



California ISO

WESTERN ENERGY MARKETS

Briefing on Tariff Revisions for Day-Ahead Market Enhancements / Extended Day- Ahead Market

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Joint ISO Board of Governors and WEM Governing Body meeting

General Session

December 17, 2025

Management has identified needed tariff revisions prior to launch of day-ahead market enhancements (DAME) and the extended day-ahead market (EDAM)

- Market initiatives, particularly one with the scope of DAME/EDAM, can surface details and requirements during implementation that require tariff changes
 - Tariff revisions remain within the scope of prior Governing Body and Board authorizations and do not require decisions
- Effort underway to engage with stakeholders on tariff updates to support DAME/EDAM implementation
- Submit tariff revisions to Federal Energy Regulatory Commission in Q1 2026

Stakeholder Process

November 2025:

Posted draft tariff changes to support DAME/EDAM ; posted whitepaper on intertie scheduling and resource adequacy imports

November – December 2025:

Stakeholder meetings and comments; posted responses to stakeholder comments and revised tariff language

December 2025 – January 2026:

Board and Governing Body briefing; additional stakeholder coordination, and FERC filing

Intertie scheduling and modeling rules

- Current market models ISO balancing area intertie schedules as energy injections at specific intertie locations and supports robust intertie bidding
- Current market models schedules at WEIM Entity balancing area interties as energy injections at aggregation points
- To more accurately model congestion, the EDAM tariff expands aggregation point modeling to ISO balancing area interties and to the EDAM balancing areas
 - Stakeholders have expressed concerns that these changes may disrupt commercial arrangements

Tariff revisions for intertie scheduling and modeling

- Revise intertie scheduling and modeling rules to promote a successful launch of EDAM
 - At ISO balancing area interties with non-EDAM areas, retain the current intertie scheduling and modeling approach
 - At EDAM Entity balancing area interties, continue to extend the generation aggregation point modeling consistent with WEIM design
- Align resource adequacy rules to continue to support system resources at ISO balancing area interties that are transfer locations with the EDAM areas
 - Market will support bidding at resource locations to support these transactions
 - On a transitional basis, resource adequacy imports into the ISO balancing area that are not sourced in an EDAM area may continue to bid at an ISO intertie that is also an EDAM transfer location

Additional examples of tariff revisions

- Clarify that congestion revenue rights are funded based on revenues collected in the day ahead market derived from binding ISO balancing area constraints
- Clarify various aspects of DAME/EDAM design rules to address potential ambiguities and questions
- Provide day-ahead contingency analysis tool to EDAM entities