

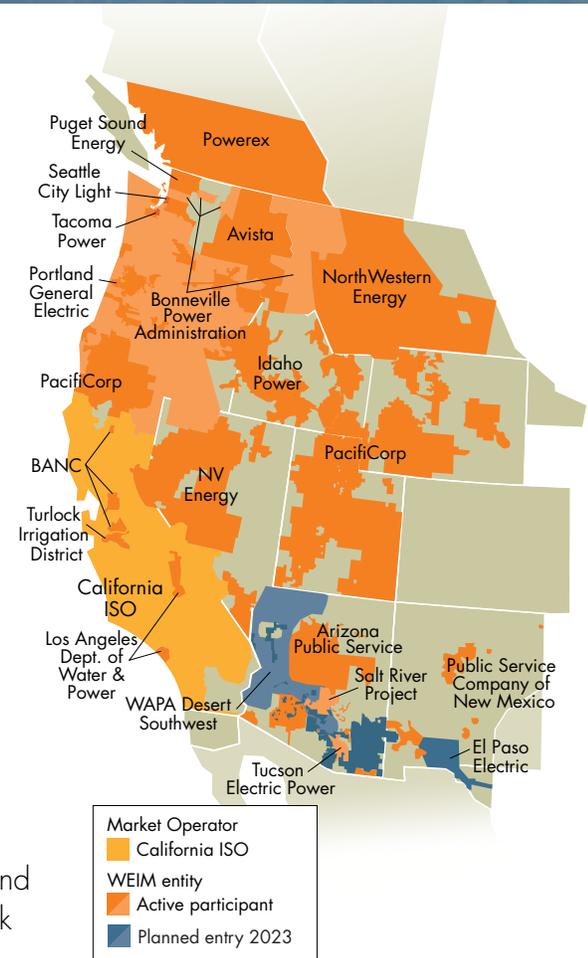
The Extended Day-Ahead Market (EDAM) is a voluntary day-ahead electricity market designed to deliver significant economic, environmental, and reliability benefits to balancing areas and utilities throughout the West.

Building on the proven ability and tangible benefits of the real-time Western Energy Imbalance Market (WEIM), the EDAM can increase regional coordination, support states' policy goals, and meet demand cost-effectively.

Since its launch in 2014, the WEIM has grown to 19 participating balancing areas representing 79% of the load in the Western Interconnection, producing nearly [\\$3 billion in benefits](#).

By leveraging the significant resource diversity and transmission connectivity between major supply and demand regions throughout the Western United States, the EDAM is being designed to deliver additional benefits to those currently derived in the WEIM through strong regional collaboration across a larger geographic footprint.

The ISO launched the EDAM initiative process in the fall of 2021 to leverage existing features of the ISO day-ahead market, features found in similar markets across the country, and using stakeholder feedback to further improve the mode.



The benefits of EDAM

The day-ahead market efficiently positions supply to meet forecasted demand across the EDAM footprint and identifies economic transfers between participating areas, providing economic, reliability and environmental benefits for participating balancing areas and their utilities.

- **Economic benefits:** Operational benefits result from reduced production expenses and providing the least-cost resources to meet demand. Since demand peaks vary for individual balancing areas across the year, the day-ahead market seeks to efficiently commit supply to meet peak needs of the whole footprint.
- **Reliability benefits:** By improving visibility and awareness of conditions across the footprint, including resource availability, a regional day-ahead market opens a wide set of resources to cost-effectively meet the next days' conditions. A diverse and broad supply pool allows the market to effectively position supply the day ahead and respond to changes in conditions, reducing the frequency and magnitude of emergency conditions.
- **Environmental benefits:** When excess renewable production occurs in one balancing area in the regional day-ahead market, the energy can be used to meet demand elsewhere, reducing the need for clean resource curtailment.

In 2022, the ISO engaged the consulting firm Energy Strategies to update the State-Led Market Study to evaluate the operational benefits and capacity savings of the EDAM for California and the West. The following benefits were quantified:

- Total annual operational savings for the West would be up to \$543 million per year from reduced power production expenses – a 4.5% decrease from the status quo;
- California’s total annual operational savings would be \$214 million, a 6.2% decrease from the status quo;
- A West-wide EDAM would reduce CO² emissions an estimated 1.5% or 2.92 million metric tons a year, equal to removing more than 634,000 vehicles from the road;
- If a West-wide EDAM were used to enable a resource adequacy program, the study estimates that certain capacity resources could be avoided. California’s savings would be up to an additional \$95 million per year, and other Western states would save up to \$557 million per year from these avoided investments;
- If the full suite of EDAM benefits is realized, the entire West could save up to nearly \$1.2 billion annually, with California realizing \$309 million of these annual savings.

Area	Operational savings (\$M/year)	Capacity savings (\$M/year)	Total savings (\$M/year)
California	\$214	\$95	\$309
Other Western states	\$329	\$557	\$886
Total	\$543	\$652	\$1,195

EDAM design and implementation timeline

Date	Milestone
December 14, 2022	Joint ISO Board of Governors and WEIM Governing Body meeting (briefing)
February 2023	Joint ISO Board of Governors and WEIM Governing Body meeting (decision)
Q1 2023	Draft tariff publication and stakeholder process
Q2 2023	FERC filing
Q3 and Q4 2023	Implementation
2024	Continued implementation activities and EDAM go-live coordinated with interested entities

For more information, [view the EDAM Benefits Study](#).