



Board of Governors
250 Outcropping Way
Folsom, CA 95630

January 27, 2023
LEG 2023-0017

Re: CAISO 's Extended Day Ahead Market (EDAM) Proposal

The Sacramento Municipal Utility District (SMUD) wishes to express its support for the CAISO's Extended Day Ahead Market (EDAM) proposal.

SMUD is currently a participant in the Western Energy Imbalance Market (EIM) through its Balancing Authority (BA) and EIM Entity, the Balancing Authority of Northern California (BANC). SMUD commenced its participation in EIM in April of 2019, as the first EIM Participating Resource in the BANC BA Area. Indeed, BANC was the first public power agency to participate in the EIM as an EIM Entity and SMUD was the first public power EIM Participating Resource. As of March 2021, the remainder of BANC members and the Sierra Nevada Region of the Western Area Power Administration commenced participation in EIM through BANC. Without question, EIM participation was a good decision for BANC. BANC has provided a separate letter of EDAM support along with a broader group of EIM Entities. SMUD, however, would like to separately extend its own voice of appreciation to the CAISO and the other stakeholders that have worked diligently to produce this proposal.

SMUD has been extremely pleased with EIM and the partnerships that have developed through this successful market. Beyond the promised economic benefits, SMUD has experienced improved operations and regional coordination. Indeed, EIM has been critical to SMUD's success integrating renewables into our portfolio as well as in managing hydro resources in difficult operating conditions. Moreover, these partnerships and the added regional cooperation without question contributed to SMUD's ability as a utility to address the challenges brought about during the September 2022 heatwave. We believe EDAM will expand on this operational collaboration, providing greater transparency and benefits in the day ahead timeframe.

SMUD recognizes there are numerous details that will need to be addressed after CAISO Board and Governing Body approval, but we are fully confident that the EDAM framework is solid and evinces perhaps one of the most thorough and collaborative CAISO stakeholder processes to date. SMUD therefore respectfully urges that the Board and Governing Body approve the proposal.

Sincerely,

A handwritten signature in blue ink that reads "Laura Lewis".

Laura Lewis
Chief Legal & Government Affairs Officer