

# Extended Day Ahead Market (EDAM) Initiative Briefing

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# Harnessing benefits of a day-ahead market in the West

## Economic

- Optimized unit commitment in day ahead timeframe across footprint
- Operational and capacity benefits

## Reliability

- Confidence in transfers
- Improved operational coordination

## Environmental

- Enhanced tracking and accounting greenhouse gas emissions
- Respecting state policies

# Continuing to evolve the EDAM Design

## Day Ahead Resource Sufficiency

Each entity must bring sufficient supply to reliably serve its load.

## Transmission Availability to EDAM

Transmission customers and providers bring transmission to support transfers.

## Day Ahead Market Structure

Different market components ensure optimized, efficient, commitment of generation.

## Confidence in Market Transfers

Design features contribute to collective confidence that transfers can be relied upon in stressed conditions.

## Greenhouse Gas (GHG) Accounting

Framework for accounting for GHG emissions under different western regulatory programs.

## Settlements

All transactions emerging from the day ahead market are settled.

# EDAM Resource Sufficiency Evaluation

- Resource sufficiency evaluation tests ensures that each EDAM entity has sufficient supply to meet its load, uncertainty, and ancillary service obligations.
- Supply used to demonstrate resource sufficiency is offered into the market.
  - Diverse pool of supply to optimize resource commitment and energy transfers across footprint.
  - Robust supply pool contributes to responding to changes in grid conditions.
- Consequences for failing the day-ahead resource sufficiency evaluation incentivize forward procurement to derive benefits of the market.
  - Tiered consequence structure includes financial and practical implications of failing the sufficiency evaluation.

## Transmission Availability in EDAM

- Design seeks to maximize transmission availability in EDAM while respecting exercise of transmission rights.
  - Seeking to harmonize OATT design with organized market use of transmission.
- Transmission customers and transmission providers make transmission available to support robust transfers.
  - Pathways, or options, for how transmission customers can make transmission available to EDAM.
  - Transmission provider makes unsold transmission available for optimization.
- Design provides for transmission revenue requirement (TRR) recovery through EDAM to keep participating entities whole.

# Greenhouse Gas (GHG) Accounting in EDAM

- Design proposes a resource-specific approach to GHG accounting for commitment and dispatch of resources to serve load in states with GHG emissions and pricing policies.
- The resource-specific approach is currently implemented in the WEIM, and would be extended to EDAM with limited enhancements.
- Commitment to continue to evaluate and evolve the GHG accounting design as the market evolves.
  - Continued coordination with state regulators and stakeholders.

## Upcoming EDAM Milestones

- October 28 Publication of Draft Final Proposal
- November 7 Publish Draft Tariff Framework
- December 7 Publish Final Proposal
- December 14 Briefing to ISO Board and WEIM GB
- **Jan/Feb 2023** Decision (Joint Authority)

- Q1 2023 Draft tariff publication and stakeholder process
- Q2 2023 FERC filing
- Fall 2023 Implementation Activities

**EDAM Go-Live Target Coordinated with Interested Entities**