

195 FERC ¶ 61,018
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

California Independent System Operator Corporation Docket No. ER26-1294-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued April 8, 2026)

1. On February 6, 2026, the California Independent System Operator Corporation (CAISO) filed, pursuant to section 205 of the Federal Power Act (FPA)¹ and Part 35 of the Commission's regulations,² revisions to its Open Access Transmission Tariff (Tariff) to clarify several areas of the Tariff related to its Day-Ahead Market Enhancement (DAME) and Extended Day-Ahead Market (EDAM) design. The proposed Tariff revisions seek to correct errors, clarify existing practices, and address implementation issues that have arisen since the Commission accepted the DAME and EDAM design in December 2023. In this order, we accept CAISO's proposed revisions, effective as of the actual implementation date, as requested.³

I. Background

2. CAISO states that it is currently working to implement a major market change with the introduction of DAME and EDAM on May 1, 2026.⁴ CAISO explains that the DAME Tariff provisions establish two new products – imbalance reserves and reliability capacity – to address imbalances in the supply and load forecast between the day-ahead and real-time market. CAISO states that the EDAM Tariff provisions incorporate the

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2025).

³ See Appendix for tariff records accepted in this order.

⁴ The Commission accepted the DAME and EDAM Tariff provisions in a series of orders issued from 2023 through 2025. *Cal. Indep. Sys. Operator Corp.*, 192 FERC ¶ 61,196 (2025); *Cal. Indep. Sys. Operator Corp.*, 190 FERC ¶ 61,097 (2025); *Cal. Indep. Sys. Operator Corp.*, 187 FERC ¶ 61,154 (2024); *Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,170 (2024); *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 (2023).

enhancements included in the DAME initiative and will enable other balancing authority areas in the West to participate in a day-ahead market. According to CAISO, DAME and EDAM will support the optimal day-ahead commitment of a geographically diverse set of resources across an expanded market area, maximizing the use of available transmission capability and providing broad reliability and economic benefits. CAISO states that PacifiCorp plans to participate in EDAM at its launch on May 1, 2026.⁵

3. CAISO states that, in 2025, during market simulation activities and implementation workshops for DAME and EDAM, CAISO and stakeholders identified the need to make the Tariff revisions proposed in this filing.⁶

II. Proposed Tariff Revisions

A. Intertie Scheduling and Modeling

4. CAISO proposes, on what it explains is a transitional basis, to preserve the ability of market participants to bid at CAISO interties that are EDAM transfer locations. CAISO states that the Commission-approved, but not yet effective, EDAM structure allows for transfers between participating balancing authority areas in the day-ahead market. CAISO states that these transfers will occur at EDAM transfer locations or EDAM internal interties, which are interties between participating balancing authority areas. CAISO explains that, as a result, interties with participating EDAM balancing authority areas will be within the EDAM market area and no longer serve as scheduling points for import bids into or export bids from the CAISO.⁷ CAISO states that, instead, it will dispatch and settle CAISO and EDAM resources at their physical locations to support efficient energy transfers between the CAISO and EDAM Entity balancing authority areas.⁸

5. CAISO states that, at the outset of EDAM, CAISO and PacifiCorp will have two EDAM transfer locations that will become internal EDAM interties, which would no

⁵ Transmittal at 2-3.

⁶ *Id.* at 3.

⁷ A scheduling point is a location in the base market model at which scheduling coordinators may submit intertie bids in the CAISO markets. CAISO, CAISO eTariff, app. A (Master Definition Supplement), Definition of “Scheduling Point” (2.0.0).

⁸ Transmittal at 4-5.

longer serve as scheduling points for the CAISO balancing authority area.⁹ CAISO states that, during EDAM implementation discussions, stakeholders expressed concern that the elimination of scheduling points at CAISO interties with EDAM balancing authorities will disrupt forward contracts for resource adequacy supply or resources supporting renewable portfolio standard transactions, as well as commercial transactions to hedge the risk of congestion. To address these concerns, CAISO proposes a transitional measure that will allow scheduling coordinators representing non-resource specific system resources supporting resource adequacy or renewable portfolio standard transactions to continue to submit import bids at CAISO interties that are also EDAM internal interties (referred to herein as the “continued intertie bidding proposal”).¹⁰

6. CAISO contends that its continued intertie bidding proposal will ensure that the market continues to support delivery of existing arrangements important to reliability and provide continuity to California’s resource adequacy program and renewable portfolio standard arrangements scheduled by market participants at those locations. In addition, CAISO asserts that the transitional measure recognizes that market participants need additional time to gain familiarity with the EDAM design and adjust any scheduling practices as necessary. However, CAISO cautions that allowing broader intertie bidding (i.e., transactions other than those representing non-resource specific system resources supporting resource adequacy or renewable portfolio standard transactions) at transfer locations between CAISO and PacifiCorp would undermine the effort to more efficiently dispatch resources across the EDAM market area. CAISO states that it intends to extend this transitional measure until at least the end of 2026, and that it plans to hold stakeholder discussions this year to further discuss intertie scheduling modeling to explore the mechanics of phasing out this transitional measure.¹¹

7. CAISO also proposes, on a transitional basis, to continue modeling non-resource specific system resources as physical injections at CAISO scheduling points. CAISO explains that today, it generally models and prices intertie resources at scheduling points, which the network models as pricing nodes or aggregations of pricing nodes. CAISO states that this modeling approach is referred to as “SP-Tie” modeling, which models energy injections as if they are sourced from a generator directly at the intertie location.

⁹ CAISO notes that it does not anticipate that it will receive significant import schedules at either of these interties from non-resource specific system resources representing resource adequacy capacity at EDAM go-live. *Id.* at 7.

¹⁰ *Id.* at 5. CAISO notes that resource-specific bids seeking to support an EDAM transfer at these locations will bid and be settled at their physical resource locations. *Id.* at 5-6.

¹¹ *Id.* at 6-7.

CAISO explains that, in contrast, schedules at interties of Western Energy Imbalance Market (WEIM) balancing authority areas are modeled based on the aggregate supply of the neighboring non-WEIM balancing authority area, as if the generation were sourcing from an aggregation of resources in that neighboring balancing authority area. CAISO states that this modeling approach is referred to as generation aggregation point intertie modeling, or “GAP-Tie” modeling. CAISO notes that GAP-Tie modeling more accurately models the source of the generation and the effect of flows on congestion.¹²

8. CAISO states that, due to the increased accuracy of GAP-Tie modeling for purposes of congestion management, the EDAM design accepted by the Commission extended GAP-Tie modeling across the EDAM footprint at both the EDAM interties and CAISO interties.¹³ However, CAISO states that, as EDAM implementation discussions progressed in 2025, stakeholders raised questions about how this modeling of transactions on CAISO interties in EDAM might impact forward supply contracts that rely in part on market pricing, as well as how the value of congestion revenue rights (CRR) would hedge pricing risks for market participants. Based on this feedback, CAISO proposes to retain pre-EDAM modeling practices for CAISO intertie transactions rather than shifting to GAP-Tie modeling. CAISO states that it will discuss the need for, and the duration of, this transitional measure with market participants through the same process it has proposed to address resource adequacy and renewable portfolio standard imports at CAISO interties that are EDAM transfer locations.¹⁴

9. CAISO asserts that the Commission should accept these transitional intertie modeling rules to allow more time for CAISO to work with market participants that have forward contracts or entered financial arrangements that reflect the current intertie modeling. CAISO contends that, even though the DAME and EDAM Tariff modifications that the Commission previously accepted would have changed modeling practices at the CAISO interties, the current approach remains a just and reasonable practice that has supported interchange transactions for many years.¹⁵

B. 15-Minute Market Re-Optimization

10. CAISO proposes revisions to clarify how the 15-minute market and real-time dispatch will treat schedules cleared in the hour-ahead scheduling process (HASP) at EDAM and WEIM transfer locations. CAISO states that its existing market structure

¹² *Id.* at 8.

¹³ CAISO, CAISO eTariff, app. C (Locational Marginal Price) (19.0.0), § A.8.

¹⁴ Transmittal at 8-9.

¹⁵ *Id.* at 10.

clears intertie transactions using HASP, which is an element of the real-time market that starts approximately 71.5 minutes before the trading hour.¹⁶ CAISO states that, approximately 45 minutes before the trading hour, HASP produces advisory schedules for imports and exports.¹⁷

11. CAISO states that it will continue operating HASP as part of the real-time market in conjunction with deploying EDAM. CAISO explains that scheduling coordinators will continue to submit real-time bids prior to the HASP runs, and that the 15-minute market will continue to establish locational marginal prices for all pricing nodes, including all scheduling points. CAISO notes, however, that HASP intertie schedules will compete with economic transfers between EDAM balancing authority areas and WEIM balancing authority areas. CAISO concedes that the market may not have granular information about the operation of the actual resources supporting the HASP schedule and, therefore, HASP schedules create the risk of mismatch or even double counting of supply in market operations. In addition, CAISO states that intertie schedules clearing HASP reflect injections at CAISO's intertie locations and may produce results that do not accurately account for power flows and may give rise to anomalous pricing outcomes that result in uplift.¹⁸

12. To mitigate this potential for anomalous pricing outcomes, CAISO proposes Tariff revisions to clarify that the 15-minute market and real-time dispatch market will not economically re-optimize schedules that clear HASP at interties between CAISO, EDAM Entities, or WEIM participants. CAISO asserts that this clarification will help ensure that the market does not inadvertently dispatch resources supporting those quantities that are duplicative with resources modeled in EDAM or WEIM balancing authority areas as transfers. CAISO states that it will continue to work with market participants to evaluate and evolve the market's external resource participation model and design.¹⁹

C. CRR Funding Contributions from EDAM Constraints

13. CAISO proposes revisions to clarify that CRR funding contributions from EDAM constraints will be set to zero when EDAM goes live. CAISO explains that the market design within the CAISO balancing authority area includes CRRs, which are financial

¹⁶ CAISO, CAISO eTariff, § 34.2 (The Hour-Ahead Scheduling Process) (8.0.0).

¹⁷ Transmittal at 11; CAISO, CAISO eTariff, § 34.2.1 (The HASP Optimization) (7.0.0).

¹⁸ Transmittal at 12.

¹⁹ *Id.* at 12-13.

instruments that market participants can acquire through a CAISO-administered allocation and auction process or through a secondary registration system.²⁰ CAISO states that, as part of the financial settlement of CRRs, it calculates an hourly CRR congestion fund for every transmission constraint that is congested in the integrated forward market in a settlement period and settles CRRs based on the money available in the congestion funds that correspond to the constraints over which each CRR has modeled flow.²¹

14. CAISO states that, under CRR rules for balancing authority areas participating in EDAM, congestion revenue from parallel flow on transmission constraints in an EDAM balancing authority area created by transactions in the CAISO balancing authority area are allocated to the EDAM balancing authority for further sub-allocation pursuant to that entity's tariff. When a CRR has modeled flow on an EDAM transmission constraint (i.e., parallel flow), congestion revenue on the constraint is allocated to the EDAM balancing authority where the constraint is located and not to the CAISO balancing authority area.²²

15. CAISO states that, consistent with existing Tariff rules that only fund CRRs based on the congestion revenue collected on the transmission constraints over which the CRR has modeled flow, it proposes revisions here to clarify that CRR funding contributions from EDAM constraints will be zero when EDAM goes live. CAISO asserts that this clarification will ensure that all parties are on notice that congestion revenue arising from an EDAM transmission constraint is set to zero dollars for purposes of the CRR settlement process. CAISO states that, without this change, there could be a misimpression that CAISO will allocate the same congestion revenue to two places (i.e., a CRR holder and an EDAM balancing authority).²³

D. Greenhouse Gas Accounting

16. CAISO proposes language to clarify the effective date for the previously accepted greenhouse gas (GHG) accounting and reduction policies that price carbon to allow scheduling coordinators for resources to recover their cost of complying with a state's carbon pricing policy. CAISO states that its EDAM and WEIM design enables scheduling coordinators to recover their cost of compliance with a state's carbon pricing

²⁰ CAISO, CAISO eTariff, § 36 (Congestion Revenue Rights) (0.0.0).

²¹ Transmittal at 13.

²² *Id.* at 14.

²³ *Id.*

policy.²⁴ CAISO explains that scheduling coordinators for resources outside of a GHG regulation area submit bid adders to signal that they are willing to serve load in that area and to reflect compliance costs of serving load in that area. CAISO states that, when CAISO submitted the Tariff revisions to implement this element of EDAM, the State of Washington was working to revise its rules to account for electricity imports into its GHG regulation area from centralized markets.²⁵

17. CAISO states that, in September 2025, the State of Washington provided guidance to advise market participants concerning the attribution of specified imports into the State of Washington GHG regulation area beginning January 1, 2027. Accordingly, CAISO proposes Tariff revisions to state that the provisions of Tariff sections 29.32 and 33.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027. CAISO states that the practical effect of this language is that the market will not accept bid adders in EDAM or WEIM from scheduling coordinators for resources outside of Washington's GHG regulation area until the first trading day of 2027.²⁶

E. Day-Ahead Contingency Analysis Tool

18. CAISO proposes Tariff revisions to offer a day-ahead contingency analysis tool for use by EDAM Entity balancing authority area operators on a cost-of-service basis. CAISO asserts that this tool will support operators' efforts to identify potential transmission contingencies in the day-ahead timeframe and mitigate those risks. CAISO states that this service is akin to the real-time contingency analysis tool it currently offers operators in other balancing areas through its reliability coordinator function.²⁷

19. CAISO states that the fees consist of the ongoing software license fee and charges set forth in CAISO's most recent published grid management charge report, and other rates, which will include a one-time implementation fee and annual administrative charge. CAISO states that the proposed Tariff language provides that EDAM Entities initially electing the service will pay for three years of services, which, according to CAISO, is an appropriate commitment to allow for planning and cost recovery to make

²⁴ CAISO, CAISO eTariff, § 29.32 (Greenhouse Gas Regulation and EIM Bid Adders) (5.0.0); *id.* § 33.32 (Greenhouse Gas (GHG)) (0.0.0).

²⁵ Transmittal at 15.

²⁶ *Id.*

²⁷ CAISO, CAISO eTariff, § 33.21 (Supplemental Services – DACA Services Charge) (1.0.0).

the tool available. CAISO states that, after the initial three-year term, the EDAM Entity will receive annual invoices as described in the Business Practice Manual for EDAM.²⁸

20. CAISO asserts that the Commission should accept this proposed revision because this service will provide EDAM Entity balancing authority areas with access to tools similar to those CAISO has available in managing its own balancing area. CAISO asserts that this service will improve EDAM balancing area operations and is consistent with the overall objective of enhancing reliability through participation in the day-ahead market by balancing areas already participating in WEIM.²⁹

F. Market Information Sharing

21. CAISO proposes a Tariff revision to authorize CAISO to share market information with an EDAM Entity to the extent such information relates to the EDAM Entity's balancing authority area operations and is equivalent to information available to the CAISO balancing authority. CAISO explains that EDAM Entities will retain the transmission service provider function in their respective balancing authority areas, as is the case with WEIM today. As such, CAISO asserts that sharing this information with EDAM Entities should help to ensure that they have adequate information to perform their respective functions and support readiness for EDAM participation. CAISO states that this information could include information contained in the market results interface and certain inter-scheduling coordination trade information. CAISO confirms that it will not share bids or other propriety information that could be used to gain an unfair advantage in the market.³⁰

G. Transmission Charge Adjustments

22. CAISO proposes a Tariff revision that will allow an EDAM transmission service provider to adjust its transmission charge as appropriate when an EDAM resource cannot secure firm transmission service under the options specified in the EDAM tariff. CAISO states that the EDAM design requires that resources have sufficient transmission reserved under the respective transmission service provider's tariff to cover its market dispatch.³¹ CAISO states that the purpose of these requirements is to ensure that EDAM resources have obtained adequate transmission service to support market operations and that an

²⁸ Transmittal at 16-17.

²⁹ *Id.* at 17.

³⁰ *Id.* at 17-18.

³¹ CAISO, CAISO eTariff, § 33.23 (Transmission Service Requirements for EDAM Resources) (1.0.0).

EDAM transmission service provider receives payment for the use of its transmission. CAISO states that, if an EDAM resource cannot secure required transmission before market clearing, CAISO as the market operator will inform the EDAM Entity associated with the EDAM transmission service provider so that the EDAM transmission service provider may assess a transmission charge. CAISO contends that this Tariff revision will facilitate the participation of resources in the market that otherwise might not participate due to exposure to additional firm transmission charges.³²

H. Timing of Price Correction Process

23. CAISO proposes to change the timing of its own price correction process to address a scenario in which an EDAM Entity or WEIM Entity experiences a market disruption. CAISO states that its Tariff includes a set of procedures that allow it to correct market prices that are invalid because of input errors, the failure of a market or component of a market to run in any given interval, or the miscalculation of a price in a manner that is inconsistent with Tariff requirements.³³ CAISO states that the EDAM tariff provisions incorporated by reference these processes.³⁴ CAISO states that, under its current processes, it must complete any such changes within 20 business days of the affected trading day.³⁵ CAISO states that, based on experience with WEIM Entities involving market disruptions, the price correction process can be more difficult when CAISO requires input from other transmission service providers.³⁶ Therefore, CAISO proposes a Tariff revision to specify that, in cases where it must remedy a price correction processing or publication issue arising from the separation or isolation from the market area of an EDAM Entity balancing authority area or WEIM Entity balancing authority area, it must make such changes within 30 business days of the affected trading day. CAISO asserts that this proposed change will promote valid prices for WEIM and EDAM Entities, while balancing the need to reach price finality for settling transactions with their transmission customers.³⁷

24. CAISO states that, other than the proposed revisions related to bidding at, and modeling of, CAISO interties that are EDAM transfer locations, each proposed change is

³² Transmittal at 18-19.

³³ CAISO, CAISO eTariff, § 35 (Market Validation and Price Correction) (0.0.0).

³⁴ *Id.* § 33.35 (Market Validation and Price Correction) (0.0.0).

³⁵ *Id.* § 35.3.2 (Processing and Publication Issues) (0.0.0).

³⁶ Transmittal at 19-20.

³⁷ *Id.* at 20.

severable from the others. CAISO requests that the Commission issue an order accepting the revisions no later than April 8, 2026 and authorize CAISO to make them effective upon seven days' notice. CAISO asserts that receipt of an order by April 8, 2026 will support the readiness determinations of CAISO and PacifiCorp prior to DAME and EDAM implementation on May 1, 2026.³⁸

III. Notice and Responsive Pleadings

25. Notice of CAISO's filing was published in the *Federal Register*, 91 Fed. Reg. 6636 (Feb. 12, 2026), with interventions and protests due on or before February 27, 2026. Timely motions to intervene were filed by Nevada Power Company and Sierra Pacific Power Company (together, NV Energy); Truckee Donner Public Utility District; the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California; the Transmission Agency of Northern California; Modesto Irrigation District; Portland General Electric Company; Utah Associated Municipal Power Systems; Northern California Power Agency; and California Department of Water Resources State Water Project. Timely motions to intervene and comments were filed by the Western Power Trading Forum (WPTF); the Energy Authority, Inc. (Energy Authority); Pacific Gas and Electric Company (PG&E); CAISO Department of Market Monitoring (DMM); PacifiCorp; and Southern California Edison Company (SoCal Edison). CAISO filed an answer on March 9, 2026. WPTF filed an answer to CAISO's answer on March 23, 2026.

A. Comments

26. PacifiCorp and PG&E assert that the proposed Tariff revisions represent just and reasonable clarifications to the EDAM market design and urge the Commission to accept them to support the implementation of market activities.³⁹

27. DMM states that it supports CAISO's proposed revision to clarify that CRRs in the CAISO balancing authority area will not be funded from EDAM transmission constraints in non-CAISO balancing authority areas.⁴⁰ DMM explains that this clarification will prevent uplifting costs to measured demand in CAISO because if the CAISO balancing authority area does not have rent from non-CAISO constraints, CRRs cannot pay for congestion of non-CAISO balancing authority area constraints without causing uplift. Additionally, DMM states that the proposed revisions resolve a modeling

³⁸ *Id.* at 2, 21.

³⁹ PacifiCorp Comments at 2; PG&E Comments at 2-3.

⁴⁰ DMM Comments at 1.

difference between the CRR model and the EDAM model that could be exploited by CRR auction participants.⁴¹

28. DMM, SoCal Edison, and Energy Authority support CAISO's proposal to transitionally preserve the ability of market participants to bid at CAISO interties that are EDAM transfer locations, as well as model those transactions as physical injections at interties.⁴² SoCal Edison asserts that the proposed clarification will ensure that EDAM accommodates existing resource adequacy needs and accounts for established practices and scheduling arrangements.⁴³ DMM states that it agrees with stakeholders who had expressed concern that the transition to GAP-Tie modeling, which would result in multiple prices for the same intertie, could have potential negative or unanticipated effects. DMM contends that any future approach to modeling interties should be vetted and better understood by stakeholders.⁴⁴ Energy Authority asserts that maintaining the SP-Tie modeling, scheduling, and pricing framework to accepting bids and offers at CAISO interties is critical to ensuring a valuable intertie market forward.⁴⁵

29. WPTF argues that CAISO's previously accepted proposal to eliminate intertie bidding is flawed and that the continued intertie bidding proposal is only acceptable on a limited basis while a more comprehensive intertie bidding solution is developed.⁴⁶ WPTF asserts that intertie bidding has been a longstanding and efficient way for market participants to schedule imports and exports over CAISO interties by submitting an economic bid or self-scheduling. WPTF contends that this framework has supported open access to the CAISO grid and has supported reliability in California through the importing of excess supply. WPTF avers that eliminating intertie bidding at existing CAISO interties will turn importing or exporting energy into a burdensome multi-step process.⁴⁷

⁴¹ *Id.* at 3-4.

⁴² Energy Authority Comments at 2-3; SoCal Edison Comments at 3; DMM Comments at 2-3.

⁴³ SoCal Edison Comments at 3.

⁴⁴ DMM Comments at 2-3.

⁴⁵ Energy Authority Comments at 2-3.

⁴⁶ WPTF Comments at 3.

⁴⁷ *Id.* at 4-6.

30. WPTF further argues that because market participants will be forced to self-schedule imports and exports over interties internal to EDAM, market participants will have limited opportunity to manage their exposure to congestion because they will have to act as price takers. WPTF avers that an increase in the volume of self-schedules will significantly reduce the efficiency of EDAM and undermine benefits of the market.⁴⁸

31. Next, WPTF argues that eliminating intertie bidding could potentially increase reliability risks by reducing liquidity at interties internal to EDAM. WPTF asserts that market participants will be disincentivized from engaging in transactions that require delivery over interties internal to EDAM due to the increased risks that suppliers would bear in connection with importing or exporting at an EDAM internal intertie. WPTF explains that parties may have the option of shifting their market activity to a different CAISO intertie point during initial implementation when the number of paths involving EDAM internal interties is relatively limited, but predicts that the expansion of EDAM will limit points where parties may be willing to import or export between CAISO and non-EDAM balancing authority areas.⁴⁹

32. WPTF argues that CAISO's continued intertie bidding proposal offers only limited protection to some market participants and does not resolve the universe of issues stakeholders identified prior to EDAM implementation. However, WPTF asserts that retaining the pre-EDAM bidding rules is preferable to the accepted, but not yet effective, tariff provisions, which would eliminate all intertie bidding at EDAM internal interties when EDAM goes live. If the Commission approves the proposal, WPTF requests that the Commission find that: (1) approval is specific to circumstances of this case and is to avoid the greater harm rejection would cause; and (2) the Commission expects CAISO to develop a solution with its stakeholders that preserves the benefits of intertie bidding but is compatible with the EDAM design.⁵⁰

B. Answers

33. CAISO asserts that the Commission has already addressed the concerns WPTF raises about eliminating intertie bidding at CAISO interties that become EDAM internal interties. Specifically, CAISO states that the previously accepted DAME and EDAM Tariff provisions recognize that EDAM internal interties will no longer serve as intertie scheduling points.⁵¹ CAISO contends that Tariff revisions proposed in this proceeding

⁴⁸ *Id.* at 6-7.

⁴⁹ *Id.* at 8.

⁵⁰ *Id.* at 12.

⁵¹ CAISO Answer at 6 (citing CAISO, CAISO eTariff, § 33.18.4 (CAISO Transmission at EDAM Interties) (0.0.0)).

enhance the transition to EDAM by recognizing existing commercial arrangements that have relied on CAISO interfaces that will become EDAM internal interties for scheduling purposes. Accordingly, CAISO argues that WPTF's comments exceed the scope of this proceeding.⁵²

34. CAISO disputes WPTF's contention that eliminating intertie bidding at CAISO interfaces that are EDAM internal interties poses threats to reliability and efficiency. CAISO argues that WPTF's position overlooks the improvements the EDAM design makes to modeling and pricing intertie transactions at CAISO interfaces. CAISO asserts that, from a market efficiency and power flow perspective, transfers between EDAM balancing authority areas and WEIM balancing authority areas under the EDAM market design will be superior to import or export schedules at CAISO interfaces because they result from the optimization, dispatch, and settlement of physical resources at the same time the transfers occur.⁵³

35. CAISO also reiterates its commitment to facilitating stakeholder discussions to address the need for and the duration of the transitional scheduling practices, as well as the implications of GAP-Tie modeling at CAISO interfaces with non-EDAM balancing authority areas.⁵⁴

36. WPTF asserts that CAISO's answer minimizes WPTF's concerns about the elimination of intertie bidding and does not adequately address WPTF's comments regarding the inefficiencies that the elimination of intertie bidding will create.⁵⁵ WPTF reiterates its position that, although modeling at interties may be improved, the elimination of intertie bidding will force market participants to self-schedule contractually obligated deliveries, which is inefficient and degrades price formation. WPTF asserts that the advent of EDAM will not eclipse the need for continued economic bidding at interties because delivery contracts for resource adequacy, renewable portfolio standards, and other contracts will still exist.⁵⁶

37. Further, WPTF argues that eliminating intertie bidding may not improve power flow modeling. WPTF asserts that physical resources and the transmission used to support deliveries into CAISO may not be known until the day-ahead market clears and

⁵² *Id.* at 2, 6-9.

⁵³ *Id.* at 9-13.

⁵⁴ *Id.* at 13-14.

⁵⁵ WPTF Answer at 1-2.

⁵⁶ *Id.* at 2-3.

an associated e-Tag is submitted. WPTF states that this would result in the location of a resource modeled in EDAM potentially having no relationship with the location of the resource that is used to deliver energy to the CAISO balancing authority area.⁵⁷

38. WPTF reiterates that the Commission should approve CAISO's proposal as a limited and interim measure but that the proposal falls short of a long-term solution. WPTF requests that the Commission urge CAISO to consider WPTF's concerns and develop long-term measures that will preserve intertie bidding.⁵⁸

IV. Discussion

A. Procedural Matters

39. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

40. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2025), prohibits an answer to a protest and/or answer unless otherwise ordered by the decisional authority. We accept CAISO's and WPTF's answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

41. As discussed below, we find that CAISO's proposed revisions to its Tariff are just and reasonable and not unduly discriminatory or preferential. We accept CAISO's proposed Tariff revisions with an effective date of 12/31/9998, as requested. No less than seven days prior to the date CAISO implements the proposed Tariff revisions with a 12/31/9998 effective date, CAISO is required to make a compliance filing in this docket through the Commission's eTariff system with the accepted tariff record text that establishes the actual effective date of the Tariff records and designates the records accepted in this order as OBE (overtaken by events).⁵⁹

⁵⁷ *Id.* at 3-4.

⁵⁸ *Id.* at 4.

⁵⁹ CAISO must make a compliance filing using Type of Filing Code 80 in this docket by including the associated filing identifier (associated_filing_id) for this filing at the filing level. The filing must include tariff records with the effective date for the previously-accepted tariff records and also include, at the tariff record level, the associated filing identifier (associated_filing_id), associated record id (associated_record_id), and

42. We limit our discussion and findings below to the contested aspects of CAISO's proposal. We find that the aspects of CAISO's proposal that are not contested and not specifically discussed herein are just and reasonable and not unduly discriminatory or preferential because the revisions will help support implementation of CAISO's DAME and EDAM design by introducing new features and making adjustments to existing tariff provisions to better align with the EDAM market design and providing additional clarity in the Tariff for market participants.

43. As to the continued intertie bidding proposal, we find that the proposed Tariff revisions accommodate existing resource and renewable portfolio requirements within the new market framework by recognizing the continued reliance on established business practices and scheduling arrangements. We find that extending a limited option for bidding at CAISO interties that are EDAM transfer locations would give market participants time to gain familiarity with the EDAM design and adjust commercial arrangements that may rely on current scheduling approaches for intertie resources. We also find that this proposal would help avoid adverse market or reliability outcomes that could result from disrupting existing contractual arrangements while CAISO continues its discussions with stakeholders about intertie scheduling modeling. Accordingly, we find that the continued intertie bidding proposal is just and reasonable and not unduly discriminatory or preferential.

44. We reject WPTF's request to condition this acceptance on any expectations concerning potential future modifications to the EDAM market design. The Commission has accepted the Tariff provisions governing EDAM intertie bidding and scheduling as just and reasonable and consistent with existing WEIM policies for participation of external resources.⁶⁰ Moreover, as discussed above, we find that the Tariff revisions proposed here are just and reasonable and not unduly discriminatory or preferential. Accordingly, we find that WPTF's concerns about future modifications to intertie bidding are beyond the scope of this proceeding.

associated option code (associated_option_code) of the original tariff records accepted with a 12/31/9998 date.

⁶⁰ *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 at PP 237-240.

The Commission orders:

(A) CAISO's proposed Tariff revisions are hereby accepted, effective as of the actual implementation date, as discussed in the body of this order.

(B) CAISO is directed to make a compliance filing to establish the effective date of the tariff records, as discussed in the body of the order.

By the Commission.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

Appendix – Tariff Records

California Independent System Operator Corporation

CAISO eTariff

- [11.2.1, IFM Settlements \(8.0.0\)](#)
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