

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

**California Independent System)
Operator Corporation)** **Docket No. ER25-2637-000**

**MOTION FOR LEAVE TO FILE ANSWER AND LIMITED ANSWER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO)¹ files this limited answer² to respond to the motion for leave to answer and answer submitted in this proceeding by Joint Customers on August 13, 2025.³

This proceeding solely concerns 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 in the CAISO tariff for allocating congestion revenue among participating balancing areas under the CAISO's Extended Day-Ahead Market (EDAM).⁴ The Commission recognizes the CAISO plans to take EDAM live on May 1, 2026.⁵ Under the existing EDAM provisions

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

² This limited answer supplements the answer the CAISO filed in this proceeding on August 1, 2025 (August 1 CAISO Answer). Among other things, the August 1 CAISO Answer responded to arguments made by Joint Customers (which consist of the entities listed in footnote 3 below) in the protest they filed in the proceeding on July 17, 2025.

³ Motion for Leave to Answer and Answer of Utah Municipal Power Agency, Deseret Generation & Transmission Co-operative, Inc. d/b/a/ Deseret Power, and Utah Associated Municipal Power Systems (August 13 Joint Customers Answer), which responds to the August 1 CAISO Answer. The CAISO files this limited 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 I below, the CAISO respectfully requests waiver of Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2), which prohibits an answer to an answer unless otherwise ordered by the decisional authority.

⁴ See August 1 CAISO Answer at 8-10.

⁵ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210, at P 32 (2023) (EDAM Acceptance Order) ("CAISO requests . . . a 2026 [effective] date to be established at a later date for the balance of the . . . EDAM Tariff provisions"); *Cal. Indep. Sys. Operator Corp.*, 189 FERC ¶

of its tariff, the CAISO will allocate congestion revenue to participating balancing authorities for sub-allocation rather than directly to transmission customers—*regardless of whether the Commission accepts the targeted tariff enhancement contained in the June 26 Filing.*

Thus, no matter whether the Commission accepts or rejects the June 26 Filing, that will not give Joint Customers what they want: a change in the EDAM design to allocate EDAM congestion revenue directly to transmission customers. The Commission should accept the June 26 Filing without condition or modification for the reasons the CAISO has explained in its previous filings in this proceeding. Although the arguments made in the August 13 Joint Customers Answer should not impact Commission acceptance of the June 26 Filing, the CAISO encourages the Joint Customers to explore support for their concerns about allocating EDAM congestion revenue to participating balancing authorities with other EDAM participants and raise them in the renewed EDAM stakeholder process the CAISO will begin in the fall of 2025. The CAISO looks forward to discussing these concerns with stakeholders in this upcoming stakeholder process.

I. Motion for Leave to File Answer

Pursuant to Rules 212 and 213, the CAISO respectfully requests waiver of Rule 213(a)(2) to permit it to file this limited answer to the August 13 Joint

61,224, at P 5 (2024) (“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.”); *Cal. Indep. Sys. Operator Corp.*, 190 FERC ¶ 61,097, at P 13 (2025) (explaining that “May 1, 2026 . . . is CAISO’s intended go-live date for EDAM”). Again, this proceeding solely concerns the targeted tariff enhancement proposed in the June 26 Filing, not the date EDAM will go live.

Customers Answer. Good cause for the waiver exists because this limited answer will aid the Commission in understanding the issues in the proceeding, inform the Commission in its decision-making process, and help to ensure a complete and accurate record in the case.⁶

II. Limited Answer

Joint Customers again ask the Commission to 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.⁷ Although the CAISO understands and can appreciate Joint Customers' viewpoint, the issues Joint Customers raise are beyond the scope of this proceeding and are appropriately addressed in the renewed congestion revenue allocation stakeholder process that will begin a few months from now in the fall of 2025.

In its August 1 Answer, the CAISO emphasized it looks forward to discussing potential enhancements to the EDAM congestion revenue allocation methodology with stakeholders in that upcoming stakeholder process.⁸ The

⁶ See, e.g., *PJM Interconnection, L.L.C.*, 187 FERC ¶ 61,173, at P 25 (2024); *Constellation Mystic Power, LLC*, 185 FERC ¶ 61,016, at P 15 (2023); *ISO New Eng. Inc.*, 175 FERC ¶ 61,172, at P 15 (2021).

⁷ August 13 Joint Customers Answer at 1-7.

⁸ See, e.g., August 1 CAISO Answer at 3 (stating "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"); *id.* at 4-5 (stating that in the stakeholder process, "the CAISO and stakeholders [will] work toward developing and implementing a fully considered, long-term durable methodology for allocating EDAM congestion revenue"); *id.* at 13 ("As the CAISO has explained, the CAISO plans to discuss and develop enhancements to the EDAM design with all interested stakeholders . . . starting this coming fall."); *id.* at 17 (stating "the CAISO

CAISO encourages Joint Customers to participate in the stakeholder process, explore support for their concerns with other EDAM participants, and raise their concerns for careful consideration by all participants in an appropriate forum.⁹

However, that is a topic for another day. In the instant proceeding, the Commission should accept the June 26 Filing for the reasons the CAISO has explained in its previous filings. The June 26 Filing does not propose any changes to the category of entities—namely, balancing authorities participating in EDAM—to which the CAISO will allocate congestion revenue under the existing EDAM design.¹⁰ Even if the Commission were to reject the June 26 Filing, that would not change the fact that, under the existing Commission-approved terms of the CAISO tariff, EDAM congestion revenue will be allocated to participating

encourages all interested participants to provide their input in that upcoming stakeholder initiative”).

⁹ Alternatively, Joint Customers could raise issues with the existing EDAM design in a new proceeding established pursuant to a complaint filed under section 206 of the Federal Power Act. There is no valid basis for such a section 206 complaint, however, because the relevant provisions of the CAISO tariff remain just and reasonable. Furthermore, the prospect of one or more balancing authorities (e.g., PacifiCorp) participating in EDAM—which the EDAM Acceptance Order clearly contemplated must occur in the future for the design to be implemented—does not constitute a significant change in circumstances that might overcome the prohibition against impermissible collateral attacks on the EDAM Acceptance Order. See August 1 CAISO Answer at 6-10.

¹⁰ See June 26 Filing at attachment B (containing red-lined CAISO tariff revisions). In particular, under CAISO tariff section 33.11.1.2 as revised therein, EDAM congestion revenue will continue to be allocated “to the applicable Balancing Authority Area within which the Congestion occurred,” pursuant to the existing EDAM design and corresponding tariff provisions approved in the EDAM Acceptance Order. In the June 26 Filing, the CAISO only proposes to move the quoted phrase—without making any changes to it—to another location within the revised sentence in which it appears, to improve the syntax. Nor does the CAISO propose any changes to the provision in tariff section 33.11.1.2 stating that “[a]n EDAM Entity will ensure that Congestion revenue allocated to its EDAM Entity Scheduling Coordinator is further allocated [*i.e.*, sub-allocated] by all applicable EDAM Transmission Service Providers as may be detailed in the EDAM Transmission Service Provider tariff and business practices.” Any issues regarding how congestion revenue may be sub-allocated pursuant to an EDAM transmission service provider tariff and business practices is beyond the scope of this proceeding on the June 26 Filing, which solely concerns the justness and reasonableness of CAISO tariff revisions to implement the targeted enhancement proposed therein.

balancing authorities when EDAM goes live. All rejection of the June 26 Filing would do is result in congestion revenue being allocated solely to the EDAM balancing area where the constraint occurs, instead of a portion of the congestion revenue being allocated to the EDAM balancing area where market participants paid prices that include those congestion costs, as proposed under the targeted enhancement in the June 26 Filing and desired by all other commenters in this proceeding.

The CAISO and stakeholders spent several years designing EDAM, including the component of the design that allocates EDAM congestion revenue to participating balancing authorities.¹¹ The Commission should allow 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 long-term durable methodology for allocating EDAM congestion revenue. The CAISO encourages Joint Customers to engage in the upcoming stakeholder process starting this fall to discuss whether Joint Customers' requested change to the congestion revenue allocation design approved in the EDAM Acceptance Order would be appropriate and broadly supported as part of the evolution of EDAM.¹² The CAISO looks forward to discussing these concerns and other identified issues with stakeholders as part of this upcoming stakeholder process.

¹¹ The CAISO has described the extensive, years-long stakeholder process that resulted in the EDAM design the Commission ultimately approved. See transmittal letter for CAISO tariff amendment on Day-Ahead Market Enhancements and EDAM, Docket No. ER23-2686-000, at 40-42 (Aug. 22, 2023).

¹² Joint Customers will also have an opportunity to submit comments to the Commission on any future tariff amendment the CAISO may file to revise the EDAM design.

III. Conclusion

For the foregoing reasons and the reasons explained in the CAISO's earlier filings in this proceeding, the Commission should accept the June 26 Filing, without modification or condition.

Respectfully submitted,

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Dated: August 21, 2025

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the above-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 Washington, DC this 21st day of August, 2025.

/s/ Daniel Klein

Daniel Klein

Davis Wright Tremaine LLP