



Stakeholder Comments Template

Congestion Revenue Rights (CRR) Modeling and Settlement in the Extended Day-Ahead Market (EDAM) Stakeholder Meeting (June 12, 2025)

This template has been created for submission of stakeholder comments on Congestion Revenue Rights (CRR) Modeling and Settlement in the Extended Day-Ahead Market (EDAM) Stakeholder Meeting, which took place on June 12, 2025. The meeting presentations have been posted to the miscellaneous stakeholder meetings [webpage](#) and the Congestion Revenue Rights [page](#). The meeting recording will also be posted in both these locations.

Upon completion of this template, please submit it to ISOStakeholderAffairs@caiso.com. Submissions are requested by close of business on **July 3, 2025**.

Submitted by	Organization	Date Submitted
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Please provide your organization's comments on the following issues and questions.

- Please provide your feedback on CRR modeling considerations supporting EDAM launch as described in the "Briefing on CRR Implementation for EDAM" presentation.

BAMx¹ appreciates the opportunity to provide feedback on the proposed changes to the modeling and settlement of parallel flows in the EDAM. BAMx recognizes the constraints presented by the timing of the 2026 CRR annual process and recognizes that the CAISO does not have sufficient time to implement the comprehensive solution for parallel flow modeling in time for the 2026 CRR annual process. We have serious concerns that keeping the status quo for the upcoming 2026 CRR annual process could lead to the distribution of infeasible CRRs (to the extent that PacifiCorp and/or Portland General EDAM market transactions create parallel flows on constraints within CAISO) and/or auction CRRs that will not be limited by, or have prices that reflect, flows over non-CAISO constraints. While we recognize that there may not be sufficient time for CAISO to incorporate a reasonable representation of non-CAISO EDAM BAA transactions into the 2026 CRR annual process modelling and CAISO cannot incorporate the impacts of the non-CAISO constraints, CAISO must take steps to curb the ability of CRR auction participants to exploit settlement differences between the CRR auction modeling (both annual and monthly) and EDAM day-ahead market modeling.

¹ BAMx consists of City of Palo Alto Utilities and City of Santa Clara, Silicon Valley Power

Unlike CRR allocation process participants, which have constraints on the CRR sink locations (limited to the DLAP - or subLAPs within the DLAP - in which their load resides) and on the volume of CRR nominations (limited to the seasonal and monthly eligible quantities based on their load), CRR auction participants can nominate to any eligible sink across the entire CAISO footprint and have no limits on the quantity of CRRs they nominate. The costs of CAISO auctioning CRRs that have not been limited by, nor reflected in the CRR prices of, non-CAISO constraints will be allocated to measured demand. We recognize that there is little time to implement a solution for the annual auction, but interim steps may be necessary to minimize these impacts. These could include:

- Limiting each auction participant's nominations to the volume of energy they historically have scheduled in the CAISO at specific sources and sinks during a given season.
- Using a greater global derate factor in the upcoming annual auction process than is used in the annual allocation process.
- Removing the intertie capacity set-aside from the upcoming annual auction process.

In general, BAMx advocates for modeling enhancements that improve the accounting of parallel flows from transactions outside the CAISO BAA in the CAISO CRR distribution process. We recognize the need to prioritize certain updates over others but encourage the CAISO to develop the potential future enhancements as soon as possible. BAMx shares the CAISO's assessment that it would be optimal to enforce transmission constraints in EDAM BAAs in the CRR system and suggests prioritizing these updates and their prerequisites after initial modeling improvements are complete. Moving towards a solution that includes allocating simultaneously feasible CRRs across the EDAM footprint quickly would have the benefit of minimizing potential CRR underfunding issues and of addressing the EDAM market efficiency concerns raised by stakeholders, the Market Surveillance Committee (MSC), the WEM Governing Body Market Expert and the CAISO Department of Market Monitoring (DMM) related to EDAM Congestion Revenue Allocation.

- Please provide your feedback on the settlement of CRRs (CRR1B) in EDAM as described in the "CRR Settlement in the Extended Day Ahead Market" presentation.

BAMx has concerns about the collection of congestion charges to the balancing account and fully funding CRR settlements to EDAM BAA impacted constraints without incorporating comparable funding for CAISO impacted constraints. As noted by the MSC in their EDAM Congestion Revenue Allocation opinion, congestion charges for flows on binding CAISO constraints caused by the dispatch of EDAM generation should be collected and used to fund CRR payments². We therefore urge

²Opinion on Extended Day-Ahead Market (EDAM) Congestion Revenue Allocation, California ISO Market Surveillance Committee, June 16, 2025, Online: <https://www.caiso.com/documents/market-surveillance-committee-opinion-extended-day-ahead-market-congestion-revenue-allocation-jun-13-2025.pdf>, Page 26

the CAISO to implement the proposed parallel flow adjustment enhancements to address this issue as expeditiously as possible, potentially as soon as EDAM go-live.

BAMx urges the CAISO to use the historical injections and withdrawals and associated day-ahead Locational Marginal Price (LMP) data it has collected for the CAISO and non-CAISO portions of the EDAM footprint to show the proposed settlements impacts and to explore alternative approaches prior to EDAM go-live.

- Please provide any additional feedback regarding the Congestion Revenue Rights (CRR) Modeling and Settlement in the Extended Day-Ahead Market (EDAM) stakeholder workshop discussion on June 12, 2025.