

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

California Independent System Operator Corporation))	Docket No. ER25-2637-000
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**MOTION FOR LEAVE TO FILE ANSWER AND ANSWER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO COMMENTS AND PROTEST**

The California Independent System Operator Corporation (CAISO)¹ answers the comments and one protest filed in this proceeding² in response to the CAISO's June 26, 2025, filing of a tariff amendment (June 26 Filing) to make a targeted enhancement to the existing, Commission-approved methodology for allocating congestion revenue among participating balancing areas under the Extended Day-Ahead Market (EDAM) design. The CAISO developed this enhancement expeditiously to address stakeholder questions and concerns raised in the past year on congestion revenue allocation under EDAM, and the enhancement is widely supported. For the reasons explained in the June 26

¹ Capitalized terms not otherwise defined herein have the meanings set forth in appendix A to the CAISO tariff.

² The following entities filed comments: Arizona Public Service Company (APS); the Clean Energy Associations (consisting of the American Clean Power Association, Interwest Energy Alliance, and Renewable Northwest); the Department of Market Monitoring (DMM); Joint Commenters (consisting of PacifiCorp, Portland General Electric Company (PGE), and Balancing Authority of Northern California); Pacific Gas and Electric Company (PG&E); Powerex Corp (Powerex); Public Interest Organizations (PIOs, which consist of Natural Resources Defense Council and Western Resource Advocates); Salt River Project Agricultural Improvement and Power District (SRP); and the Western Power Trading Forum and the Northwest Intermountain Power Producers Coalition (together, WPTF-NIPPC). Joint Customers (consisting of Utah Municipal Power Agency, Deseret Generation & Transmission Co-operative, Inc. d/b/a Deseret Power, and Utah Associated Municipal Power Systems) filed a protest.

The CAISO files this answer pursuant to Rules 212 and 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213. For the reasons explained in section II below, the CAISO respectfully requests waiver of Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2), to permit it to answer Joint Customers' protest.

Filing and this answer, the Commission should accept the CAISO's tariff revisions without modification or condition, effective as of the actual go-live date for EDAM.

I. Executive Summary

The Commission should accept the June 26 Filing as a targeted, transitional, and just and reasonable methodology for allocating congestion revenue on day one of EDAM implementation planned for May 1, 2026. The June 26 Filing enhances the existing EDAM design the Commission approved in its order issued in an earlier proceeding in December 2023.³

As several commenters recognize, the June 26 Filing effectively balances competing interests for addressing important stakeholder questions and concerns about EDAM congestion revenue allocation.⁴ In the expedited

³ See *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210, at PP 2, 41-44, 434-35, and Ordering Paragraphs (A)-(D) (2023) (EDAM Acceptance Order). As discussed in section III.A below, the EDAM Acceptance Order approved nearly all of the tariff revisions the CAISO filed to implement EDAM, which the CAISO submitted on August 22, 2023 in Docket No. ER23-2686-000 (EDAM Tariff Filing). The CAISO subsequently filed and the Commission accepted several additional sets of tariff revisions to enhance the EDAM design.

⁴ See, e.g., Clean Energy Associations at 3 ("The proposed revisions to congestion revenue allocation included in the CAISO filing . . . represent a notable improvement over the current CAISO EDAM tariff provisions. If approved, they will help to better balance the implementation of EDAM with the retention of individual OATTs and associated transmission service and will improve EDAM's functionality.") (internal citation omitted); Joint Commenters at 2 ("Joint Commenters believe that the CAISO Congestion Enhancement represents a reasonable compromise between the need for near-term stability in market design with stakeholder requests for a permanent solution for congestion allocation that will take more time, market experience, and stakeholder engagement to develop."); SRP at 5 ("SRP believes that CAISO's current proposed tariff amendments strike an appropriate balance that reasonably hedges and protects transmission customers that have invested in long-term or monthly firm transmission rights on adjacent systems but also recognizes the contribution and congestion revenue entitlements of entities in balancing authority areas where the congestion occurs."); WPTF-NIPPC ("[T]he interim proposal represents a reasonable and pragmatic compromise that will offer better protection for holders of OATT transmission rights by permitting customers to continue to use these rights in the EDAM footprint while providing CAISO the opportunity to gain experience with the operation of the EDAM structure before determining next steps and developing further changes.").

stakeholder initiative that resulted in the June 26 Filing, the CAISO demonstrated its willingness and ability to work collaboratively with interested participants to arrive at a final proposal that reflected the general consensus. The CAISO plans to keep those efforts going. To that end, the CAISO has committed to, and commenters support, developing and implementing further enhancements to the EDAM congestion revenue allocation methodology based on the renewed stakeholder process the CAISO will begin in the fall of 2025. The CAISO appreciates the broad commenters support for the June 26 Filing, their diligent efforts in the expedited stakeholder initiative to help develop the tariff revisions contained in that filing, and their commitment to resume work on further enhancements starting this fall.

All but one of the entities that filed pleadings in response to the June 26 Filing ask the Commission to accept the June 26 Filing or express general support for it.⁵ However, a few commenters also raise other issues that go beyond the narrow scope of this proceeding. The Commission should disregard

⁵ See APS at 2 (“APS respectfully requests that the Commission approve this incremental improvement while CAISO continues to work toward developing a long-term solution.”); Clean Energy Associations at 6 (“The Clean Energy Associations respectfully request that the Commission accept the CAISO Filing, for the reasons noted above.”); DMM at 5 (“DMM views the CAISO’s proposal in this filing as a reasonable alternative transitional measure to allocation of EDAM congestion revenues.”); Joint Commenters at 9 (“Joint Commenters request that the Commission accept these comments and the CAISO Congestion Enhancement as just and reasonable and consistent with or superior to the *pro forma* OATT”); PIOs at 5 (“PIOs ask the Commission to consider these comments in its consideration of the proposal and accept all sections effective May 1, 2026, as requested by CAISO.”); PG&E at 2 (“PG&E urges the Commission to issue an order accepting this tariff amendment by September 2025, to ensure the CAISO upholds the actual implementation date of EDAM, currently estimated to be May 1, 2026”); Powerex at 3 (“Powerex generally supports CAISO’s EDAM Amendment as an improvement over the existing EDAM Tariff.”); SRP at 5 (“CAISO’s proposed tariff amendments result in a just and reasonable outcome”); WPTF-NIPPC at 5 (“WPTF and NIPPC appreciate CAISO’s engagement on this issue and urge the Commission to approve the proposal as presented.”).

the arguments commenters make on these extraneous issues. The CAISO has already responded to most of those arguments in the proceedings on the submittals by PacifiCorp and PGE of revisions to their respective Open Access Transmission Tariffs (OATTs) to enable their participation in EDAM.⁶ The CAISO summarizes its previous responses in this answer and references the more extensive responses provided in the PacifiCorp and PGE proceedings.

Joint Customers alone protest the June 26 Filing and ask the Commission to reject it without prejudice. Their objection is not to the tariff revisions contained in the June 26 Filing but instead solely to the underlying EDAM design as implemented by CAISO tariff provisions the Commission earlier approved. The Commission should reject Joint Customers' protest as beyond the scope of the instant proceeding and an impermissible collateral attack on the EDAM Acceptance Order. That order approved the allocation of congestion revenue to balancing authorities participating in EDAM for those participating balancing authorities to then sub-allocate in accordance with their OATTs, as opposed to the CAISO's directly allocating the congestion revenue to transmission customers as Joint Customers favor. This specific issue was fully litigated in the EDAM Tariff Filing docket and decided in the EDAM Acceptance Order.

The Commission should accept the targeted and transitional tariff revisions contained in the June 26 Filing and allow the stakeholder process on further enhancements to proceed on the schedule described therein. Doing so

⁶ See Docket No. ER25-951 on PacifiCorp's OATT revisions and Docket No. ER25-1868 on PGE's OATT revisions. Both of those proceedings are currently ongoing.

will allow the customers in the West to realize the benefits of EDAM in a timely manner, while the CAISO and stakeholders work toward developing and implementing a fully considered, long-term durable methodology for allocating EDAM congestion revenue.

II. Motion for Leave to File Answer to Protest

Pursuant to Rules 212 and 213, the CAISO respectfully requests waiver of Rule 213(a)(2) to permit it to answer the protest filed in the proceeding. Good cause for the waiver exists because this answer will aid the Commission in understanding the issues in the proceeding, inform the Commission in the decision-making process, and help to ensure a complete and accurate record in the case.⁷

III. Answer

A. The Commission Should Disregard All Arguments that Are Beyond the Scope of this Proceeding or that Collaterally Attack the EDAM Acceptance Order

This proceeding solely concerns whether the Commission should find the CAISO tariff revisions proposed in the June 26 Filing to enhance the EDAM methodology for allocating congestion revenue are just and reasonable under section 205 of the Federal Power Act (FPA). All but one intervenor that submitted a protest in this proceeding ask the Commission to accept the June 26 Filing. The one protester and also a few of the commenters in support of

⁷ See, e.g., *Equitrans, L.P.*, 134 FERC ¶ 61,250, at P 6 (2011); *Cal. Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,023, at P 16 (2010); *Xcel Energy Servs., Inc.*, 124 FERC ¶ 61,011, at P 20 (2008). There is no limitation under the Commission's rules on filing an answer to comments.

Commission acceptance of the June 26 Filing make arguments that do not concern the tariff revisions at issue in the proceeding.

Those arguments are beyond the scope of the instant proceeding. Under well-established precedent, the Commission's only concern in addressing a tariff amendment filing submitted pursuant to FPA section 205 is the tariff revisions before it. For this reason, the Commission rejects arguments that go beyond the scope of the section 205 proceeding.⁸ The Commission should therefore disregard all arguments that do not concern the tariff revisions contained in the June 26 Filing.

The fact that the protester's and some commenters' arguments go beyond the scope of the instant proceeding is itself sufficient reason for the Commission to disregard them. Additionally, the Commission should disregard their arguments insofar as they constitute impermissible collateral attacks on the findings in the EDAM Acceptance Order issued in December 2023.

The EDAM Acceptance Order approved nearly all of the revisions contained in the EDAM Tariff Filing to implement the EDAM design.⁹ As part of

⁸ See, e.g., *Sw. Power Pool, Inc.*, 160 FERC ¶ 61,087, at P 12 (2017); *Cal. Indep. Sys. Operator Corp.*, 154 FERC ¶ 61,169, at P 63 (2016); *PJM Interconnection, L.L.C.*, 144 FERC ¶ 61,191, at P 24 (2013). *Cal. Indep. Sys. Operator Corp.*, 143 FERC ¶ 61,276, at P 11 (2013); *ISO New Eng. Inc.*, 137 FERC ¶ 61,112, at P 17 (2011); *Midwest Indep. Transmission Sys. Operator, Inc.*, 116 FERC ¶ 61,306, at P 28 (2006).

⁹ The EDAM Acceptance Order also directed the CAISO to submit a compliance filing that included certain corrections and clarifications, which the Commission accepted in a subsequent order. See *Cal. Indep. Sys. Operator Corp.*, Commission letter order, Docket No. ER23-2686-001 (Apr. 30, 2024).

The only revisions to the CAISO tariff the Commission did not accept in the EDAM Acceptance Order were those regarding the proposed EDAM access charge, which the Commission rejected without prejudice subject to the CAISO's submitting a future filing that provided additional support for its access charge proposal. EDAM Acceptance Order at PP 460-65. The CAISO subsequently filed an amendment to the CAISO tariff with additional support for

that approval, the Commission found the entirety of the CAISO's methodology for allocating congestion revenue under EDAM was just and reasonable.¹⁰ The statutory 30-day time period for filing any requests for rehearing after the issuance of the EDAM Acceptance Order¹¹ passed without any party submitting a request for rehearing.¹² Therefore, the EDAM Acceptance Order is now final and non-appealable.¹³

Under longstanding precedent, “[a] collateral attack is an attack on a judgment in a proceeding other than a direct appeal and is generally prohibited.”¹⁴ The Commission has explained the rationale for the prohibition against impermissible collateral attacks:

[I]t is contrary to sound administrative practice and a waste of resources to relitigate issues in succeeding cases once those issues have been fully determined. Absent a showing of significant change in circumstances, the relitigation of an issue is simply not

the EDAM access charge, which the Commission accepted. *See Cal. Indep. Sys. Operator Corp.*, 187 FERC ¶ 61,154 (2024) (EDAM Access Charge Order). The CAISO also later filed, and the Commission accepted, enhancements to the EDAM design to implement the EDAM access charge framework in the CAISO balancing area. *Cal. Indep. Sys. Operator Corp.*, 190 FERC ¶ 61,097 (2025) (EDAM CAISO Balancing Area Order). In addition, the CAISO later filed and the Commission accepted enhancements to the EDAM design to extend support for inter-scheduling coordinator trades of energy within participating balancing areas. *See Cal. Indep. Sys. Operator Corp.*, 189 FERC ¶ 61,224 (2024) (EDAM Inter-SC Trades Order).

¹⁰ EDAM Acceptance Order at PP 434-39.

¹¹ *See* FPA section 313(a), 16 U.S.C. 825(a).

¹² Similarly, no party filed a request for rehearing of the EDAM Access Charge Order, the EDAM Inter-SC Trades Order, or the EDAM CAISO Balancing Area Order.

¹³ *See, e.g., La. Pub. Serv. Comm’n v. Entergy Corp.*, 162 FERC ¶ 61,234, at P 149 (2018) (“Accordingly, we find that the Presiding Judge correctly found that the Louisiana Commission failed to take the critical step of seeking rehearing of the 2012 Rehearing Order. The 2012 Rehearing Order is the final order in that docket and is no longer subject to judicial review.”); *Old Dominion Elec. Coop. v. Pub. Serv. Elec. & Gas Co.*, 105 FERC ¶ 61,094, at P 17 (2003) (finding that “[b]ecause ODEC did not seek rehearing of the Complaint Order, that order became final and non-appealable 30 days following its issuance”); *CNG Transmission Corp.*, 86 FERC ¶ 61,013, at 61,030 (1999) (“Since no parties have filed a request for rehearing of that order, it is final and non-appealable.”).

¹⁴ *Louisville Gas & Elec. Co.*, 144 FERC ¶ 61,054, at P 12 (2013) (internal citation and quotation marks omitted).

justified. Sound public policy reasons support the Commission's policy against relitigation of issues.¹⁵

As discussed below, neither the lone protester nor any commenter demonstrates a significant change in circumstances since the Commission issued the EDAM Acceptance Order to overcome the prohibition against impermissible collateral attacks.

B. The Commission Should Disregard the Protest

Joint Customers argue the Commission should reject the June 26 Filing, without prejudice to the CAISO's subsequently submitting a revised proposal that requires allocating congestion revenue directly to transmission customers, rather than allocating congestion revenue to participating balancing authorities for their sub-allocation as under the existing EDAM design.¹⁶ The Commission should disregard Joint Customers' arguments as beyond the scope of this proceeding and an impermissible collateral attack on the EDAM Acceptance Order.

Joint Customers correctly acknowledge the June 26 Filing "simply modifies one aspect of the *existing provisions of its Tariff* that allocate congestion revenues to balancing authorities rather than directly to transmission customers."¹⁷ The June 26 Filing does not propose to alter the category of entities—namely, balancing authorities participating in EDAM—to which the

¹⁵ *Alamito Co.*, 43 FERC ¶ 61,274, at 61,753 (1988) (footnote omitted) (*Alamito*). See also *Duke Energy Progress, LLC*, 184 FERC ¶ 61,098, at P 18 & n.30 (2023) (citing the same page of *Alamito* in finding that "[a]bsent a showing of significant changes in circumstances, which Duke has not made, such relitigation of an issue constitutes a collateral attack and is not justified").

¹⁶ Joint Customers at 4-9, 12.

¹⁷ *Id.* at 5 (emphasis added) See also *id.* at 4 (acknowledging that the CAISO "is proposing only to modify how it allocates certain congestion revenues among balancing authorities").

CAISO will allocate congestion revenue. That framework has already been established and accepted by the Commission, and the CAISO proposes no change to it in the June 26 Filing.

Although Joint Customers contend at one point that the CAISO merely “continues to propose” to allocate EDAM congestion revenue to participating balancing authorities rather than directly to transmission customers, that allocation to balancing authorities is not a new proposal in this proceeding—it is the allocation methodology the Commission expressly approved in the EDAM Acceptance Order. The CAISO was clear in the EDAM Tariff Filing that it planned to allocate *transfer* revenue to transmission customers but to allocate *congestion* revenue to balancing authorities, which would then sub-allocate the congestion revenue in accordance with their OATTs:

Transfer revenue represents the market value of transmission made available at internal interties by the service provider or customers holding transmission rights. Congestion revenue, on the other hand, represents the cost to serve demand across the internal transmission system of a balancing area. Without separation of congestion revenue from transfer revenue, the CAISO would be unable to allocate transfer revenue cleanly and directly to transmission customers because the monies would be comingled with *congestion revenue that would be allocated to the balancing area supporting the transfer*.¹⁸

In the EDAM Acceptance Order, the Commission recognized this exact same distinction between the allocation of transfer revenue and the allocation of

¹⁸ Transmittal letter for EDAM Tariff Filing at 189 (emphasis added). See also *id.* at 190 (“The transmission service provider would thereafter allocate the congestion revenue under the provisions of its tariff.”).

congestion revenue.¹⁹ The Commission found that “CAISO’s proposed settlement design is just and reasonable” and that it was just and reasonable for the CAISO to make “certain EDAM-specific accommodations for settlements arising from . . . congestion/transfer revenue.”²⁰ The Commission likewise found that “CAISO’s congestion revenue and transfer revenue proposal is just and reasonable” and “agree[d] that CAISO’s proposal to *allocate congestion revenue to the BAA* where the internal constraint arises is reasonable.”²¹ In sum, the Commission authorized the EDAM design features under which the CAISO will allocate congestion revenue to participating balancing authorities and those balancing authorities will then sub-allocate the congestion revenue in accordance with their OATTs.

The June 26 Filing did not open up the EDAM design elements previously accepted by the Commission to the alteration in how congestion revenue is allocated that Joint Customers request. This fact may explain why Joint Customers ask the Commission to reject the June 26 Filing without prejudice, subject to a future CAISO tariff amendment filing that includes their requested

¹⁹ “CAISO states that without the separation of congestion revenue from transfer revenue, it would be unable to allocate transfer revenue cleanly and directly to transmission customers because the monies would be commingled with congestion revenue that would be allocated to the BAA [balancing authority area] supporting the transfer.” EDAM Acceptance Order at P 421 (citing transmittal letter for EDAM Tariff Filing at 189). See also *id.* at P 411 (“PacifiCorp notes that . . . congestion revenues would need to be sub-allocated by the EDAM Entity”); *id.* at P 417 (“In EDAM, CAISO proposes to account for . . . congestion revenues and will allocate them to the BAA where the binding constraint is modeled.”); *id.* at P 418 (“This separation of the congestion revenue from the transfer revenue [under the EDAM design] supports separate accounting, which in turn provides for the allocation of transfer revenue to the rights holders that voluntarily made transmission available to the day-ahead market.”).

²⁰ *Id.* at P 415.

²¹ *Id.* at P 434 (emphasis added).

alteration.²² Nor do Joint Customers allege any change in circumstances that might justify relitigating the approved EDAM design, which would be the only way of showing their arguments are not an impermissible collateral attack on the EDAM Acceptance Order.²³

The Commission should find no merit in Joint Customers' argument that the CAISO's plans to make near-term and long-term enhancements, based on actual experience after EDAM go-live, calls into question the justness and reasonableness of the EDAM design.²⁴ In the EDAM Acceptance Order, the Commission found that design is just and reasonable without condition or modification.²⁵ The Commission has also repeatedly recognized the CAISO expects to take EDAM live in May 2026, with the CAISO only being required to provide notice to the Commission within five business days after that actual

²² See Joint Customers at 1, 12.

²³ Joint Customers also appear to collaterally attack the Commission's earlier orders approving the design of the Western Imbalance Energy Market (WEIM), on the grounds that "EDAM was developed under the same paradigm as . . . WEIM . . . and thus puts the balancing authority rather than the transmission customer first." See *id.* at 6. Again, Joint Customers do not allege any change in circumstances that could justify relitigating that paradigm, which they describe as "wrong-headed" (*see id.*).

²⁴ See *id.* at 7-9. In addition, Joint Customers argue the CAISO should use market modeling and simulation prior to implementing EDAM. *Id.* at 8. The Commission recognized the CAISO would do exactly that in the EDAM Acceptance Order. See EDAM Acceptance Order at P 142 (stating that "CAISO asserts that it has committed to brief the CAISO Board of Governors and WEIM Governing Body on all aspects of DAME and EDAM, including implementation, market simulation, market performance, and the role of the tunable parameters"); *id.* at P 208 ("Prior to the implementation date, CAISO and the EDAM Entity will engage in market simulation that accounts for the prospective EDAM Entity's implementation circumstances and will carry out at least 30 days of parallel operations to test the prospective EDAM Entity's implementation, as well as completing the implementation activities set forth in revised Tariff section 33.2.5."); *id.* at P 436 ("Regarding CDWR's and DC Energy's concerns pertaining to displaced congestion revenue, we note CAISO's commitment to provide the best information it can in the market simulation process.").

²⁵ See, e.g., *id.* at P 238 ("We deny ACP's request to condition approval upon modifications prior to another day-ahead market platform in the West commencing operations.").

implementation date.²⁶ Furthermore, as the CAISO has explained, implementing the tariff revisions contained in the June 26 Filing on a transitional basis and later making enhancements is comparable to the approach the CAISO has taken with other tariff amendments accepted by the Commission.²⁷

The only permissible forum for Joint Customers to raise issues with the existing EDAM design at the Commission would be a new proceeding established pursuant to a complaint filed under section 206 of the FPA,²⁸ not this FPA section 205 tariff amendment proceeding. The Commission rejects complaints styled as protests of tariff amendments,²⁹ and should do the same here.

C. The Commission Should Disregard Arguments Made in the Comments on Matters Extraneous to the June 26 Filing

A few commenters supporting acceptance of the June 26 Filing make other arguments that go beyond the scope of that filing, including some that

²⁶ See *id.* at PP 2, 32, 41; EDAM Access Charge Order at P 28 (“CAISO also requests authorization to inform the Commission of the actual effective date of the proposed May 1, 2026 Tariff changes through a subsequent filing within five business days following their implementation.”); EDAM Inter-SC Trades Order at P 5 (“CAISO states that it is targeting an effective date for the proposed Tariff revisions of May 1, 2026, which is CAISO’s intended go-live date for EDAM.”); EDAM CAISO Balancing Area Order at P 13 (explaining that “May 1, 2026 . . . is CAISO’s intended go-live date for EDAM”).

²⁷ See transmittal letter for June 26 Filing at 42 (discussing Commission precedent).

²⁸ 16 U.S.C. § 824e. Because the relevant provisions of the CAISO tariff remain just and reasonable, there is no basis for such a section 206 complaint.

²⁹ See, e.g., *Calpine Energy Servs., L.P.*, 177 FERC ¶ 61,022, at P 31 (2021) (“The Commission has made clear that intervenor-proposed changes to [a utility]’s existing tariff must be made through a complaint under section 206 of the FPA and not through protests to a section 205 filing.”) (internal quotation marks omitted); *Midcontinent Indep. Sys. Operator, Inc.*, 155 FERC ¶ 61,040, at P 18 (2016) (“The Commission has long held that a complaint should not be submitted as part of a motion to intervene or protest in an ongoing proceeding—such a filing does not allow interested parties sufficient notice of the complaint because it is not formally docketed and noticed.”).

constitute impermissible collateral attacks on the EDAM Acceptance Order. The Commission should disregard all such arguments made by commenters.

Powerex appropriately recognizes that “only the ‘Year 1’ provisions [proposed in the June 26 Filing] are currently before the Commission in this docket,”³⁰ but nevertheless it raises some issues that go beyond the docket’s scope. First, Powerex erroneously argues that the CAISO may seek in the future simply to revert to the currently effective methodology for allocating congestion revenue.³¹ SRP raises a similar misplaced concern.³²

The CAISO has no present intention to undo the tariff revisions in the June 26 Filing and revert to the existing provisions. As the CAISO has explained, the CAISO plans to discuss and develop enhancements to the EDAM design with all interested stakeholders (including Powerex, SRP, and any other participants in the stakeholder process) starting this coming fall.³³ The CAISO anticipates the discussions will include consideration of concerns raised by stakeholders, DMM, the Market Surveillance Committee (MSC), and the Western Energy Markets (WEM) Governing Body market expert,³⁴ as well as any other issues that may come up in the course of the stakeholder process. As Powerex recognizes, “whatever provisions the CAISO intends to propose in the future to replace the

³⁰ Powerex at 7.

³¹ See *id.* at 3-8.

³² See SRP at 6.

³³ See transmittal letter for June 26 Filing at 42-44. The CAISO stated it was providing an overview of its “plans for near-term and long-term engagement with stakeholders solely for the information of the Commission and interested parties.” *Id.* at 42-43.

³⁴ See *id.* at 33-41.

EDAM Amendment [*i.e.*, the tariff revisions contained in the June 26 Filing] will be evaluated at that time.”³⁵ What tariff revisions the CAISO may or may not make in the future is beyond the scope of this proceeding.

The June 26 Filing purposely does not include a sunset date for the tariff revisions contained therein. This means they will be superseded only after the CAISO files, *and the Commission approves*, tariff revisions to implement any enhancements following the discussions with interested stakeholders.³⁶ As a result, the June 26 Filing accords with SRP’s belief that it “should establish the ongoing policy regarding the allocation of congestion revenues associated with parallel flows unless or until [the CAISO] obtains this Commission’s approval to change that policy.”³⁷

Also, Powerex’s belabored claim that the CAISO showed a lack of candor in the stakeholder process that resulted in the EDAM Tariff Filing is baseless.³⁸ As the CAISO has explained in detail in the proceedings on the OATT revisions filed by PacifiCorp and PGE, the record shows the CAISO presented accurate information to the stakeholders and later to interested parties and the

³⁵ Powerex at 7.

³⁶ Thus, the CAISO confirms DMM’s understanding that the June 26 Filing “does not have an explicit sunset provision and that the proposed allocation [under its tariff revisions] will continue unless and until replaced by future design changes.” See DMM at 4-5. As to a separate issue raised by DMM, the CAISO understands DMM’s comments on the submission of circular schedules (*see id.* at 4, 5) to indicate that DMM plans to monitor for the use of such circular schedules and that DMM believes scheduling to capture congestion payments while avoiding congestion charges is a manipulative practice. The CAISO holds the same view.

³⁷ See SRP at 7.

³⁸ See Powerex at 8-11.

Commission.³⁹ Furthermore, the Commission should disregard Powerex's arguments that EDAM is a captive (*i.e.*, non-voluntary) market.⁴⁰ The CAISO has explained in the PacifiCorp and PGE OATT revision proceedings that the EDAM Acceptance Order authorized the fundamental feature of the EDAM design that participation is voluntary for each balancing area or transmission service provider rather than being voluntary for individual transmission customers.⁴¹ Under the EDAM design, "[p]articipation in the extended day-ahead market by a balancing authority is entirely voluntary, and a balancing authority can terminate its participation with a six-month notice and without exit fees."⁴²

Lastly, SRP is mistaken that PacifiCorp and PGE should address the issue of congestion allocation by providing an opt-out option.⁴³ As the CAISO has explained in the PacifiCorp and PGE OATT revision proceedings, the EDAM design approved in the EDAM Acceptance Order includes no opt-out option and

³⁹ See Comments on PacifiCorp Response to Deficiency Letter, Status Update, and Motion for Leave to File Answer and Limited Answer to Certain Answers, of the California Independent System Operator Corporation, Docket No. ER25-951-000, at 49-61 (May 19, 2025) (CAISO May 19 PacifiCorp OATT Filing); Motion for Leave to File Answer and Answer of the California Independent System Operator Corporation to Comments and Protests, Docket No. ER25-1868-000, at 26-39 (May 19, 2025) (CAISO May 19 PGE OATT Filing).

⁴⁰ See Powerex at 11-13.

⁴¹ See Motion for Leave to File Answer and Answer of the California Independent System Operator Corporation to Comments, Protests, and Answer, Docket No. ER25-951-000, at 31-33 (Mar. 7, 2025) (CAISO March 7 PacifiCorp OATT Filing); CAISO May 19 PacifiCorp OATT Filing at 37-39, 41-44; CAISO May 19 PGE OATT Filing at 16-19; *id.*, attachment A at 31-33. See also May 19 PGE OATT Filing at 22-23 (incorporating by reference the entirety of attachment A into the May 19 PGE OATT Filing).

⁴² Transmittal letter for EDAM Tariff Filing at 104.

⁴³ See SRP at 7-8.

gives balancing authorities only a limited carve-out option.⁴⁴ In addition, this is yet another issue beyond the scope of this proceeding.

D. The Commission Should Allow the CAISO's Upcoming Stakeholder Process to Go Forward as Described in the June 26 Filing

The Commission should reject Powerex's request to require the CAISO to file a long-term durable EDAM congestion revenue allocation framework for Commission acceptance within 24 months (or some other timeframe directed by the Commission).⁴⁵ The CAISO has already committed to the schedule for discussing near-term and long-term enhancements with stakeholders described in the June 26 Filing, starting in the fall of 2025.⁴⁶ The best results in this upcoming stakeholder process will come from the CAISO and stakeholders taking the time needed to develop a fully considered proposal, rather than being forced to conform their discussions to an artificial deadline. This is especially true because stakeholder processes on other important matters will be taking place in parallel, which will require the CAISO and stakeholders to prioritize and

⁴⁴ See CAISO March 7 PacifiCorp OATT Filing at 31-37, 65-69; CAISO May 19 PacifiCorp OATT Filing at 40-48; CAISO May 19 PGE OATT Filing at 15-23.

⁴⁵ See Powerex at 14-15.

⁴⁶ See transmittal letter for June 26 Filing at 42-44. The upcoming stakeholder process on near-term and long-term enhancements will begin within just a few months, after the summer is over and presumably informed by a Commission order on the June 26 Filing. See *id.* at 2, 44, 46 (requesting that the Commission issue an order on the June 26 Filing by September 18, 2025 to provide certainty to the CAISO and its stakeholders). This is preferable to beginning work on long-term enhancements immediately as PG&E recommends, and PG&E is mistaken that the CAISO will postpone those stakeholder discussions by twelve months. See PG&E at 4-5.

budget their time among the various stakeholder initiatives consistent with the CAISO's practices for conducting and coordinating stakeholder initiatives.⁴⁷

The CAISO appreciates the comments that Powerex and others provide on specific topics to be discussed in the upcoming stakeholder process on near-term and long-term enhancements.⁴⁸ Although the comments are premature and beyond the scope of this proceeding for the reasons explained above, the CAISO encourages all interested participants to provide their input in that upcoming stakeholder initiative.

IV. Conclusion

For the foregoing reasons and the reasons explained in the June 26 Filing, the Commission should accept the CAISO's tariff revisions effective as of the

⁴⁷ See, e.g., 2025 Policy Initiatives Catalog (June 12, 2025), available at <https://stakeholdercenter.aiso.com/RecurringStakeholderProcesses/Annual-policy-initiatives-roadmap-process-2025>; https://stakeholdercenter.aiso.com/StakeholderInitiatives?_gl=1*g344vz*_ga*MTIzNTA4OTM5LjE3MzcwMjI2Mzk.*_ga_NDS4B4M2WP*czE3NTM2MTUwNTIkbzI2NCRnMSR0MTc1MzYxNTMwOSRqNjAkbDAkaDA.

⁴⁸ See, e.g., APS at 4-5; Clean Energy Associations at 5; DMM at 5; PG&E at 3-4.

actual go-live date of EDAM and should make the other findings discussed therein.

Respectfully submitted,

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Dated: August 1, 2025

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 1st day of August, 2025.

/s/ Jacqueline Meredith

Jacqueline Meredith
An employee of the California ISO