

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

**Portland General Electric Company     )     Docket Nos. ER25-1868-000  
ER25-1868-001**

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

The California Independent System Operator Corporation (CAISO)<sup>1</sup> files this limited answer solely to respond to arguments that Powerex Corp (Powerex) makes in portions of the pleading it submitted in the captioned dockets on July 21, 2025.<sup>2</sup> As explained below, the Commission should find no merit in Powerex's arguments seeking rejection of the revisions Portland General Electric Company (PGE) filed to its Open Access Transmission Tariff (OATT) (PGE OATT Filing) to enable PGE's participation in the CAISO's Extended Day-Ahead Market (EDAM).<sup>3</sup>

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

<sup>2</sup> Comments and Motion for Leave to Answer and Answer of Powerex Corp, Docket Nos. ER25-1868-000 and ER25-1868-001 (July 21, 2025) (July 21 Powerex Filing). Specifically, the CAISO files this limited answer in response to numbered item (3) and the immediately following paragraph on page 3, section I.C (contained on pages 10-13), and section III (contained on pages 13-14) of the July 21 Powerex Filing, which Powerex submitted in response to the Motion for Leave to File Answer and Answer filed by Portland General Electric Company (PGE) on May 23, 2025 (May 23 PGE Answer). Powerex also filed supplemental comments on July 29, 2025 (July 29 Powerex Filing). The Southwest Power Pool filed additional comments on August 5, 2025 (August 5 SPP Filing) While the CAISO does not respond to the July 29 Powerex Filing and the August 5 SPP Filing here, the CAISO understands that PGE will respond to these filings.

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, to permit the CAISO to answer the July 21 Powerex Filing.

<sup>3</sup> PGE submitted its OATT Filing on April 3, 2025. The CAISO plans to take EDAM live on May 1, 2026.

Powerex claims that PGE fails to provide transmission customers with a workable hedge against EDAM congestion charges.<sup>4</sup> However, Powerex has already acknowledged that a transitional market enhancement the CAISO developed and filed for Commission approval resolves this issue, and PGE's OATT revisions will allow its customers to benefit from that enhancement.<sup>5</sup>

Despite the CAISO's expedited efforts to address the core concern raised in this proceeding,<sup>6</sup> Powerex nonetheless continues its attacks on the EDAM provisions of the CAISO tariff already found to be just and reasonable by the Commission.<sup>7</sup> Powerex seeks nothing less than the unilateral power to avoid scheduling its transmission rights in accordance with the associated EDAM transmission service provider tariff.<sup>8</sup> Powerex persists despite the fact that granting such a unilateral refusal power to an EDAM transmission customer is contrary to the Commission order approving the CAISO's EDAM design and has no basis in the Commission's *pro forma* OATT or open access principles. The May 19 CAISO Answer already addressed these issues in detail, including in response to a protest filed by Powerex that claimed the same unilateral refusal

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<sup>4</sup> July 21 Powerex Filing at 3-4.

<sup>5</sup> See Comments of Powerex Corp, Docket No. ER25-2637-000, at 3 (July 17, 2025).

<sup>6</sup> See Docket No. ER25-2637. The tariff amendment is currently pending before the Commission. The CAISO will also initiate a stakeholder process this coming fall to explore potential further near-term and long-term enhancements to the design of the congestion revenue allocation methodology. See transmittal letter for CAISO tariff amendment, Docket No. ER25-2637-000, at 2, 8-9, 42-44 (June 26, 2025).

<sup>7</sup> See Motion for Leave to File Answer and Answer of the California Independent System Operator Corporation, Docket No. ER25-1868-000 (May 19, 2025) (May 19 CAISO Answer).

<sup>8</sup> See July 21 Powerex Filing at 10-13.

power.<sup>9</sup> Now, Powerex rehashes the same baseless claim without mentioning the May 19 CAISO Answer, much less refuting the points made in it. The Commission should disregard Powerex's arguments.

## **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 in response to the portions of the July 21 Powerex Filing specified in footnote 2 above. 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.<sup>10</sup>

## **II. Limited Answer**

Powerex requests that the Commission reject the PGE OATT Filing without prejudice on the grounds that it is purportedly not just and reasonable and not consistent with or superior to the Commission's *pro forma* OATT.<sup>11</sup> Powerex claims that the revisions PGE proposes to its own OATT would "block customer choice" and would be "inferior to the *pro forma* OATT and open access principles."<sup>12</sup>

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<sup>9</sup> Protest of Powerex Corp, Docket No. ER25-1868-000 (May 1, 2025) (May 1 Powerex Protest). Below, the CAISO refers the Commission to the specific relevant portions of the May 19 CAISO Answer.

<sup>10</sup> 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).

<sup>11</sup> July 21 Powerex Filing at 13-14.

<sup>12</sup> *Id.* at 13.

Powerex's arguments apply to the proposed OATT revisions that specify a narrowly tailored right of PGE to "carve out" (*i.e.*, "hold back") EDAM transmission that PGE may apply only in limited circumstances to protect market efficiency and integrity.<sup>13</sup> Powerex also argues for a unilateral EDAM "opt-out" option for itself and other transmission customers.<sup>14</sup> Powerex is wrong that PGE's carve-out right should be expanded beyond the limits PGE proposes in its OATT revisions and wrong that Powerex and any other OATT transmission customer should be given a unilateral opt-out option under EDAM.

Powerex has chosen to respond to the May 23 PGE Answer,<sup>15</sup> which addressed comments and protests regarding the OATT revisions, but elected not to respond to—or even acknowledge—the May 19 CAISO Answer, which addressed those same comments and protests—including Powerex's. In that May 19 answer, the CAISO explained in detail why the Commission should reject the requests made by Powerex and a handful of other parties that the Commission should require PGE to expand its use of carve-out rights and/or implement a customer opt-out option whereby a transmission customer would have the ability to remove its transmission rights from EDAM.<sup>16</sup>

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<sup>13</sup> See *id.* at 11 (citing May 23 PGE Answer at 23, 25).

<sup>14</sup> As the CAISO has explained, an opt-out option would allow individual OATT transmission customers to remove capacity from EDAM (*i.e.*, opt out of the market) for any reason. A carve-out right, by contrast, would allow a transmission service provider—not an individual OATT transmission customer—to carve out specified transmission rights from EDAM in limited circumstances. May 19 CAISO Answer at 15 n.28.

<sup>15</sup> See July 21 Powerex Filing at 1.

<sup>16</sup> See May 19 CAISO Answer at 15-23; *id.*, attachment A at 31-37. For purposes of clarity in this limited answer, the CAISO distinguishes between "opt-outs" and "carve-outs" of transmission rights. An opt-out option would allow individual OATT transmission customers to remove capacity from the EDAM market (*i.e.*, opt out of the market). A carve-out option, by

There is no need for the CAISO to repeat here all the points it already made in the May 19 CAISO Answer. It is sufficient to summarize them:

- Granting the requests of Powerex and others for an opt-out option or expanded carve-out option would be inconsistent with the EDAM provisions of the CAISO tariff, the order the Commission issued in December 2023 that approved the EDAM design<sup>17</sup> (and thus is also an impermissible collateral attack on that order), and the PGE OATT Filing.<sup>18</sup>
- The EDAM Acceptance Order authorized the fundamental feature of the EDAM design that participation is voluntary for each balancing area with the associated transmission service provider(s) rather than being voluntary for individual transmission customers.<sup>19</sup> *Inter alia*, the Commission found “uniform participation [in EDAM] of relevant resources within a BAA [balancing authority area] helps to account for all load and resources and aligns demand forecasts with the supply and demand for which a balancing authority is responsible,” and rejected arguments for an opt-out right by individual customers.<sup>20</sup>
- Permitting PGE to exercise its limited carve-out authority without also including a general opt-out right for transmission customers is not unduly

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contrast, would allow a transmission service provider—not an individual OATT transmission customer—to carve out specified transmission rights from EDAM.

<sup>17</sup> *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 (2023) (EDAM Acceptance Order).

<sup>18</sup> See May 19 CAISO Answer at 15-18, 19-23.

<sup>19</sup> See *id.* at 16-17; *id.*, attachment A at 31-32.

<sup>20</sup> EDAM Acceptance Order at PP 217, 220.

discriminatory.<sup>21</sup> The Commission recognized in the EDAM Acceptance Order the CAISO's expectation that "conditions warranting such a carve-out will be limited and that the transmission customer's option to exercise firm transmission rights at a higher market clearing priority above cleared day-ahead EDAM transfer schedules in real-time is a more efficient use of transmission capacity and should be implemented instead of carve-outs where possible."<sup>22</sup>

- Powerex's arguments that the EDAM provisions of the CAISO tariff should be disregarded because "the EDAM tariff is a market services tariff, not a transmission tariff"<sup>23</sup> ignore the fact that the Commission addressed the impacts of EDAM on transmission service provided by participating balancing areas at great length in the EDAM Acceptance Order, including in response to Powerex's own comments in that docket.<sup>24</sup>
- In the order approving the Southwest Power Pool, Inc.'s (SPP) Markets+ design more than a year after the EDAM Acceptance Order, the Commission authorized a mechanism proposed by SPP to allow transmission opt-outs subject to specified limitations.<sup>25</sup> However, that was

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<sup>21</sup> See May 19 CAISO Answer at 22-23.

<sup>22</sup> EDAM Acceptance Order at P 285.

<sup>23</sup> Powerex July 21 Filing at 3.

<sup>24</sup> See, e.g., EDAM Acceptance Order at PP 307-21.

<sup>25</sup> See *Sw. Power Pool, Inc.*, 190 FERC ¶ 61,030, at P 85 (Markets+ Acceptance Order), *order on reh'g & clarification*, 191 FERC ¶ 61,177 (2025) (Markets+ Rehearing Order) ("We also find that [SPP's] proposed transmission opt-out mechanism's limits on the ability of market participants to reduce transmission capability available to the market are just and reasonable."); *id.* at P 87 ("We find that the proposed limitations of the opt-out—in conjunction with [other specified measures]—will reasonably mitigate market participants' ability to use the opt-out provision to strategically withhold transmission capability.").

SPP's own proposal for its own market design that the Commission found was just and reasonable, after previously finding the EDAM design was also just and reasonable.<sup>26</sup> The Commission has long recognized that there is a range of just and reasonable market designs, and no Independent System Operator (ISO) or Regional Transmission Organization (RTO) has to adopt the same market design as another ISO or RTO.<sup>27</sup> Further, Powerex ignores that, except for Markets+, the Commission has only granted "carve-outs" in an extremely limited number of cases—for certain types of grandfathered agreements—which does not include OATT transmission customers.<sup>28</sup>

- State regulators and RTO market monitors have raised, and the Commission has acknowledged, concerns about potential gaming opportunities and market inefficiencies resulting from provisions limiting transmission availability to day-ahead markets. The operators and

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<sup>26</sup> The Commission approved the EDAM design knowing the Markets+ design was being developed at the same time. See EDAM Acceptance Order at P 228 ("ACP explains that SPP has moved forward with its development of Markets+, another day-ahead market platform; thus, it is now possible that EDAM external interties will interface with another day-ahead market."); *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. We agree with CAISO that it is unnecessary to condition acceptance of the proposal on future considerations, such as the emergence of a new day-ahead market platform in the West including SPP's Markets+ initiative.").

<sup>27</sup> See May 19 CAISO Answer at 18-19; *id.*, attachment A at 32-33. Assuming solely for the sake of argument that differences between the EDAM and the Markets+ designs could render tariff revisions implementing one of those designs unjust and unreasonable—which the CAISO does not believe is the case—it would have presumably prevented acceptance of the SPP Markets+ tariff amendments, not tariff amendments like PGE's OATT revisions to implement EDAM. The Commission approved the EDAM design first and EDAM is expected to go live first, in 2026, with Markets+ expected to go live in 2027. See *Sw. Power Pool, Inc.*, 191 FERC ¶ 61,071, at P 2 (2025).

<sup>28</sup> See May 19 CAISO Answer, attachment A at 40-44.

designers of wholesale markets have the right to determine whether to offer individual customers a unilateral option to remove any transmission capacity rights under the *pro forma* OATT from the optimization of locational market pricing (LMP)-based markets.<sup>29</sup>

- Other ISOs and RTOs have not allowed individual OATT customers to opt out of participating in LMP-based markets. The Commission approved those ISO/RTOs' market designs even though they are subject to the same "consistent with or superior to" standard to support variations from the *pro forma* OATT that applies to PGE's OATT.<sup>30</sup> Again, the Commission has generally not granted "carve-outs" for OATT transmission customers.
- Allowing a customer broad authority to dictate the terms on which it uses its transmission service rights has no basis in the *pro forma* OATT. Under the terms of the *pro forma* OATT, the transmission service provider must manage the use of its system by customers to ensure the reliability of the grid and provide open access for the benefit of all customers. Granting the unilateral right to opt out or withdraw transmission capacity from EDAM would undermine the transmission service provider's ability to provide service in accordance with terms it establishes under the Federal Power Act.<sup>31</sup>

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<sup>29</sup> See May 19 CAISO Answer, attachment A at 33.

<sup>30</sup> See *id.*, attachment A at 34.

<sup>31</sup> See *id.*, attachment A at 35-37.



Powerex fails to address, much less refute, any of these points in this proceeding. Instead, without citing any Commission precedent, Powerex argues—in response to the May 23 PGE Answer alone—that PGE mischaracterizes what Powerex is requesting, quotes a statement from Powerex’s expert witness to corroborate its position, and makes unsupported claims of what the *pro forma* OATT and open access principles supposedly require that merely rehash arguments Powerex made at greater length in the May 1 Powerex Protest.<sup>32</sup>

Powerex also ignores the fact that the Commission expressly found the transmission framework it approved in the EDAM Acceptance Order is consistent with or superior to the *pro forma* OATT.<sup>33</sup> The CAISO filed comments in this proceeding—comments also unanswered by Powerex—which explain that the CAISO’s review of PGE’s OATT revisions indicate they are fully consistent with the Commission-approved transmission framework and the other components of the EDAM design, and are likewise consistent with or superior to the *pro forma* OATT.<sup>34</sup>

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<sup>32</sup> See July 21 Powerex Filing at 10-13. See also, e.g., May 1 Powerex Protest at 12 (“All regional programs—including day-ahead organized markets like EDAM and Markets+—are thus being ‘layered on top of’ the existing OATT framework for funding, reserving and using transmission service.”); *id.* at 67-70 (section of Powerex’s answer arguing that PGE’s “Proposal Violates Open Access Principles by Discriminating Against Markets+ Participants”); *id.* at 69 (“Powerex believes that open access precedent and sound policy require market operators and transmission providers go even further in the current landscape of new Commission-approved regional programs: Powerex believes all Western entities should be required to design their respective markets and transmission tariffs to support customer choice and the freedom of transmission customers to participate in the regional programs and markets of their choosing.”).

<sup>33</sup> EDAM Acceptance Order at P 307. Thus, Powerex is wrong that “the Commission does not review the EDAM tariff under the ‘consistent with or superior to the *pro forma* OATT’ standard.” See July 21 Powerex Filing at 3.

<sup>34</sup> See Comments of the California Independent System Operator Corporation, Docket No. ER25-1868-000, at 8-11 (May 1, 2025).

Moreover, in the Markets+ Rehearing Order (issued after the May 19 CAISO Answer was filed), the Commission clarified its findings in the Markets+ Acceptance Order that transmission customer rights outside of a balancing area in Markets+ (e.g., an EDAM balancing area) are subject to the OATT of the transmission service provider for that external balancing area and that transmission customers may contribute their transmission service rights to Markets+ only in accordance with the OATTs of each transmission service provider:

[W]e grant Rehearing Parties' request for clarification and clarify that nothing in the [Markets+ Acceptance] Order purports to grant transmission customers an ownership right to the transmission capacity over which they take service, nor grants, waives, modifies or otherwise interprets any rights or obligations under the OATT of a non-participating transmission service provider not before the Commission in this [Markets+] proceeding. As explained elsewhere in the [Markets+ Acceptance] Order, under the Markets+ Tariff, Markets+ Transmission Contributors may contribute only their *transmission service rights* on non-participating transmission systems, *in accordance with the non-participating transmission service providers' OATTs or other governing documents*. Accordingly, we clarify that . . . the transmission capability of non-participating transmission service providers is not available to Markets+ unless an entity that *has transmission service rights on a non-participating transmission service provider's system* makes them available to Markets+, regardless of whether the entity is in a Participating Balancing Authority or not.<sup>35</sup>

These Commission findings clearly apply to PGE, a non-participating transmission service provider regarding Markets+ that will instead participate in a

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<sup>35</sup> Markets+ Rehearing Order at P 15 (citing Markets+ Acceptance Order at PP 123, 153, 155) (boldfaced emphasis added, with other emphases in original). See also *id.* at P 18 (finding that "the Commission made clear in . . . the [Markets+ Acceptance] Order that the Markets+ Tariff does not alter the rights and obligations of transmission customers under the applicable OATTs or other governing documents, and that it does not force changes to how non-participating transmission service providers operate their systems.").

different regional program—EDAM—and to transmission customers in the PGE balancing area under EDAM.

In sum, there is no basis for the Commission to find the PGE OATT Filing is inconsistent with the *pro forma* OATT and open access principles, as Powerex claims. The Commission should accept PGE's OATT revisions as consistent with or superior to the *pro forma* OATT.

### **III. Conclusion**

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

Respectfully submitted,

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Dated: August 7, 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 7<sup>th</sup> day of August, 2025.

/s/ Daniel Klein

Daniel Klein

Davis Wright Tremaine LLP