bodies also approved the WEIM Governance Review Committee’s [governance proposal](#), which, among other enhancements, will apply the existing joint approval authority of the Board and WEIM Governing Body to the EDAM market rules. The governance proposal will also encourage the WEIM Regional Issues Forum to engage more directly in the stakeholder process for establishing priorities on policy initiatives.

“This is a major milestone for Western market integration,” said Elliot Mainzer, the ISO’s president and CEO. “The widespread support expressed for the EDAM proposal illustrates the broad coalition of utilities, resource developers, large energy users, public interest groups, and other key stakeholders who are interested in working together across the West to support a reliable, affordable and environmentally sustainable power system.”

The ISO Board of Governors also adopted the [Transmission Services and Market Scheduling Priorities Phase 2](#) initiative which supports grid reliability by providing a

long-term approach to allocating transmission capacity to California load-serving entities while also enabling external entities to obtain priority scheduling, or “wheel-through” rights, to transfer energy across the ISO’s system. Prior to the Board’s action, the WEIM Governing Body – in its advisory role – voted to support the proposal.

The ISO’s next step in the EDAM process is to develop tariff language through additional stakeholder engagement over the coming months, and spend this year and part of 2024 focusing on implementation activities. PacifiCorp, one of the largest utilities in the West, has already announced it intends to join EDAM when it launches. The ISO will continue to engage other utilities with potential interest in participating in the market and incorporate valuable input from stakeholders across the West.

“We are excited to get to work on the details of implementation and will continue to collaborate with our partners and stakeholders to make further refinements and enhancements to our market design as we move forward,” said Mainzer. “We are optimistic that other WEIM partners will join with PacifiCorp in making EDAM the next major step in Western market integration.”

At yesterday’s meeting, the governing bodies were also provided a briefing on the [Day-Ahead Market Enhancement \(DAME\) initiative](#), which will create an imbalance reserve product to ensure sufficient capacity to meet real-time demand. The item will be scheduled for a decision at a future meeting to allow the ISO staff to further consider stakeholder feedback that included potential design alternatives.

###

California ISO | 250 Outcropping Way | Folsom, CA 95630 | www.caiso.com



The California Independent System Operator (ISO) is a nonprofit public benefit corporation dedicated, with its partners, to continuous improvement and secure operation of a reliable grid operated for the benefit of consumers. It provides comprehensive grid planning, open and nondiscriminatory access to one of the largest networks of high-voltage transmission power lines in the world, and operates a \$9 billion competitive electricity market. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help provide a sustainable energy future efficiently and cleanly.

The Western Energy Imbalance Market (WEIM) is a real-time wholesale energy trading market that enables participants anywhere in the West to buy and sell energy when needed. The WEIM Governing Body is the governing authority designed by regional

stakeholders and has shared authority with the ISO Board of Governors to resolve rules specific to participation in the WEIM.