

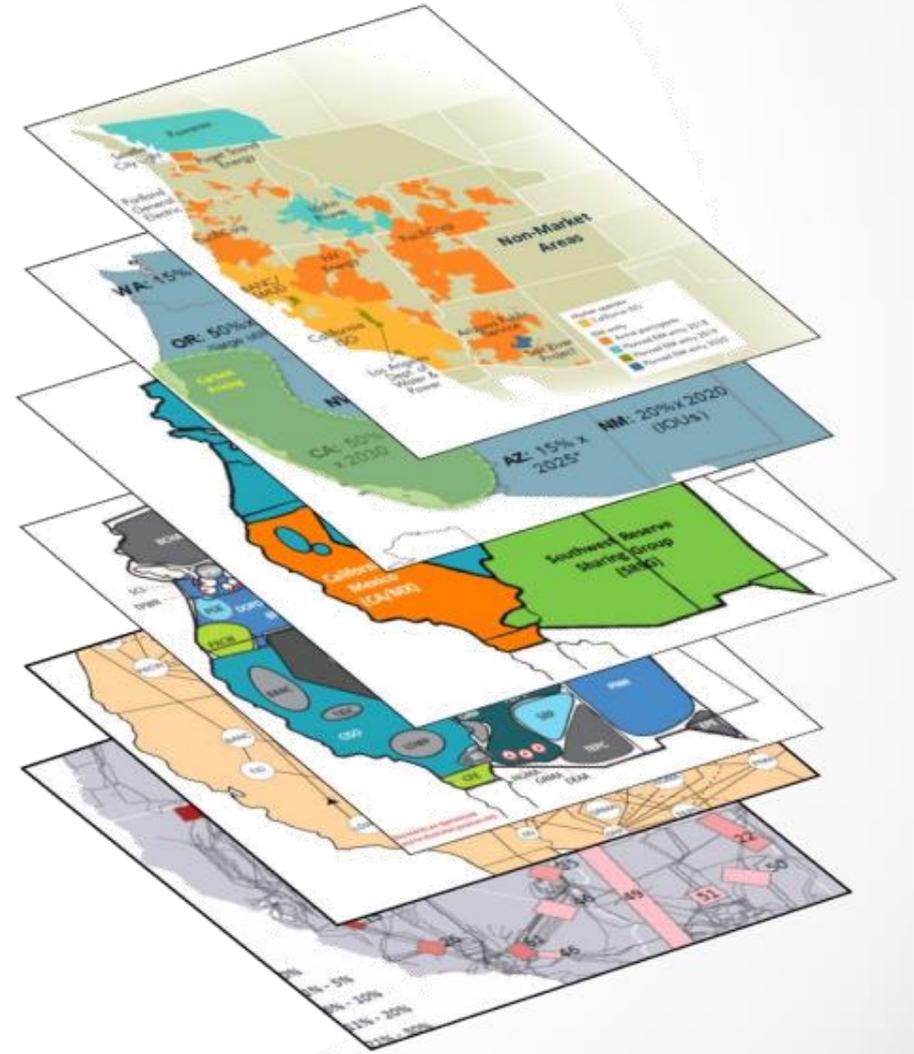
Regional market initiative briefing: extended day-ahead market

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Extended day-ahead market in the West

- Extension of the ISO day-ahead market across the West allows for optimized commitment of generation in the day ahead timeframe
- Builds upon the WEIM, providing incremental economic, reliability, and environmental benefits
- Balancing areas participating in EDAM retain their resource planning, transmission planning and reliability operation functions



Harnessing the benefits of a day-ahead market in the West

Economic

- Optimized unit commitment in day ahead timeframe across footprint
- Operational and capacity benefits

Reliability

- Operational visibility and coordination
- Access to diverse resource pool across footprint to manage conditions

Environmental

- Reduced curtailment of renewable generation
- Respecting evolving state policies

EDAM Design Overview

Day Ahead Resource Sufficiency

Each balancing area demonstrates sufficient supply to meet day ahead obligations, which is offered into the day-ahead market.

Transmission Availability to EDAM

Design seeks to maximize transmission available to support transfers between balancing areas, while respecting and harmonizing OATT transmission rights.

Day Ahead Market Structure

The day ahead market optimizes resource commitment and transfers between balancing areas. Retaining key day-ahead market functions.

Confidence in Market Transfers

Design elements instill confidence in energy transfers between balancing areas in stressed conditions, supporting reliability across the footprint.

Greenhouse Gas (GHG) Accounting

Design supports current and evolving regulatory GHG emission pricing programs across the West.

Settlements

All transactions emerging from the day ahead market are settled.

Day-ahead resource sufficiency evaluation

- Tests that each EDAM entity has sufficient supply to meet their next day obligations, including forecasted demand across the 24-hour period
 - Avoids leaning and instills confidence in the market
- Introduction of financial consequences for failing the day ahead resource sufficiency evaluation
 - Incentivizes sufficiency through forward procurement to meet next day obligations
- EDAM entities passing the day ahead sufficiency evaluation will be evaluated together in the WEIM hourly sufficiency evaluation

Transmission availability in the EDAM

- Design seeks to maximize transmission availability to the day-ahead market to support energy transfers between EDAM balancing areas, while respecting existing transmission rights
 - Harmonizing the Open Access Transmission Tariff (OATT) with the organized market framework
- Making transmission available to the EDAM (across interties between EDAM balancing areas)
 - Transmission customers have pathways to exercise their transmission rights or otherwise make it available to the EDAM
 - Transmission provider makes unsold firm transmission available to support transfers
- Transmission providers can recover historical transmission revenues associated with potential reductions in transmission sales as result of EDAM participation

Greenhouse gas (GHG) accounting

- EDAM GHG accounting design seeks to support current and evolving regulatory GHG emissions pricing programs across the West.
- The proposal extends the WEIM GHG accounting design to the EDAM, with enhancements.
- Enhancements include:
 - Limit secondary dispatch through an improved GHG baseline and inclusion of a GHG net export constraint
 - Allow for multiple GHG pricing areas that may emerge the West
- Commitment to evolve the GHG design based on operational experience and evolving regulatory programs in the West

EDAM Milestones

Date	Milestone
October 31, 2022	Publication of draft final proposal
December 7, 2022	Publication of final proposal
December 14, 2022	Joint ISO Board of Governors and WEIM Governing Body meeting (briefing)
February 2023	Joint ISO Board of Governors and WEIM Governing Body meeting (decision)
Q1 2023	Draft tariff publication and stakeholder process
Q2 2023	FERC filing
Q4 2023	Implementation activities and coordination with interested entities