

# Business Requirements Specification

## Extended Day-Ahead Market ISO Balancing Authority Area Participation Rules Track A

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### Revision History

| Date    | Version | Description  |
|---------|---------|--|
| 6/18/24 | 1.0     | Document created.  |
| 6/21/24 | 1.1     | <p><b>Section 3.3:</b> EDAM ISO BAA Participation Rules Track A Market Simulation scenarios will be coordinated with the EDAM Implementation Market Sim. A subset of the EDAM Implementation Market Sim scenarios will cover CISO BAA Day-Ahead Stressed Hour Status + Reason Code/Short Text Comment OASIS Reporting; CISO BAA Settlement of transfer resources, transfer revenue will also be provided.</p> <p><b>(Forthcoming):</b> Once finalized in the EDAM ISO BAA Participation Rules stakeholder process, settlement of the EDAM Recoverable Revenue for the CISO BAA will be included as a Market Sim structured scenario.</p> <p>Updates will be provided in the Business Requirements Specifications, Release User Group, and Market Simulation reviews.</p> |

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| 7/18/24 | 1.2     | <p>Section 1.2:</p> <ul style="list-style-type: none"> <li>- “ISO”: Explains context of “CAISO” (Market Operator) vs. “CISO” (Participating Balancing Authority) terms in document.</li> <li>- “RSE”: Noted that EDAM DA-RSE participation requires WEIM RT-RSE participation by resources</li> </ul> <p>Section 3.1:</p> <ul style="list-style-type: none"> <li>- Minor clarifications</li> </ul> <p>Section 3.3:</p> <ul style="list-style-type: none"> <li>- Correction: CISO BAA EDAM Bids will post in T+90 Public Bids report</li> </ul> <p>Section 4.1</p> <ul style="list-style-type: none"> <li>- Correction: Changed EIBPR-BRQ-003B requirement ID to “-003C”</li> <li>- Clarification: BRQ-003C describes stressed hour determination for CISO BAA, affirms Market Ops BPM has higher precedence than BRS</li> <li>- Added: BRQ-008 references the EDAM Implementation requirement for EDAM + CISO BAAs to provide anonymized bids for the Public Bids Report. See cross-referenced EDAM Implementation requirement.</li> </ul> <p>Section 4.2.1:</p> <ul style="list-style-type: none"> <li>- Clarification: BRQs -012C, -012E, -012F, -012G; noted that the EDAM transfers are non-binding for settlements (advisory). Applies to both EDAM + CISO BAAs. WEIM base schedule transfers remain binding.</li> </ul> <p>Section 4.2.2:</p> <ul style="list-style-type: none"> <li>- Clarification: BRQ-124C; noted Reliability Capacity is for both upward, downward directions.</li> </ul> <p>Section 4.5: Added section</p> <ul style="list-style-type: none"> <li>- Added market simulation requirements, scenarios for <ul style="list-style-type: none"> <li>o MSIM-300: Stressed Hour Assessment,</li> <li>o MSIM-301: Transfer Resource Settlement</li> <li>o MSIM-302: Transfer Revenue Distribution</li> <li>o MSIM-303, -303A-F: RSE Test with Scenarios</li> </ul> </li> </ul> |

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| 9/16/24 | 1.2     | <p>Document has been modified to reflect the context of ISO (the corporate entity), CAISO (the market operator), and CISO (the California ISO BAA).</p> <p>Section 1.2: Removed glossary of terms with reference to use the EDAM Implementation BRS glossary of terms.</p> <p>Section 3.3: External Bid Publication references DAME initiative scope and was therefore removed from the EDAM ISO BAA Participation Rules BRS.</p> <p>Section 4.1:</p> <ul style="list-style-type: none"> <li>- BRQ-003C: noted that Market Operations BPM stressed-hour criteria takes precedence over BRS.</li> <li>- BRQ-008: Removed as the T+90 Bids were identified as DAME (Day-Ahead Market Enhancements) initiative scope. See Tariff 33.30.4.</li> </ul> <p>Section 4.4:</p> <ul style="list-style-type: none"> <li>- Per the amended EDAM Access Charge filing, WAC Recovery is now being referenced as EDAM Recoverable Revenue and will be added to this initiative's scope once the amended EDAM ISO BAA Participation Rules tariff is filed (expected later this year).</li> </ul> |

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| 12/22/24 | 1.3     | <p>Section 1.1: Update to Section 1.1 to reflect EDAM Access Charges for ISO BAA tariff filing</p> <p>Section 3.1: Remove CRR BPM reference; add EDAM Access Charge scope to EDAM BPM; modify Market Operations BPM to include reason criteria; update Settlements &amp; Billing to included EDAM Access Charge scope</p> <p>Section 3.2: Update specific tariff references; Added new tariff sections regarding EDAM Access Charges for the CISO BAA (26.2, 33 sections)</p> <p>Section 3.3: Add new Market Sim scenarios for EDAM Access Charges; remove SPTO references (will be addressed in own initiative BRS); add EDAM TSP reference; add Onboarding references to PTO attestation, clarified PTO impact from other EDAM BAA onboarding is due to that EDAM BAA being adjacent to CISO BAA; add true-up to External Training scope</p> <p>Section 4.1 – 4.3: minor updates to requirement clarification, tariff section and EDAM BRS reference updates</p> <p>Section 4.4: Added the following requirement sections related to EDAM Access Charge for ISO BAA tariff filing:</p> <ul style="list-style-type: none"> <li>- Section 4.4.1: Component 1 Calculation &amp; Assessment (Historical)</li> <li>- Section 4.4.2: Component 2 Calculation &amp; Assessment (New Transmission)</li> <li>- Section 4.4.3: Component 3 Calculation &amp; Assessment (Excess Wheel-Through Transfers)</li> <li>- Section 4.4.4: EDAM Recoverable Revenue True-Up Calc &amp; Assessment</li> <li>- Section 4.4.5: PTO Calculation &amp; Attestation of EDAM Recoverable Revenue Requirements</li> <li>- Section 4.4.6: EDAM Access Charge Assessment &amp; Settlement</li> </ul> <p>Section 4.5: Added EDAM Access Charge Reporting and Settlement scenarios (MSIM-304A, MSIM-304B, MSIM-304C)</p> |

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| 1/28/25        | 1.4        | <p>Section 4: Updates to cross-references to the EDAM Implementation BRS from EDAM ISO BAA Participation Rules Track A BRQs:</p> <ul style="list-style-type: none"> <li>- EIBPR-BRQ-004, -006: Updated EDAM-BRQ-13110 cross ref. to -20156</li> <li>- EIBPR-BRQ-005: Removed EDAM-BRQ-13110, -20155 cross-refs (non-applicable)</li> <li>- EIBPR-BRQ-012A, -012C, -012D, -012E, -012F, -012G: Removed EDAM-BRQ-16120 cross-ref. (non-applicable)</li> <li>- EIBPR-MSIM-300: Removed EDAM-BRQ-13110 cross-ref (non-applicable)</li> <li>- EIBPR-MSIM-301: Removed EDAM-BRQ-11150, -13110 cross-refs (non-applicable)</li> <li>- EIBPR-MSIM-303: Removed EDAM-BRQ-11410, -11420, -11430, -12012, -12013, -12014, -20049 cross-refs (non-applicable)</li> </ul> <p>Appendices A.1 through A.4: Examples of Component 1-3, True-Up for EDAM Recoverable Revenue Requirement Calculations.</p> |
| <u>4/24/25</u> | <u>1.5</u> | <p><u>Update BRQs with clarifications per participant request:</u></p> <ul style="list-style-type: none"> <li>- <u>BRQ-124A, -124B impacted system corrections</u></li> <li>- <u>BRQ-265 labeling provided for component report definitions</u></li> </ul> <p><u>Note: Comments Response document (now version 1.5) has been updated with CAISO responses to recent questions submitted through a CIDI ticket.</u></p>  |

### Disclaimer

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# 1 Introduction

## 1.1 Purpose

On February 1, 2023, the ISO Board of Governors approved market design for the Extended Day-Ahead Market (EDAM). This design expands upon existing Western Energy Imbalance Market (WEIM) market rules to include Day-Ahead Market services for participating Balancing Authority Areas (BAAs). Previously, WEIM market rules only included the Real-Time Market timeframe. This business specification describes the impacts of a separate companion initiative called EDAM ISO BAA Participation Rules, which supports the Day 1 participation (e.g. bid submission, grid operations, and settlement) of the CISO BAA as an acting EDAM BAA within the market under the rules of its own tariff.

It is helpful to consider the EDAM ISO BAA Participation Rules Track A initiative as interdependent with the larger-scoped EDAM initiative, using its established framework to apply its own rules with regards to how the CISO BAA manages its Net EDAM Export Transfer Constraints and settles its sub-allocations for transmission and market products through the transfer resources.

On December 20<sup>th</sup>, 2023, the FERC issued an order accepting the DAME and EDAM proposals, with the one exception: the EDAM access charge provision.


On June 11<sup>th</sup>, 2024, FERC approved the EDAM access charge amendments in their entirety. In succession, the CAISO stakeholdered the EDAM Access Charge implications for the California ISO's Balancing Authority Area's (CISO BAA's) participation in EDAM, with an amended filing for the EDAM ISO BAA Participation Rules Tariff. This business specification requirement document addresses the EDAM Access Charge tariff provisions in Section 4.4

**Track A scope:** [Required for Day 1 of EDAM]; ISO Board of Governors approved on 9/21/23.

1. Net EDAM Export Transfer Constraint's Stressed Hours Assessment, Confidence Factor and Reliability Margin Evaluation
2. Allocations of Transfer Resource Settlement and Transfer Revenue Distribution
3. Allocations for RSE failure surcharges and revenues

The following tariff provisions were filed with FERC on 11/14/2024:

4. EDAM Access Charge in ISO BAA

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## 1.2 Glossary of Terms

Please reference the glossary of terms in the EDAM Implementation Business Requirements Specification.

# 2 Details of Business Need/Problem

## 2.1 Description

| Business Opportunity/Problem Statement:         |  |
|---|--|
| <b>What:</b>                                    | <p>Implementation of the Extended Day-Ahead Market (EDAM) market design will require a set of market and settlement rules specific to the CISO BAA (distinct from the other WEIM BAAs) that direct how the CISO BAA will participate in EDAM and sub-allocate its EDAM charges and revenues within its BAA.</p> <p><b>Track A</b> of this project will implement the following:</p> <ol style="list-style-type: none"><li>1. Net EDAM Export Transfer Constraint’s Stressed Hours Assessment, Confidence Factor and Reliability Margin Evaluation</li><li>2. Allocations of Transfer Resource Settlement and Transfer Revenue Distribution</li><li>3. Solution for allocating RSE failure surcharges and revenues</li><li>4. EDAM Access Charge for the CAISO Balancing Authority Area</li></ol> |
| <b>Why do we have this opportunity/problem:</b> | <p>The CISO BAA will participate in the forthcoming EDAM market, effective on Day 1.</p>   |



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## 3 Project Impact Assessment (IA)

### 3.1 Business Practice Manuals (BPM)

| <b>BPM</b>                             | <b>Description of Impact(s)</b>  |
|--|--|
| <b>Energy Imbalance Market (EIM)</b>   | <ul style="list-style-type: none"> <li>Business process assignments to be coordinated with Legal, Policy, and BPM Coordinators for WEIM BAAs electing to join EDAM.</li> </ul>   |
| <b>Extended Day-Ahead Market (New)</b> | EDAM BAA Onboarding processes: <ul style="list-style-type: none"> <li>Impacted PTO notification of determination for partial, whole conversion of interfaces to transfer locations</li> <li>CISO BAA provision of expected EDAM Recoverable Revenue components + EDAM Access Charge parameters to associated PTO for their attestation; EDAM Distribution basis for each PTO's proportionate share of total CISO BAA EDAM Recoverable Revenue within CISO BAA</li> </ul> |
| <b>Market Instruments</b>              | <ul style="list-style-type: none"> <li>(OASIS) Net EDAM Export Transfer Constraint Report will include additional fields specific to the CISO BAA (stressed hour indicator, reason code, reason text)</li> </ul>   |
| <b>Market Operations</b>               | <ul style="list-style-type: none"> <li>CISO BAA Operator assessment and input of Stressed Hour indicators + reason code; defined basis of stressed hour assessment criteria (reasons)</li> </ul>   |
| <b>Settlements and Billing</b>         | Allocations/Distributions of: <ul style="list-style-type: none"> <li>Transfer Resource Settlement</li> <li>Transfer Revenue Distribution</li> <li>RSE Failure Surcharge &amp; Revenue Distribution</li> <li>CISO BAA EDAM Access Charge Revenue Requirement Attestation, Settlement Processes</li> </ul>   |

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## 3.2 Tariff Business Ownership

| Tariff Section(s)   |
|---|
| 11.2.7 (EDAM Transfer System Resources)<br>11.5.11 (EDAM Transfers in EIM)<br>11.35 (EDAM Related Settlements)<br>11.35.1 (Allocation of Revenue and Surcharge associated with EDAM Transfer System Resources for the CAISO Balancing Authority Area)<br>11.35.1.1 (Day-Ahead)<br>11.35.1.1.1 (Settlement of Transfer Resources Associated with Existing Contract Rights and Transmission Ownership Rights Holders)<br>11.35.1.1.2 (Settlement of Transfer System Resources associated with the CAISO Balancing Authority Area)<br>11.35.1.2 (Real-Time Settlement)<br>11.35.1.2.1 (Settlement of Transfer System Resources Associated with Existing Contract Rights and Transmission Ownership Rights Holders.<br>11.35.1.2.1 (Settlement of CAISO Transfer System Resources)<br>11.35.2 (Allocation of Revenue and Surcharge associated with EDAM Transfer Revenue and EDAM Congestion Revenue for the CAISO Balancing Authority Area)<br>11.35.2.1 (EDAM Transfer Revenue Settlement)<br>11.35.2.1.1 (Existing Rights Released in Support of EDAM Transfers)<br>11.35.2.1.2 (Remaining Rights in Support of EDAM Transfers)<br>11.35.2.2 (EIM Transfer Revenue Settlement)<br>11.35.2.2.1 (Existing Rights Released in Support of EIM Transfers)<br>11.35.2.2.2 (Remainder Rights in Support of EIM Transfers)<br>11.35.2.2 (EDAM Congestion Revenue)<br>11.35.3 (Allocation of EDAM RSE Failure Revenue and Surcharge for the CAISO Balancing Authority Area) |

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| Tariff Section(s)   |
|---|
| 26.2 (EDAM Recoverable Revenue and EDAM Access Charge for the CAISO Balancing Authority Area)<br>26.2.1, 26.2.1.1, 26.2.1.2 (CAISO Participation as a Balancing Authority Area in the EDAM Area)<br>26.2.2(Calculation of EDAM Recoverable Revenue Associated with the CAISO Balancing Authority Area)<br>26.2.2.1, 26.2.2.1.1, 26.2.2.1.2 (Participating Transmission Owner EDAM Recoverable Revenue Requirement Component 1)<br>26.2.2.2, 26.2.2.2.1, 26.2.2.2.2 (Participating Transmission Owner EDAM Recoverable Revenue Requirement Component 2)<br>26.2.2.3 (Participating Transmission Owner EDAM Recoverable Revenue Requirement Component 3)<br>26.2.3 (Distributing EDAM Access Charges Allocated to the CAISO Balancing Authority Area) |
| 27 (CAISO Markets and Processes) references CISO BAA as part of the EDAM footprint.<br>27.14 (Participation as a Balancing Authority Area in the EDAM Area)<br>27.14.1 (EDAM Transfer and Congestion Revenue)<br>27.14.2 (EDAM Resource Sufficiency Evaluation)<br>27.14.2.1 (EDAM RSE Surcharge and Revenue Allocation)<br>27.14.3 (Net Export Transfer Constraint)<br>27.14.3.1 (Confidence Factor)<br>27.14.3.2 (Additional Reliability Margin)  |

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### 33.11 (Settlement and Billing for EDAM Market Participants)

#### 33.11.1 (Transfer Revenue and Congestion Revenue Allocation)

##### 33.11.1.1 (Transfer Revenue),

##### 33.11.1.1.1 (Energy Transfer Revenue),

##### 33.11.1.1.2 (Imbalance Reserve Transfer Revenue),

##### 33.11.1.1.3 (Reliability Capacity Transfer Revenue)

##### 33.11.1.2 (Congestion Revenue)

#### 33.11.2 (EDAM RSE Failure Surcharge),

##### 33.11.2.1 (Calculation of the EDAM RSE Failure Surcharges),

##### 33.11.2.1.1 (EDAM RSE On-Peak Upward Failure Insufficiency Surcharge),

##### 33.11.2.1.2 (EDAM RSE Off-Peak Upward Failure Insufficiency Surcharge),

##### 33.11.2.1.3 (EDAM RSE Downward Failure Insufficiency Surcharge)

#### 33.11.2.2 (EDAM RSE Surcharge Distribution)

##### 33.11.2.2.1 (EDAM RSE On-Peak Upward Failure Insufficiency Revenue Distribution)

##### 33.11.2.2.2 (EDAM RSE Off-Peak Upward Failure Insufficiency Revenue Distribution)

##### 33.11.2.2.3 (EDAM RSE Downward Failure Insufficiency Revenue Distribution)

#### 33.11.3.8 (EDAM Legacy Contracts, EDAM Ownership Rights, and Day-Ahead)

#### 33.18.2.1 (Transmission to Support Resource Sufficiency Provided by the EDAM Entity)

#### 33.18.2.2 (Transmission Provided by Transmission Customers)

##### 33.18.2.2.1 (Self-Schedule Associated with Registered Transmission)

##### 33.18.2.2.2 (Release of the Transmission)

##### 33.18.2.2.3 (Permissible Intra-Day Transmission Schedule Changes)

#### 33.18.4 (CAISO Transmission at EDAM Interties)

##### 33.18.4.1 (Wheels Through)

#### 33.26 (Historical Revenue Recovery and Charges)

##### 33.26.1 (EDAM Access Charges)

##### 33.26.1.1 (EDAM Recoverable Revenue Allocated to Gross Load)

##### 33.26.1.2 (Truing Up and Actual EDAM Recoverable Revenue)

#### 33.26.2 (Calculation of EDAM Recoverable Revenue)

##### 33.26.2.1 (Component 1: Short-Term Firm and Non-Firm Point-to-Point Transmission and Wheeling Access Charge Revenues)

##### 33.26.2.1.1 (Calculating Component 1)

##### 33.26.2.1.2 (EDAM Recoverable Revenue Limits)

##### 33.26.2.2 (Component 2: New Transmission Capacity)

##### 33.26.2.2.1 (Component 2 Revenue Associated with New Transmission Capacity from Expired Legacy Contracts)


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| <b>Tariff Section(s)</b>   |
|--|
| 33.26.2.2.2 (Component 2 Revenue Associated with New Upgrades)<br>33.26.2.3 (Component 3: Recovery of Transmission Costs Associated with Excess Wheeling Volumes Net of Imports/Exports)<br><br>33.26.3 (Assessing Access Charges and Allocating Revenues in the EDAM)<br><br>33.26.4 (Documentation)<br><br>33.26.5 (Exit from EDAM)<br>33.26.5.1 (Treatment of True-Up Amounts)<br><br>33.26.6 (Three-Year Review)<br><br>33.31.1.2 (Components of the EDAM RSE)<br><br>33.31.1.4 (Satisfaction of the EDAM RSE Requirements)<br>33.31.1.4.1 (Inclusion in the EDAM Upward Pool)<br>33.31.1.4.2 (Inclusion in the EDAM Downward Pool)<br>33.31.1.4.3 (Exclusion from the EDAM Upward and Downward Pools)<br><br>33.31.1.5 (Surcharge Upon Failure of the EDAM RSE)<br>33.31.1.5.1 (EDAM RSE On-Peak Upward Failure Insufficiency Surcharge)<br>33.31.1.5.2 (EDAM RSE Off-Peak Upward Failure Insufficiency Surcharge)<br>33.31.1.5.3 (EDAM RSE Downward Failure Insufficiency Surcharge)<br><br>33.31.3 (Net Export EDAM Transfer Constraint)<br>33.31.3.1 (Confidence Factor)<br>33.31.3.2 (Reliability Margin) |

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### 3.3 Other

| Impact                           | Description (optional)  |
|----------------------------------|---|
| <b>Market Simulation</b>         | <p>Yes.</p> <p>Unstructured scenarios;</p> <ul style="list-style-type: none"> <li>[new OASIS Report] EDAM Hourly Stressed Hours, Reason Code(s) - Scope in EDAM Implementation Project</li> </ul> <p>Following <i>structured settlement scenarios</i> will be consolidated with the <i>EDAM Implementation Market Sim</i> (a subset which will produce CISO BAA results):</p> <ul style="list-style-type: none"> <li>Transfer Resource Settlements</li> <li>Transfer Revenue Distribution</li> <li>RSE Failure Surcharge &amp; Revenue Distribution</li> <li>EDAM Access Charge Distribution to EDAM BAAs (CISO BAA included, sub-allocation to Gross Load SCs)</li> <li>EDAM Access Revenue Distribution to EDAM BAAs (CISO BAA included, sub-allocation to PTOs)</li> </ul> |
| <b>Market Participant Impact</b> | <p><i>CISO BAA Entities</i></p> <ul style="list-style-type: none"> <li><i>Transfer Resource SC</i></li> <li><i>(Forthcoming) PTO, PTO SC,</i></li> <li><i>(Forthcoming) Transmission Customer SC</i></li> <li><i>EDAM BAA Entity SC</i></li> <li><i>EDAM TSP (Transmission Service Provider)</i></li> </ul>   |
| <b>External Bid Publication</b>  | <p>No.</p> <p>Anonymized external bid publication is covered by DAME initiative.</p>  |

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| <b>Impact</b>                              | <b>Description (optional)</b>   |
|--|---|
| <b>External Communication Needed</b>       | <p>Yes (Please refer to the Release User Group meeting updates)</p> <ul style="list-style-type: none"> <li><i>BRS publications, Request for BRS Comments/Questions, Technical Specifications (Integration, Applications), Test Environments/ Sandbox, Market Simulation, Training availability updates</i></li> </ul>   |
| <b>External Onboarding and Maintenance</b> | <p>Yes</p> <ul style="list-style-type: none"> <li><i>Onboarding for EDAM BAAs: EDAM BAAs with transmission to CISO BAA will provide TSR pair BAA SCIDs (both import and export directions) at interties converted to transfer locations.</i></li> <li><i>Onboarding for EDAM BAA (if adjacent to CISO BAA): Partial/Total conversion of the intertie capacity to EDAM market transfer capability for transmission into the CISO BAA may trigger assessment of EDAM Recoverable Revenue amounts for the CISO BAA.</i></li> <li><i>PTO Attestation Submissions for EDAM Access Charge Revenue Requirements</i></li> </ul> |
| <b>External Training</b>                   | <p>Yes</p> <p><i>EDAM Settlements for CISO BAA Rules:</i></p> <ul style="list-style-type: none"> <li><i>Transfer Resource Settlement, Transfer Revenue Distributions, RSE Failure Surcharge and Surcharge Revenue Distributions</i></li> <li><i>Historical, New Transmission, and Excess EDAM recoverable revenue with annual true-up for the CISO BAA</i></li> </ul>   |
| <b>External Computer Based Training</b>    | Yes   |
| <b>Policy Initiative</b>                   | <p>Yes.</p> <p><a href="https://www.caiso.com/california-iso-extended-day-ahead-market-iso-balancing-authority-area-participation-rules">California ISO - Extended day-ahead market ISO balancing authority area participation rules (caiso.com)</a></p>  |

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## 4 Business Requirements

The sections below describe the business processes and the associated business requirements involved in the project. These may represent high-level functional, non-functional, reporting, and/or infrastructure requirements. These business requirements directly relate to the high-level scope items determined for the project.

### 4.1 Business Process: Net EDAM Export Transfer Constraint Management


#### 4.1.1 Day-Ahead Operating Stressed Hour Assessment Process

Specific to the CISO BAA's participation of EDAM, each of its projected operating hours will be assessed as either in the stressed or non-stressed condition prior to each EDAM market run. Non-ISO EDAM BAAs will not have the stressed hour assessment performed (only the CISO BAA).

For those hours determined as stressed due to increased reliability risk, the CISO BAA Operator will consider adjusting the CISO BAA's Net EDAM Export Transfer Constraint's confidence factor and reliability margin input parameters. Higher reliability risk operating hours will likely result in a lower confidence factor (defined at a low of 0% or 0, and high of 100% or 1) and reliability margin (MW supply reserve available for imbalance surplus beyond the BAA's RSE requirement). Separate from the CISO BAA, EDAM BAA Operators will also provide confidence factor and reliability margin inputs for their own BAA's Net EDAM Export Transfer Constraint. For the CISO BAA, the finalized Stressed Hour assessment criteria will be defined in the Market Operations BPM, which supersedes this document.

As part of the EDAM implementation project, submitted *confidence factor* and *reliability margin* hourly inputs to their BAA's Net EDAM Export Transfer Constraint will be published for each EDAM BAA (CISO BAA included). Additionally, the CISO BAA will be the only EDAM BAA to provide the hourly stressed condition and reason code in the same report (values will be blank for the other EDAM BAAs).




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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>                       | <b>Potential Application(s) Impacted</b> |
|---------------|--|---------------------------------------|--|
| EIBPR-BRQ-001 | <p>On a daily basis, the CAISO shall evaluate each operating hour for the forthcoming EDAM market, and determine whether that hour is under a stressed condition such that the CISO BAA's reliability margin surplus may be insufficiently met by its allocated reserves.</p> <p>The stressed hour evaluation is only performed for the CISO BAA. <i>Other EDAM BAAs shall manage their own hourly Confidence Factor and Reliability Margin parameter inputs to the Net EDAM Export Transfer Constraint in accordance with their own OATT, but have no additional requirement to publish whether their BAA's EDAM operating hour is projected as stressed (this is provided in the EDAM framework implementation project).</i></p> | <p>Process</p> <p>Tariff:<br/>N/A</p> | N/A                                      |

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| ID#           | Business Feature   | Req Type  | Potential Application(s) Impacted |
|---------------|--|---|-----------------------------------|
| EIBPR-BRQ-002 | <p>After the final day-ahead demand forecast is published (by approximately 0915 Hrs), the Business Practice Manual (BPM) <i>market stressed hour criteria</i> will be evaluated when the CISO BAA Operator assesses the stressed condition for each EDAM operating hour. The Market Operations BPM will provide the prevailing criteria, which may include:</p> <ul style="list-style-type: none"> <li>Hour is identified as a net-load peak hours (currently defined as hour-ending 17 to hour-ending 21, i.e. 4pm to 9pm) **</li> <li>Operational Resource Adequacy (RA) capacity + RA credits &lt; demand forecast + contingency reserve requirement + regulation reserve + imbalance reserve upward requirement</li> <li>Operational net RA capacity + RA credits &lt; net demand forecast + contingency reserve requirement + regulation reserve + imbalance reserve upward requirement</li> <li>D+2 RUC infeasibility</li> </ul> <p>If any given operating hour meets one or more of the BPM criteria for the CISO BAA only, that hour shall be considered <i>stressed</i>.</p> <p>* Changes in <i>stressed hour criteria</i> shall be communicated in the Market Operations BPM.</p> | <p>Process</p> <p>Tariff:<br/>§ 27.14.3<br/>§ 33.31.3.2</p> | N/A                               |

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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>                             | <b>Potential Application(s) Impacted</b> |
|---------------|--|---|--|
| EIBPR-BRQ-003 | <p>In addition to EIBPR-BRQ-002, the following Business Practice Manual (BPM) <i>stressed hour criteria</i> regarding system conditions shall be evaluated for each EDAM operating hour*:</p> <ul style="list-style-type: none"> <li>• CISO BAA System is experiencing Restricted Maintenance Operations</li> <li>• CISO BAA System is experiencing Wide-area Transmission Emergency</li> <li>• EEA Watch, if called before the day-ahead market closes at 10am</li> <li>• Flex Alert for CISO BAA, if called before the day-ahead market closes at 10am</li> </ul> <p>Any given operating hour that meets one or more of those criteria, for the CISO BAA only, shall be considered <i>stressed</i>.</p> <p>* Changes in stressed hour criteria shall be communicated in the Market Operations BPM.</p> | <p>Process</p> <p>Tariff:<br/>§ 27.14.3</p> | N/A                                      |

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| EIBPR-BRQ-003C | <p>System Operations shall evaluate both market and system condition <i>stressed hour criteria</i> for their stressed hour assessment (as defined in <b>EIBPR-BRQ-002</b> and <b>EIBPR-BRQ-003</b>) by 1000 hrs, or EDAM market close, on a daily basis for the forthcoming EDAM market.</p> <p>Decision of whether a given market hour is stressed or non-stressed will be determined on basis of whether one or more of the Stressed Hour BPM Criteria is met. If one or more criteria is met for the operating hour, the stressed condition shall be designated and the confidence factor, reliability margin parameters, and prominent reason code (singular value) for the Net EDAM Export Transfer Constraint shall be appropriately defined.</p> <p>Please refer to the Market Operations BPM for the most accurate explanation of the stressed hour determination criteria/process. This BRS will defer to its provisions.</p> | <p>Process<br/>Internal</p> <p>Tariff:<br/>§ 27.14.3</p> | N/A                                      |

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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
|---------------|--|--|--|
| EIBPR-BRQ-004 | <p>For all EDAM market hours, CISO BAA Operations shall apply the following hourly parameters to the Net EDAM Export Transfer Constraint for the CISO BAA:</p> <ul style="list-style-type: none"> <li><i>confidence factor</i> (ratio ranging from 0 = no risk, to 1 = maximum risk)</li> <li><i>reliability margin</i> (MW value that provides allowable surplus to transfer beyond the RSE requirement)</li> <li>stressed hour status (indicating whether operating hour is stressed or non-stressed)</li> <li>reason code (fixed term providing guidance on stressed condition decision)</li> <li>reason comment (short text providing reason for stressed hour criteria decision)</li> </ul> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>Only the CISO BAA will submit the hourly stressed hour indicator, reason code, reason comment fields (not available for EDAM BAAs)</li> <li>The requirements for submission of the stressed hour indicator, reason code, reason comment, confidence factor, and reliability margin into the IFM Operator UI for EDAM market are addressed as part of the greater EDAM implementation project (see <i>EDAM-BRQ-20156</i>).</li> </ul> | <p>Existing (EDAM Implementation)</p> <p>Tariff:<br/> § 27.14.3<br/> § 27.14.3.1<br/> § 27.14.3.2<br/> § 33.31.3<br/> § 33.31.3.1<br/> § 33.31.3.2</p> | IFM                                      |

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| <b>ID#</b>    | <b>Business Feature</b>   | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
|---------------|---|--|--|
| EIBPR-BRQ-005 | <p>The following hourly Net EDAM Export Transfer Constraint parameters/indicators shall be reported publicly when market results are posted:</p> <ul style="list-style-type: none"> <li>Confidence Factor (EDAM + CISO BAAs)</li> <li>Reliability Margin (EDAM + CISO BAAs)</li> <li>Stressed Condition Status (Y/N) (CISO BAA Only)</li> <li>reason code (CISO BAA Only)</li> <li>reason comment (CISO BAA Only)</li> </ul> <p>EDAM BRS Ref.: EDAM-BRQ-20156</p> | <p>Existing (EDAM Implementation)</p> <p>Tariff:<br/>N/A</p>       | OASIS                                    |
| EIBPR-BRQ-006 | <p>As provided in Section 33.31.3 of the EDAM implementation initiative's tariff, the Net EDAM Export Transfer Constraint is defined as:</p> <p>Net Export Transfer Constraint <math>\leq</math> (RSE Eligible Supply + Non-RSE Eligible Supply x Confidence Factor) – RSE Obligation – EDAM Reliability Margin</p> <p>EDAM BRS Ref.: EDAM-BRQ-20156</p>  | <p>Existing (EDAM Implementation)</p> <p>Tariff:<br/>§ 33.31.3</p> | IFM                                      |

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## 4.2 Business Process: Transfer Resource Settlement and Transfer Revenue Distribution

### 4.2.1 Transfer Resource Settlement

| ID#           | Business Feature  | Req Type  | Potential Application(s) Impacted |
|---------------|---|---|-----------------------------------|
| EIBPR-BRQ-010 | <p>System shall map the relationship between each Transfer System Resource (“Transfer Resource”) participating in EDAM and its associated BAA SCID in both the import and export directions.</p> <p>The SC identifier shall apply as follows:</p> <ul style="list-style-type: none"> <li>• <b>Transmission Customer SCID</b>, if the transfer resource is a customer transfer, and customer has ETC/TOR/OATT contract right to schedule on transfer location (existing functionality)</li> <li>• <b>EDAM BAA Entity SCID</b>, if the transfer is part of the EDAM (applies under EDAM)</li> <li>• <b>CISO BAA SCID</b>, required if transfer location provides transmission to the CISO BAA, is not customer related, and allows for release in EDAM (shall be applied as the CISO BAA mirror for the transfer resource in EDAM); <ul style="list-style-type: none"> <li>○ CISO BAA SCID <i>shall be defined as “CISO”</i></li> </ul> </li> </ul> | <p>Core<br/>(CISO BAA SCID only)</p> <p>Tariff:</p> <p>§ 11.2.7<br/>§ 11.5.11<br/>§ 11.35.1.1.1<br/>§ 11.35.1.1.2<br/>§ 29.7(e).1-5<br/>§ 33.11.3.1<br/>§ 33.11.3.2<br/>§ 33.11.3.3</p> | Master File                       |

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| <b>ID#</b>     | <b>Business Feature</b>  | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
|----------------|--|--|--|
| EIBPR-BRQ-011  | <p>System shall receive and store Master File Transfer Resource - BAA SC Mapping records for transfer pairs (export and import) that are shared with the CISO BAA as follows:</p> <ul style="list-style-type: none"> <li>Transfer Resource ID</li> <li>Export and Import BAA SCIDs</li> </ul> <p>This information shall allow Settlements to distribute transfer resource assessment or allocation to the CISO BAA and other EDAM BAA(s).</p> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>Exporting Transfer System Resource needs to be mapped to the SCID of the Importing BAA; vice versa for Importing Transfer (i.e. cross mapping)</li> </ul> | <p>Core</p> <p>Tariff:</p> <p>§ 11.2.7<br/>§ 11.5.11<br/>§ 11.35.1.1.1<br/>§ 11.35.1.1.2<br/>§ 11.35.1.2.1<br/>§ 11.35.1.2.2<br/>§ 33.11.3.1<br/>§ 33.11.3.2<br/>§ 33.11.3.3</p> | Settlements                              |
| EIBPR-BRQ-012A | <p>EDAM transfers (En, IRU/IRD, RCU/RCD) will be financially settled for the net EDAM export or export as well as its associated load. Any difference between the two will be accounted for in the imbalance energy offset and transfer revenue calculations.</p>  | <p>Existing<br/>(see EDAM Implementation)</p> <p>Tariff:</p> <p>§ 11.2.7<br/>§ 11.35.1.1.1<br/>§ 11.35.1.1.2<br/>§ 33.11.3.1<br/>§ 33.11.3.2<br/>§ 33.11.3.3</p>                 | Settlements                              |




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| <b>ID#</b>     | <b>Business Feature</b>   | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-012B | <p>Each transfer resource with a net EDAM import or export transfer, and is associated with the CISO BAA, shall receive a settlement at the product of the schedule and the locational marginal price such that:</p> <ul style="list-style-type: none"> <li>Transfer schedules for <b>Energy</b> with ETC/TORs associated settle in accordance with tariff section 33.18.2.2.1</li> <li>Transfer schedules, including Pathway 2 released transmission, for <b>Energy</b> without ETC/TORs self-scheduled</li> </ul> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>Energy transfer location settlement difference due to MEC will settle as transfer revenue</li> <li>No change to existing ETC/TOR “perfect hedge” treatment per tariff</li> </ul> | <p>Core</p> <p>Tariff:<br/> § 11.2.7<br/> § 11.35.1.1.1<br/> § 11.35.1.1.2<br/> § 33.11.1.1.1<br/> § 33.11.3.1</p> | Settlements                              |
| EIBPR-BRQ-012C | <p>Each transfer resource with a net EDAM import or export transfer, and is associated with the CISO BAA, receives a non-binding settlement of the product of the schedule and the locational marginal price and shall be allocated or distributed in proportion of the SC metered demand to the CISO BAA metered demand, excluding balanced ETC/TOR metered demand.</p>  | <p>Core</p> <p>Tariff:<br/> § 11.2.7<br/> § 11.35.1.1.2</p>  | Settlements                              |

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| EIBPR-BRQ-012D | <p>Each transfer resource with a net EDAM import or export transfer, and is associated with the CISO BAA, shall settle such that:</p> <ul style="list-style-type: none"> <li><b>Imbalance Reserve Up or Down</b> for IFM shall receive a settlement at the product of the schedule and its locational marginal price</li> </ul> <p><u>Implementation Notes:</u></p> <ul style="list-style-type: none"> <li>Imbalance Reserve transfer location settlement difference due to <b>IRUC/IRDC</b> will settle as transfer revenue</li> </ul> | <p>Core</p> <p>Tariff:<br/> § 11.2.7<br/> § 11.35.1.1.1<br/> § 33.11.1.1.2<br/> § 33.11.3.2</p>                  | Settlements                              |
| EIBPR-BRQ-012E | <p>Each <b>imbalance reserve</b> transfer resource with a net EDAM import or export transfer, and is associated with the CISO BAA, shall financially settle at the product of the schedule and the locational marginal price. The settlement amount shall be allocated or distributed in proportion of the SC metered demand to the CISO BAA metered demand, excluding balanced ETC/TOR metered demand.</p>   | <p>Core</p> <p>Tariff:<br/> § 11.2.7<br/> § 11.5.11<br/> § 11.35.1.1.2<br/> § 11.35.1.2.2<br/> § 33.18.2.2.1</p> | Settlements                              |

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| <b>ID#</b>     | <b>Business Feature</b>  | <b>Req Type</b>   | <b>Potential Application(s) Impacted</b> |
|----------------|--|---|--|
| EIBPR-BRQ-012F | <p>Each transfer resource with a net EDAM import or export transfer, and is associated with the CISO BAA, shall settle such that:</p> <p><b>Reliability Capacity (Up and Down)</b> for RUC shall receive a non-binding settlement at the product of the schedule and its locational marginal price</p> <p><u>Implementation Notes:</u></p> <ul style="list-style-type: none"> <li>• <b>Reliability Capacity</b> transfer location settlement difference due to <b>RCU/RCD</b> will settle as transfer revenue</li> </ul> | <p>Core</p> <p>Tariff:<br/> § 11.2.7<br/> § 11.35.1.1.1<br/> § 33.11.1.1.3<br/> § 33.11.3.3</p> | Settlements                              |
| EIBPR-BRQ-012G | <p>Each <b>reliability capacity</b> transfer resource with a net EDAM import or export transfer, and is associated with the CISO BAA, shall financially settle at the product of the schedule and the locational marginal price. The settlement amount shall be allocated or distributed in proportion of the SC metered demand to the CISO BAA metered demand, excluding balanced ETC/TOR metered demand.</p>   | <p>Core</p> <p>Tariff:<br/> § 11.2.7<br/> § 11.35.1.1.2<br/> § 33.11.3.3</p>                    | Settlements                              |

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#### 4.2.2 Transfer Revenue Distribution


In EDAM, transmission associated with a transfer schedule when its modeled constraints are binding in the market can result in the collection of congestion revenue and transfer revenue.

*Congestion revenue* occurs when a transmission constraint is binding from within the BAA, resulting in a shadow price that creates a price differential. Distribution of the congestion revenue shall apply to the BAA with the internal binding constraints.

*For EDAM BAAs*, congestion revenue is sub-allocated in accordance to its own OATT, or alternate tariff.

*For the CISO BAA*, distribution of congestion revenue will continue to be handled through the existing CRR process.


*Transfer revenue* occurs when the net transfer constraint between two BAAs is binding in the market and a price differential results between the two. This may occur when binding is caused by IFM energy transfer schedules, imbalance reserve transfer schedules, or RUC reliability capacity transfer schedules. As both BAAs share the same transfer location, each will be allocated the transfer revenue equally. The EDAM BAA shall sub-allocate its amount according to its own OATT, or any other relevant Tariff. *This section will address the settlement transfer revenue where the CISO BAA is one of the BAAs involved in the transfer.*

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| EIBPR-BRQ-124A | <p>On a trade hour basis for each EDAM Transfer location, CISO BAA settlements shall distribute any transfer revenue for <b>Energy</b> as follows:</p> <ul style="list-style-type: none"> <li>For Pathway 2 transfers, the net transfer revenue is settled directly to the SC of the rights holder that released the transmission capacity to market in accordance with EDAM Tariff Section 33.18.2.2.2</li> <li>For non-Pathway 2 transfers, the CISO BAA portion of the net transfer revenue shall be sub-allocated: <ul style="list-style-type: none"> <li>ETC/TOR customers in proration of their scheduled rights at the transfer location in relationship to the total <b>Energy</b> transfer schedule excluding Pathway 2 of the same transfer location</li> <li>Any remainder of transfer revenue shall be allocated in proportion of the SC measured demand to the CISO BAA measured demand, excluding balanced ETC/TOR measured demand</li> </ul> </li> </ul> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>System shall deem transmission capacity as Pathway 2 for TSRs with CRN that is released prior to 9 am on day of market close</li> <li>Transfer Revenue due to all types will be included in a single charge code, per tariff (see BRQ-125)</li> </ul> | <p>Core</p> <p>Tariff:<br/> §11.35.2.1.1<br/> §11.35.2.1.2<br/> §11.35.2.2.1<br/> §11.35.2.2.2<br/> §27.14.1</p> | Settlements;<br><b>DREAMS</b>            |

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| EIBPR-BRQ-124B | <p>On a trade hour basis for each EDAM Transfer location, CISO BAA settlements shall distribute any transfer revenue for <b>Imbalance Reserve Up/Down</b> as follows:</p> <ul style="list-style-type: none"> <li>For Pathway 2 transfers, the net transfer revenue is settled directly to the SC of the rights holder that released the transmission capacity to market in accordance with EDAM Tariff Section 33.18.2.2.2</li> <li>For non-Pathway 2 transfers, the CISO BAA portion of the net transfer revenue shall be sub-allocated in proportion of the SC measured demand to the CISO BAA measured demand, excluding balanced ETC/TOR measured demand</li> </ul> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>System shall deem transmission capacity as Pathway 2 for TSRs with CRN that is released prior to 9 am on day of market close</li> <li>Settlement shall apply to the existing Marginal Loss Credit charge code currently used in Day-Ahead</li> <li>Transfer Revenue due to all types will be included in a single charge code, per tariff (see BRQ-125)</li> </ul> | <p>Core</p> <p>Tariff:<br/>           §11.35.2.1<br/>           §11.35.2.1.1<br/>           §11.35.2.1.2<br/>           §11.35.2.2.1<br/>           §11.35.2.2.2</p> | Settlements;<br><b>DREAMS</b>            |

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| <b>ID#</b>     | <b>Business Feature</b>  | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-124C | <p>On a trade hour basis for each EDAM Transfer location, CISO BAA settlements shall distribute any transfer revenue for <i>Reliability Capacity (Up and Down)</i> as follows:</p> <ul style="list-style-type: none"> <li>For Pathway 2 transfers, the net transfer revenue is settled directly to the SC of the rights holder that released the transmission capacity to market in accordance with EDAM Tariff 33.18.2.2.2</li> <li>For non-Pathway 2 transfers, the CISO BAA portion of the net transfer revenue shall be sub-allocated in proportion of the SC measured demand to the CISO BAA measured demand, excluding balanced ETC/TOR measured demand</li> </ul> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>System shall deem transmission capacity as Pathway 2 for TSRs with CRN that is released prior to 9 am on day of market close</li> <li>Settlement shall apply to the existing Marginal Loss Credit charge code currently used in Day-Ahead</li> <li>Transfer Revenue due to all types will be included in a single charge code, per tariff (see BRQ-125)</li> </ul> | <p>Core</p> <p>Tariff:<br/> §11.35.2.1.1<br/> §11.35.2.1.2<br/> §11.35.2.2.1<br/> §11.35.2.2.2<br/> §27.14.1<br/> §33.18.2.2.2</p> | Settlements                              |
| EIBPR-BRQ-125  | <p>For each interval in which the CISO BAA is distributed EDAM congestion revenue or surcharge in accordance with Section 33.11.1.2 of the Tariff, the CAISO will allocate such revenue, or surcharge, as provided in Tariff Section 11.2.4.</p>   | <p>Core</p> <p>Tariff:<br/> § 11.2.4<br/> § 11.35.2.3<br/> § 33.11.1.2</p>   | Settlements                              |

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### 4.3 Business Process: RSE Failure Surcharge and Revenue Settlement


As a participant of EDAM, the CISO BAA will receive Resource Sufficiency Evaluation (RSE) Failure settlement allocations. Whether the allocations are *surcharges*, as when the CISO BAA fails its RSE, or *revenue*, due to sufficient provision of upward or downward imbalance reserves, the CISO BAA's sub-allocation of those amounts shall be enacted in accordance with its tariff provisions.

The distribution methodology of RSE Failure surcharge or revenue shall sub-allocate to the CISO BAA using a pro rata methodology based on each scheduling coordinator's metered demand. This solution will be effective at the start of EDAM's implementation.

Each EDAM BAA outside of the CISO BAA will distribute their RSE Failure allocation in compliance with each BAA's own OATT, or alternate tariff.

| ID#           | Business Feature   | Req Type  | Potential Application(s) Impacted |
|---------------|--|---|-----------------------------------|
| EIBPR-BRQ-140 | <p>CISO BAA shall perform RSE Failure assessment or allocation in accordance with the EDAM market rules.</p> <p>For the CISO BAA, RSE Failure assessment or allocation shall sub-allocate using a pro rata methodology based on each scheduling coordinator's metered demand.</p> <p>This solution will be effective at the start of EDAM's implementation.</p>  | <p>Core</p> <p>Tariff:<br/>§11.35.3</p>   | Settlements                       |
| EIBPR-BRQ-141 | <p>For each trade hour in IFM, cost assessment shall apply to the CISO BAA if it <i>fails</i> its RSE. These costs are applied separately based on the following categorizations:</p> <ul style="list-style-type: none"> <li>On-Peak Upward Failure Surcharge</li> <li>Off-Peak Upward Failure Surcharge</li> <li>Downward Failure Surcharge</li> </ul> <p>EDAM BRS Ref.: EDAM-BRQ-19110, -19115, -19120</p> | <p>Existing<br/>(in EDAM Implementation)</p> <p>Tariff:<br/>§11.35.3<br/>§27.14.2.1</p> | Settlements                       |



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| EIBPR-BRQ-143 | <p>For each trade hour in IFM, RSE Failure surcharge assessments applied to the CISO BAA shall be distributed based on each scheduling coordinator's MW metered demand in proportion to the total CISO BAA MW metered demand.</p> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>RSE Failure Surcharge settlement shall be embedded in the existing RSE surcharge allocation charge code</li> </ul>   | <p>Core</p> <p>Tariff:<br/>§11.35.3</p>  | Settlements                              |
| EIBPR-BRQ-144 | <p>RSE Failure surcharge revenues shall apply separately by surcharge type to the CISO BAA if it <i>passes</i> its RSE <u>and</u> its EDAM net transfers help cure any deficient BAA.</p> <p>If the CISO BAA passes RSE for all hours of the trade day, it shall become eligible to receive RSE Failure surcharge revenue:</p> <ul style="list-style-type: none"> <li>If the CISO BAA fails RSE for any hour in the trade day in the <i>upward direction</i>, it shall be <i>ineligible</i> to receive <i>upward</i> surcharge revenue for that trade day.</li> <li>If the CISO BAA fails RSE for any hour in the trade day in the <i>downward direction</i>, it shall be <i>ineligible</i> to receive <i>downward</i> surcharge revenue for that trade day.</li> </ul> <p>If none of the EDAM BAAs (CISO BAA included) pass RSE for all hours in the trade day in the <i>upward or downward directions</i>, eligibility for each respective surcharge type revenue shall revert to an hourly basis.</p> <p>EDAM BRS Ref.: EDAM-BRQ-19150, -19160</p> | <p>Existing (EDAM Implementation Scope)</p> <p>Tariff:<br/>§33.11.2.1.1<br/>§33.11.2.2.2<br/>§33.11.2.2.3<br/>§33.11.2.3</p> | Settlements                              |

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| ID#           | Business Feature  | Req Type                            | Potential Application(s) Impacted |
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| EIBPR-BRQ-145 | <p>For each trade hour in IFM, RSE Failure surcharge revenue allocated to the CISO BAA shall be distributed based on each scheduling coordinator's MW metered demand in proportion to the total CISO BAA MW metered demand.</p> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>RSE Failure Surcharge Revenue settlement shall be embedded in the existing RSE revenue allocation charge code</li> </ul> | <p>Core</p> <p>Tariff: §11.35.3</p> | Settlements                       |

## 4.4 Business Process: CISO BAA EDAM Access Charges

As part of the amended tariff filing to align EDAM Recoverable Revenue associated with the CISO BAA with the revised EDAM Access Charge tariff provisions, the following sections describe the three components and the applied true-up adjustment (from the prior year) used to determine the total EDAM recoverable revenue requirements for each PTO:

- Historical:** Wheeling Access Charge revenue amounts are assessed for the prior three years and has the calculated average recoverable WAC revenue applied to each impacted PTO on an ongoing basis; re-assessing the PTO ratio and amount each time a new EDAM BAA onboards that shares a TSR pair with the CISO BAA
- New and Upgraded Transmission:** New or upgraded transmission that applies some or all of the project's incremental transfer capability to exporting transfer resource capacity in EDAM, if shared between the CISO BAA and one or more EDAM BAA
- Excess Wheel-through:** when CISO BAA net transfer exporting out exceeds the net transfer importing into the CISO BAA for EDAM (using same method as applied to all EDAM BAAs)
- True-Up:** A rollover amount from the prior year, either as debit or credit, applied to account for any difference between the projected recoverable revenue requirements and the actual revenue collection

Each component and the true-up amount will be determined separately, and then applied to the monthly settlement statement invoice to support the rate calculations for each BAA's EDAM access charge rate.

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4.4.1 Historical EDAM Recoverable Revenue Component Calculation

To support the calculation of EDAM recoverable revenue for impacted PTOs when intertie capacity converts to transfer resources in EDAM (either partially or completely), ISO Settlements will require the ability to apply historical and ongoing tagging information with submitted interchange schedules to determine an average recoverable WAC revenue amount for that time period. Collection of this historical data (for the three-year period preceding the conversion) is expected for each onboarding of an EDAM BAA that shares a TSR (transfer system resource) pairing with the CISO BAA. The calculation will apply both a ratio (percentage of total recoverable WAC revenue amount associated with a given PTO) and the total EDAM recoverable revenue requirement. These values will be used to apply the EDAM recoverable revenue to each impacted PTO, and related charges to each impacted EDAM BAA.

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| EIBPR-BRQ-160 | <p><b>Component 1: Historical EDAM Recoverable Revenue Amount for PTO Advisory</b></p> <p>On an “as needed” basis (i.e., when a BAA either joins or exits the EDAM market), the CISO BAA shall re-calculate its Historical EDAM Recoverable Revenue requirement (“Component 1”). The Component 1 requirement will reflect the change in recoverable WAC revenue occurring at an impacted intertie location in which some or all its DA/RT transmission rights convert to new EDAM transfer locations.</p> <p><i>Component 1 Calculation Process:</i></p> <ul style="list-style-type: none"> <li>• Assemble the 3-yr avg WAC charge amount at the impacted intertie location</li> <li>• At each impacted intertie location, apply the percentage of exports to EDAM BAAs relative to all CISO BAA exports to its associated average WAC revenue to determine EDAM recoverable revenue</li> <li>• At each impacted intertie location, distribute the calculated Component 1 EDAM recoverable revenue to each relevant PTO based on its proportionate share of the total entitlements at that intertie location</li> <li>• If multiple new intertie/transfer locations are assessed at the same time (i.e. multiple BAAs join EDAM at once), perform same assessment at each location and then aggregate all new component 1 for each associated PTO across all new locations</li> <li>• Determine new Component 1 amount for each PTO as Incremental Component 1 requirement</li> <li>• For each PTO, add its incremental Component 1 requirement to its pre-existing Component 1 requirement (if exists) to determine the new fixed Component 1 requirement going forward</li> </ul> | <p>Process</p> <p>Tariff:<br/>§26.2.2.1<br/>§33.26.1<br/>§33.26.2.1</p> | Settlements                              |

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| ID#           | Business Feature   | Req Type   | Potential Application(s) Impacted |
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| EIBPR-BRQ-161 | <p><b>Component 1: Assembling Three-Year Average WAC Revenue, per each Location</b></p> <p>For each new intertie location within the CISO BAA-controlled grid that will convert its transmission rights from the DA/RT market intertie locations to EDAM transfer locations at their respective scheduling points, the CISO BAA shall assemble the annual average WAC revenue for the three-year period preceding the new BAA's EDAM participation.</p> <p>EDAM BRS Ref: EDAM-BRQ-19310, -19310a through -19310c</p> | <p>Process</p> <p>Tariff:<br/>           §26.2.2.1<br/>           §33.26.1<br/>           §33.26.2.1<br/>           §33.26.2.1.1</p> | Settlements                       |

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| EIBPR-BRQ-162 | <p><b>Component 1: Assessment of Component 1 Recoverable Revenue Requirement, per each Location</b></p> <p>If the intertie location completely converts to EDAM, the entire average annual WAC charge at that intertie location shall be considered EDAM recoverable revenue (excluding any ETC/TORs).</p> <p>Component 1 EDAM Recoverable Revenue Req.<br/>= Three-Year Average Annual WAC Charge</p> <p>If the intertie location only partially converts to EDAM, CISO BAA will identify the portion of the intertie location's exports (excluding any ETC/TORs) that "sink" to the new EDAM BAA(s) relative to the total exports from the CISO BAA at that intertie (also excluding ETC/TORs):</p> <p>Component 1 EDAM Recoverable Revenue Req.<br/>= (a) * [ (b) / (c) ]</p> <p>Where:</p> <p>(a) = Three-year average annual WAC charge revenue at the given intertie location</p> <p>(b) = Intertie Location's exports that "sink" with EDAM BAA(s) (excluding ETC/TOR)</p> <p>(c) = Intertie Location's total annual exports from CISO BAA (excluding ETC/TOR)</p> | <p>Process</p> <p>Tariff:<br/>§26.2.2.1<br/>§33.26.1<br/>§33.26.2.1<br/>§33.26.2.1.1</p> | Settlements                              |


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| EIBPR-BRQ-163 | <p><b>Component 1: Assessment of PTO's Proportionate Share of Historical Recoverable Revenue at Intertie Location</b></p> <p>CISO BAA will use the following methodology to determine each PTO's proportionate share of WAC revenue that will be considered recoverable, at a given intertie:</p> <ul style="list-style-type: none"> <li>• If ownership or entitlements exist at the intertie, calculate each PTO's proportionate share of the EDAM recoverable revenue at the intertie, such that: <ul style="list-style-type: none"> <li>○ If ownership or entitlement is held by a single PTO at that intertie, that PTO shall obtain all associated EDAM recoverable revenue</li> <li>○ If ownership or entitlement is held by multiple PTOs, each PTO is dispersed based on its proportionate share of ownership and entitlements</li> </ul> </li> </ul>   | <p>Process</p> <p>Tariff:<br/> §26.2.2<br/> §26.2.2.1.1<br/> §33.26.1<br/> §33.26.2.1.1</p> | Settlements                              |
| EIBPR-BRQ-164 | <p><b>Component 1: Aggregation of Locational EDAM Recoverable Revenue Requirements to Incremental and Total PTO Component 1 Requirements</b></p> <p>If multiple new transfer locations exist for the EDAM recoverable revenue calculation, the CISO BAA shall assess its total incremental Component 1 requirement as the aggregate for each PTO across all new locations (i.e., consolidation of each PTO's incremental Component 1 requirement amount).</p> <p>Additionally, as a separate value, each PTO's consolidated Incremental Component 1 shall be added to its pre-existing Component 1 recoverable revenue requirement to make a new total PTO Component 1 recoverable revenue requirement amount.</p> <p><u>Implementation Note:</u></p> <ul style="list-style-type: none"> <li>• CISO BAA will require both Incremental and Total projected Component 1 recoverable revenue requirement amounts from attestation by PTOs</li> </ul> | <p>Process</p> <p>Tariff:<br/> §26.2.2<br/> §26.2.2.1.1<br/> §33.26.1<br/> §33.26.2.1.1</p> | Settlements                              |

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| EIBPR-BRQ-165 | <p><b>Component 1: Aggregation of Recoverable Revenue for CISO BAA Total Component 1 Requirement</b></p> <p>The CISO BAA shall roll up all of the consolidated PTO Incremental Component 1 requirements to form a CISO BAA incremental Component 1 revenue requirement.</p> <p>Additionally, as a separate value, CISO BAA shall add the CISO BAA Incremental Component 1 requirement to its pre-existing total CISO BAA Component 1 revenue requirement to form its new total CISO BAA Component 1 recoverable revenue requirement.</p> <p>See EIBPR-BRQ-216 (all values will be attested by PTOs)</p> | <p>Process</p> <p>Tariff:<br/>           §26.2.2<br/>           §26.2.2.1.2<br/>           §33.26.1<br/>           §33.26.2.1.1</p> | Settlements                              |




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| EIBPR-BRQ-166 | <p><b>Component 1: Recoverable Revenue Limit, Applied to CISO BAA</b></p> <p>Consistent with all EDAM BAAs, the CISO BAA's total Component 1 EDAM Recoverable Revenue shall observe the following cap limit, where:</p> <p>Component 1 EDAM Recoverable Revenue<br/> <math display="block">\leq (a) * [ (b) / (c) ]</math></p> <p>Where:</p> <p>(a) = projected annual WAC revenue at the intertie locations associated with the CAISO-controlled Grid</p> <p>(b) = Annual portion of exports that “sink” with EDAM BAA(s) (excluding ETC/TOR)</p> <p>(c) = Total annual exports from CISO BAA (excluding ETC/TOR)</p> <p>This calculated limit will only apply to Component 1 revenue and not change over time. Cap limit is specific to CISO BAA only.</p> <p><i>See Appendix A.1 for Historical Component 1 calculation examples.</i></p> <p>EDAM BRS Ref.: EDAM-BRQ-19310c</p> | <p>Process</p> <p>Tariff:<br/>           §26.2.2<br/>           §26.2.2.1.2</p> | Settlements                              |

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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-167 | <p><b>Component 1: Re-Assessments of Revenue Requirement</b></p> <p>The Historical EDAM Recoverable Revenue component amount shall be re-assessed on a prospective basis each time CISO BAA export transfer capacity is modified due to either 1) a new BAA onboarding to EDAM or 2) an existing EDAM BAA exiting the EDAM market.</p> <p>Once calculated for each PTO and the CISO BAA, total Component 1 revenue requirements will be fixed in perpetuity, or until an event changes the basis of intertie location capacity applied to the EDAM market. All updates shall be posted to public website with an effective date.</p> | <p>Process</p> <p>Tariff:<br/>           §26.2.2<br/>           §26.2.2.1.1<br/>           §26.2.2.1.2<br/>           §33.26.2.1.1</p> | Settlements                              |

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#### 4.4.2 New Transmission EDAM Recoverable Revenue Component Calculation

**New Transmission Project Recoverable WAC Revenue** compensates transmission owners of new transmission into the CISO BAA that converts into EDAM transfer system resource capacity.


| ID#           | Business Feature   | Req Type   | Potential Application(s) Impacted |
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| EIBPR-BRQ-180 | <p><b>EDAM New Transmission Component 2</b></p> <p>PTOs shall file the associated EDAM recoverable revenue requirements to FERC for either or both of the following New Transmission Component 2 events in which increased transfer capability between the CISO BAA and existing EDAM BAA(s) result:</p> <p>(a) expiring Existing Contracts releasing transmission (not already considered in Component 1)</p> <p>or</p> <p>(b) physical network upgrade (“Upgrade”) activation</p> <p>Upon receiving approval for the FERC filing, the PTO shall submit a full attestation through the new EDAM Access Charge Schedule F submission (see EIBPR-BRQ-216), including the following information:</p> <ul style="list-style-type: none"> <li>• Intertie Location(s) associated with Component 2 impact</li> <li>• Component 2 EDAM Recoverable Revenue Requirements: <ul style="list-style-type: none"> <li>○ Annual Incremental and Total EDAM Component 2 recoverable revenue requirement amounts (include FERC Filing Docket # and Date)</li> <li>○ Calculated Component 2 ratio (as defined in EIBPR-BRQ-182)</li> <li>○ If for expiring Existing Contract, provide the amount of TRR compensated to PTO through the contract (i.e., contract amount)</li> <li>○ If for Upgrade, provide its associated incremental TRR, as determined from the previous year</li> </ul> </li> </ul> <p>See BRS Ref.: EIBPR-BRQ-182, -183, -184, -216</p> | <p>Process</p> <p>Tariff:<br/> §26.2.2<br/> §26.2.2.2.1<br/> §26.2.2.2.2</p> | CIDI                              |

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|  California ISO                                  | Technology | Template Version: | 6.9                        |
|   |            | Document Version: | <del>4.41</del> <u>4.5</u> |
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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>                       | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-182 | <p><b>Component 2: Assessment of Component 2 EDAM Recoverable Revenue Requirement, per each Expiring PTO Existing Contract</b></p> <p>Legacy transmission rights contracts that precede EDAM shall be assessed for revenue recovery by the associated PTO upon their expiration.</p> <p>Recoverable revenue for existing contracts expiring prior to EDAM Go Live (i.e., during the CISO BAA's Pre-EDAM three-year historical period) shall be considered as already included as part of the Comp 1 Historical revenue requirement, with no additional Comp 2 recoverable revenue eligible.</p> <p>Existing contracts expiring after EDAM Go Live (i.e. applied to EDAM Year 2 or later) shall have their recoverable revenue determined on a contract basis as follows:</p> <p>Comp 2 Recoverable Revenue = (a) * [ (b) / (c) ]</p> <p>Where,</p> <p>(a) = Expired Contract's Most Recent Annual Revenue at the Location (\$)</p> <p>(b) = PTO's total Component 1 Recoverable Revenue Requirement (\$), with adjustment if Component 1 cap limit is applied</p> <p>(c) = PTO's total Transmission Revenue Requirement (\$)</p> <p><i>See Appendix A.2 for New Transmission Component 2 calculation examples.</i></p> | <p>Process</p> <p>Tariff: §26.2.2</p> | Settlement                               |

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|  California ISO                                  | Technology | Template Version: | 6.9                       |
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| ID#           | Business Feature  | Req Type  | Potential Application(s) Impacted |
|---------------|---|---|-----------------------------------|
| EIBPR-BRQ-183 | <p><b>Component 2: Calculation of Proxy Baseline Ratio</b></p> <p>Since Upgrades will not have a three-year historical data period from which to assess their average recoverable revenue (as is performed with Component 1), a <i>proxy baseline ratio</i> shall be calculated for all locations within the CISO BAA as follows:</p> <p>Proxy Baseline Ratio = (a) / (b)</p> <p>Where,</p> <p>(a) = Annual WAC Revenue for CISO BAA</p> <p>(b) = Total Transmission Revenue Requirement for CISO BAA</p> <p><i>See Appendix A.2 for New Transmission Component 2 calculation examples.</i></p> | <p>Process</p> <p>Tariff:<br/>§26.2.2<br/>§26.2.2.2.2</p> | Settlement                        |

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| <b>ID#</b>    | <b>Business Feature</b>   | <b>Req Type</b>                           | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-184 | <p><b>Component 2: Assessment of Component 2 EDAM Recoverable Revenue Requirement, per each PTO Upgrade</b></p> <p>For each Upgrade increasing transfer capability between the CISO BAA and the EDAM Area, its estimated recoverable revenue shall be applied to Component 2 EDAM Recoverable Revenue requirement, as calculated:</p> <p>Component 2 EDAM Recoverable Revenue Req.<br/>= (a) * (b)</p> <p>Where,<br/>(a) = PTO-provided TRR for associated Upgrade (see EIBPR-BRQ-180)<br/>(b) = Proxy Baseline Ratio (see EIBPR-BRQ-183)</p> <p>If the Upgrade location existed prior to EDAM Go Live, then the applied ratio shall be specific to the location. Otherwise, the ratio shall apply on a CISO BAA basis.</p> <p>All upgrades shall be evaluated for recoverable revenue eligibility in accordance with Tariff Section 33.26.2.2.2.</p> <p><i>See Appendix A.2 for New Transmission Component 2 calculation examples.</i></p> | <p>Process</p> <p>Tariff:<br/>§26.2.2</p> | Settlement                               |

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| <b>ID#</b>    | <b>Business Feature</b>   | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
|---------------|---|--|--|
| EIBPR-BRQ-185 | <p><b>Component 2: Application of Component 2 EDAM Recoverable Revenue Requirement</b></p> <p>Incremental New Transmission Component revenue requirements from both expiring Existing Contracts and Upgrades shall apply cumulatively to the prior Component 2 EDAM Recoverable Revenue Requirement, and the new total will be considered as a fixed amount in perpetuity, or until a new Upgrade or expiring Existing Contract occurs.</p> <p>EDAM Year 1 shall have each PTO's projected Component 2 requirement set to zero, as no revenue was recoverable in the year prior. Beginning in EDAM Year 2, applied Component 2 requirements shall apply for the following year with a true-up to address the interim revenue not collected.</p> <p><i>See Appendix A.2 for New Transmission Component 2 calculation examples.</i></p> | <p>Process</p> <p>Tariff:<br/>           §26.2.2<br/>           §26.2.2.2.1<br/>           §26.2.2.2.2</p> | Settlement                               |

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|  California ISO                                  | Technology | Template Version: | 6.9                |
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4.4.3 Excess Wheel-Through EDAM Recoverable Revenue Component Calculation

The **Excess Wheel-Through Recoverable Amount** is total volume of the wheel-through transfers of the CISO BAA that exceeds the total net transfers (considering both imports and exports), bounded by zero. Excess Wheel-Through volume is calculated monthly, aggregated by the PTO at the end of the settlement year, and then applied to the EDAM Access Charge calculations for the following year as a projected amount.



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| ID#           | Business Feature   | Req Type  | Potential Application(s) Impacted |
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| EIBPR-BRQ-190 | <p><b>Component 3: Determine Excess Wheel-Through Volume Amount, per CISO BAA</b></p> <p>For each trade hour in the DA market, CAISO settlements shall assess wheel-through volumes that are in excess of the net transfer (exports and imports) of the CISO BAA, as calculated by:</p> <p>CISO BAA Wheel-Through Transfer Volume =<br/> Min (Total CISO BAA Export Transfers, Total CISO BAA Import Transfers)</p> <p>Next, the Excess Wheel-Through volume for the CISO BAA shall be calculated as:</p> <p>CISO BAA Excess Wheel-Through Transfer Volume =<br/> Max [0, CISO BAA Wheel-Through Transfer Volume –<br/> Max(0, (Total CISO BAA Export Transfers - Total CISO BAA Import Transfers))]</p> <p><i>Assessments shall exclude transfers that have been self-scheduled with exercised ETC/TOR rights. Hourly excess wheel-through volumes shall not be netted across hours, and have their absolute value rolled up to a monthly excess transfer amount as part of the CISO BAA Component 3 EDAM Recoverable Revenue.</i></p> <p><i>See Appendix A.3 for Excess Wheel-Through Component 3 calculation examples.</i></p> <p>EDAM BRS Ref.: EDAM-BRQ-19300</p> | <p>Existing<br/> (See EDAM Implementation)</p> <p>Tariff:<br/> §26.2.2<br/> §26.2.2.3</p> | Settlements                       |

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|  California ISO                                  | Technology | Template Version: | 6.9                        |
|   |            | Document Version: | <del>4.41</del> <u>4.5</u> |
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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-192 | <p><b>Component 3: CISO BAA Excess Wheel-Through Component 3 Actuals</b></p> <p>On a monthly basis, CAISO settlements shall calculate the CISO BAA's Excess Wheel-Through Transfer for Component 3 revenue requirement assessment, as follows:</p> <p>Monthly CISO BAA Component 3 EDAM Recoverable Revenue Requirements</p> <p>= Monthly CISO BAA Excess Wheel-Through Transfer Volume * current WAC rate</p> <p><i>See Appendix A.3 for Excess Wheel-Through Component 3 calculation examples.</i></p> <p>EDAM BRS Ref.: EDAM-BRQ-19300</p>  | <p>Existing<br/>(See EDAM Implementation)</p> <p>Tariff:<br/>§26.2.2<br/>§26.2.2.3</p> | Settlements                              |
| EIBPR-BRQ-193 | <p><b>Component 3: Dispersed Excess Wheel-Through Component 3 Recoverable Revenue, per each PTO</b></p> <p>On a monthly basis, each PTO shall receive its portion of the monthly CISO BAA Component 3 EDAM Recoverable Revenue determined by applying the percentage of its share of TRR relative to the total TRR for the CISO BAA, such that:</p> <p>PTO's Monthly Share of Component 3 EDAM Recoverable Revenue</p> <p>= Monthly CISO BAA Component 3 EDAM Recoverable Revenue * (PTO's TRR Amount / Total TRR Amount for CISO BAA)</p> <p><i>See Appendix A.3 for Excess Wheel-Through Component 3 calculation examples.</i></p> | <p>Core</p> <p>Tariff:<br/>§26.2.2<br/>§26.2.2.3</p>                                   | Settlements                              |

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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>   | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-194 | <p><b>Component 3: Monthly PTO Excess Wheel-Through Transfer Volume and Revenue Reporting</b></p> <p>CISO BAA shall provide each PTO the calculated monthly Component 3 volume and revenue to the settlements systems for the following:</p> <ul style="list-style-type: none"> <li>for inclusion in the current month's Bill Determinant file</li> <li>for reference in following year's annual EDAM Access Charge Component 3 revenue requirement assessment</li> </ul> <p>EDAM BRS Ref.: EDAM-BRQ-19300</p>   | <p>Core</p> <p>Tariff:<br/>§26.2.2<br/>§26.2.2.3<br/>§33.26.1.2</p> | Settlements                              |
| EIBPR-BRQ-195 | <p><b>Component 3: Aggregation of Monthly PTO Component 3 Revenue to CISO BAA Total</b></p> <p>At the end of the settlement year, each PTO shall aggregate its monthly Excess Wheel-Through revenues to a total annual amount to be applied as the PTO's projected EDAM Component 3 revenue requirement for the following year.</p> <p>Prior to applying the annual Component 3 revenue requirement amount for the forthcoming year, each PTO must file the new revenue requirements to FERC, receive FERC's approval, and then submit a full attestation via the process described in EIBPR-BRQ-216.</p> <p>First year EDAM participation of CISO BAA shall have a projected annual EDAM Excess Wheel-Through Transfer revenue requirement of zero dollars, as the prior year did not have any EDAM excess wheel-through transfers.</p> | <p>Core</p> <p>Tariff:<br/>§26.2.2<br/>§26.2.2.3<br/>§33.26.1.2</p> | CIDI                                     |

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#### 4.4.4 True-Up EDAM Recoverable Revenue Component Calculation

After the first year of EDAM participation, each PTOs shall receive an adjustment to its EDAM Recoverable Revenue Requirement for the following year to reflect projected revenue shortfall/surplus from actual revenue collection. This value may be applied either a credit (if shortfall) or debit (if surplus).

| ID#           | Business Feature   | Req Type   | Potential Application(s) Impacted |
|---------------|--|--|-----------------------------------|
| EIBPR-BRQ-200 | <p><b>True-Up: Revenue Shortfall/Surplus related to the total EDAM Recoverable Revenue Requirement</b></p> <p>On a monthly basis, CISO BAA shall calculate the actual revenue collection's shortfall or surplus for the CISO BAA, and each PTO, with regards to its current Component 3 EDAM Recoverable Revenue requirement.</p> <p>If more revenue is collected than the projected EDAM Recoverable Revenue requirement, the surplus shall be applied as a debit for the following year to reduce the EDAM access charges due.</p> <p>If less revenue is collected than the projected EDAM Recoverable Revenue requirement, the shortfall amount shall be applied as a credit for the following year to increase the EDAM access charges due.</p> <p><i>See Appendix A.4 for true-up calculation examples.</i></p> | <p>Process Internal</p> <p>Tariff:<br/> §26.2.2<br/> §26.2.3<br/> §33.26.1.2<br/> §33.26.2.1.1</p> | Settlements                       |
| EIBPR-BRQ-201 | <p><b>True-Up: Monthly PTO Revenue Shortfall/Surplus Reporting</b></p> <p>CISO BAA shall calculate monthly true-up revenue surplus/shortfall for each PTO, as the following:</p> <ul style="list-style-type: none"> <li>for inclusion in the current month's Bill Determinant file</li> <li>for reference in following year's annual EDAM Access Charge Component 3 revenue requirement assessment</li> </ul>  | <p>Core</p> <p>Tariff:<br/> §26.2.2<br/> §26.2.2.3<br/> §33.26.1.2</p>                             | Settlements                       |


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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>   | <b>Potential Application(s) Impacted</b> |
|---------------|--|---|--|
| EIBPR-BRQ-202 | <p><b>True-Up: Aggregation of Monthly PTO Revenue Shortfall/Surplus Revenue to CISO BAA Total</b></p> <p>At the end of each settlement year, each PTO shall aggregate its monthly actuals revenue shortfall/surplus to a total annual amount to be applied as the PTO's projected EDAM recoverable revenue requirement true-up for the following year.</p> <p>Prior to applying the annual true-up amount for the forthcoming year, the CISO BAA must file the new revenue requirements to FERC, receive FERC's approval, and then submit a full attestation including the annual true-up amount via the process described in EIBPR-BRQ-216.</p> <p>First year EDAM participation of CISO BAA shall have a projected annual revenue true-up of zero dollars, as the prior year did not have any EDAM access charge revenue.</p> <p><i>See Appendix A.4 for true-up calculation examples.</i></p> | <p>Core</p> <p>Tariff:<br/>§26.2.2<br/>§26.2.2.3<br/>§33.26.1.2</p> | Settlements                              |


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#### 4.4.5 Participating Transmission Owner Calculation and Attestation of EDAM Recoverable Revenue Requirements

| ID#           | Business Feature   | Req Type   | Potential Application(s) Impacted |
|---------------|--|--|-----------------------------------|
| EIBPR-BRQ-216 | <p><b>PTO Submission of EDAM Recoverable Revenue Requirement Affidavit</b></p> <p>Each PTO shall submit an affidavit to the CAISO attesting to the following for the current year:</p> <ul style="list-style-type: none"> <li>PTO Total EDAM Recoverable Revenue Requirements (includes total amount and breakdown of Components 1, 2, 3 and true-up)</li> <li>Prior Year Annual Gross Load (MWh)</li> </ul> <p><u>Implementation Note:</u></p> <ul style="list-style-type: none"> <li>Two separate forms are used for access charge information: (a) Existing TRR/TRBAA rate form for TAC/WAC, (b) New EDAM Recoverable Revenue form for EDAM Access Charges</li> </ul> <p>EDAM BRS Ref: EDAM-BRQ-19300, -19301, -19302, -19305</p> | <p>Process</p> <p>Tariff:<br/>26.2.2<br/>26.2.2.1.1<br/>26.2.2.2.1<br/>26.2.2.2.2<br/>26.2.2.3<br/>33.26.1.2<br/>33.26.2.1.1<br/>33.26.4</p> | CIDI                              |
| EIBPR-BRQ-217 | <p><b>PTO Submission of EDAM Recoverable Revenue Requirement Affidavit: CISO BAA Communications</b></p> <p>If, prior to submission of the affidavit, the PTO has concerns or questions about the calculated projections provided by the CAISO, the PTO may request a review through their CAISO client representative to discuss and ensure issues are resolved.</p>   | <p>Process</p> <p>Tariff:<br/>N/A</p>  | CIDI                              |

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| <b>ID#</b>     | <b>Business Feature</b>  | <b>Req Type</b>   | <b>Potential Application(s) Impacted</b> |
|----------------|--|---|--|
| EIBPR-BRQ-218B | <p><b>Public Posting of EDAM Access Charge Affidavit Information</b></p> <p>Upon receiving all attestations, CISO BAA shall post a formal report with the following EDAM Access Charge revenue requirement information for each PTO:</p> <ul style="list-style-type: none"> <li>• PTO's Total EDAM Recoverable Revenue Requirement (sum of components + true-up)</li> <li>• PTO's Projected Component 1 EDAM Recoverable Revenue Requirement (Historical)</li> <li>• PTO's Projected Component 2 EDAM Recoverable Revenue Requirement (New Transmission)</li> <li>• PTO's Projected Component 3 EDAM Recoverable Revenue Requirement (Excess Wheeling)</li> <li>• PTO's EDAM Recoverable Revenue Requirement True-Up (from prior year)</li> <li>• Prior Year Annual Gross Load (MWh)</li> <li>• Effective Period</li> </ul> <p>Implementation Note:</p> <ul style="list-style-type: none"> <li>• All EDAM Revenue Requirement and Access Charge Rate information shall post to EDAM section</li> <li>• All CISO BAA Revenue Requirement (with PTO breakdown) and EDAM Access Charge Rates (with other EDAM BAAs) shall post to CISO BAA's Settlements section</li> </ul> | <p>Process</p> <p>Tariff:<br/>33.26.1<br/>33.26.1.2<br/>33.26.4</p> | CAISO.com                                |


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| <b>ID#</b>    | <b>Business Feature</b>   | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
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| EIBPR-BRQ-219 | <p><b>EDAM Access Charge Rate Calculation, per EDAM BAA Export/Import Pairings</b></p> <p>From the attested information received from each PTO, and the other EDAM BAAs, CAISO shall determine the EDAM Access Charge rates for each EDAM BAA, as follows:</p> <p>Each EDAM BAA's allocation of recoverable revenue from servicing CISO BAA's Gross Load =</p> <p style="padding-left: 40px;">CISO BAA's Total EDAM Recoverable Revenue Requirement * [EDAM BAA's Gross Load / (Total EDAM Area Gross Load – CISO BAA Gross Load)]</p> <p>Next, CAISO shall perform aggregation of each EDAM BAA's revenue cost allocations from all the other EDAM BAA's.</p> <p>Finally, the calculated total cost allocation for each EDAM BAA shall be divided by that EDAM BAA's annual gross load to determine its EDAM Access Charge rate that will be assessed to each EDAM BAA that services its Gross Load, such that:</p> <p>EDAM BAA's EDAM Access Charge Rate (\$/MWh) for servicing its Gross Load =</p> <p style="padding-left: 40px;">(EDAM BAA's total allocated costs from all other EDAM BAAs) / (EDAM BAA's own Gross Load)</p> <p>EDAM BRS Ref.: EDAM-BRQ-19350c, Appendix A.8 ("EDAM Access Charge Illustrative Example")</p> | <p>Existing<br/>(see EDAM Implementation)</p> <p>Tariff:<br/>26.2.1.1<br/>26.2.1.2<br/>33.26.1</p> | Settlements                              |




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| <b>ID#</b>    | <b>Business Feature</b>   | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
|---------------|---|--|--|
| EIBPR-BRQ-221 | <p><b>Public Posting EDAM Access Charge Rates for each EDAM BAA Export/Import Pairing</b></p> <p>Once calculated, CAISO shall publicly post all EDAM Access Charge rates, associating each EDAM Entity to the EDAM BAAs with which it has export transfers (i.e., both the EDAM BAA recovered for, and the EDAM BAA(s) applied towards).</p> <p><u>Implementation Note:</u></p> <ul style="list-style-type: none"> <li>All EDAM BAA rates associated to the EDAM Transmission Service Provider (CISO BAA included) will be posted in the same manner</li> <li>Per the CISO BAA's Tariff, CAISO will undertake the additional step to distribute its EDAM Access Charge Revenue allocation; EDAM Entities shall apply their distributions per their own tariff</li> </ul> <p>EDAM BRS Ref.: EDAM-BRQ-19364</p> | <p>Existing<br/>(See EDAM Implementation)</p> <p>Tariff:<br/>33.26.4</p> | CAISO.com                                |

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#### 4.4.6 EDAM Access Charge Assessment and Settlement

| ID#           | Business Feature   | Req Type   | Potential Application(s) Impacted |
|---------------|--|--|-----------------------------------|
| EIBPR-BRQ-257 | <p><b>EDAM Access Charge Assessment: (EDAM Framework) Distribution of CISO BAA's Share of EDAM Recoverable Revenue</b></p> <p>On a monthly basis, the settlements system shall distribute the proportional share of collected EDAM Recoverable Revenue to the CISO BAA. Share shall be based on the CISO BAA's EDAM Recoverable Revenue Requirement relative to the sum of all other EDAM BAAs' EDAM Recoverable Revenue Requirements.</p> <p>EDAM BRS Ref.: EDAM-BRQ-19350b</p>   | <p>Existing<br/>(See EDAM Implementation)</p> <p>Tariff:<br/>33.26.1</p> | Settlements                       |
| EIBPR-BRQ-265 | <p><b>Publish Monthly EDAM Access Charge Rate Bill Determinant Information</b></p> <p>On a monthly basis, for each PTO, the settlement system shall publish the following EDAM Access Charge Rates:</p> <ul style="list-style-type: none"> <li>• Monthly Component 1 <u>(Historical)</u> Recoverable Revenue Requirement</li> <li>• Monthly Component 2 <u>(New Transmission)</u> Recoverable Revenue Requirement</li> <li>• Monthly Component 3 <u>(Excess Wheel-Through)</u> Recoverable Revenue Requirement</li> <li>• Monthly True-Up Amount (Debit or Credit) for Recoverable Revenue Requirement</li> <li>• Monthly Total Recoverable Revenue Requirement (sum of all components + true-up amount)</li> <li>• Monthly Projected Gross Load</li> <li>• Applicable EDAM Access Charge Rate Amount</li> <li>• Applicable EDAM Access Charge Rate BAA ID applied to</li> <li>• Applicable EDAM Access Charge Rate BAA ID recovers for</li> </ul> | <p>Process</p> <p>Tariff:<br/>33.26.3</p>                                | Settlements                       |

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| <b>ID#</b>    | <b>Business Feature</b>  | <b>Req Type</b>  | <b>Potential Application(s) Impacted</b> |
|---------------|--|--|--|
| EIBPR-BRQ-270 | <p><b>Timeline for EDAM Recoverable Revenue Settlement Process and Interim Re-Assessments</b></p> <p>EDAM Access Charge Requirement Attestation and Rate Calculation Process shall intend to execute annually with an October deadline for data submission for a January 1 activation.</p> <p>Under the following explicit conditions, prospective changes to Components 1 and 2 may apply:</p> <ul style="list-style-type: none"> <li>• Changes to the EDAM market footprint definition, wherein the CISO BAA is impacted</li> <li>• Activation of an Upgrade that increases the CISO BAA's export transfer capability to the EDAM Area</li> <li>• Expiration of Existing Contracts that releases transmission which increases the CISO BAA's export transfer capability to the EDAM Area</li> </ul> <p>Note: Details will be provided in forthcoming BPMs.</p> | <p>Process</p> <p>Tariff:<br/> 26.2.1.1<br/> 26.2.1.2<br/> 26.2.2<br/> 26.2.2.2.1<br/> 26.2.2.2.2<br/> 33.26.1<br/> 33.26.2.1<br/> 33.26.2.2<br/> 33.26.2.2.1<br/> 33.26.2.2.2</p> | CIDI                                     |

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## 4.5 Business Process: Market/Business Simulation

This section shall provide a basis for the development of the Market/Business Simulation Scenarios. These requirements will provide guidance on the market participant impacts, inputs into the Scenarios, endpoints to the Scenarios and reasons for potential Scenarios. The guidance on market participant impacts shall be gathered from the requirements that impact rules, interfaces, applications/reports, new system processes, new/modified data models, and new user roles. The source and sink systems shall be determined through the development of the system context diagram and the web service requirements. The Reason for the Potential Scenario column will be to offer guidance regarding what potential scenarios, and their context, may be needed for this project. This section applies to all policy development projects, market enhancements, technology enhancements, operation enhancements, Western Energy Imbalance Market (WEIM) implementations, and Reliability Coordination (RC) service implementations. If the project team has deemed that no structured testing is needed, an end-to-end test case must be specified.


In the Reason for Potential Scenario column, select one or more of the following reasons:

1. Rule impacts: Generalized changes in market rules, bidding rules, settlements rules, market design changes, or other business rules.
2. Interface changes: Changes that impact templates (e.g., the Resource Adequacy (RA) supply plan), user interface (UI), and application programming interface (API) (e.g., retrievals of new shadow settlement data).
3. New application/report: Changes that cause addition/modification of market software or reports, especially when market data input is required by the market participant.
4. New system process: Modification of data flow in systems, especially if the new process requires the market participant to demonstrate proficiency prior to production.
5. New/Modified model data: Addition or substantial modification of model data as a market solution or export provided by the ISO.
6. New user role: The addition or modification of access permissions for a user role applied to specific business units within an EIM entity or market participant organization (e.g., Load Serving Entity (LSE) as a Local Regulatory Authority (LRA) role). Scenarios are beneficial for market participants taking on a new function or process within their organization.

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#### CAISO Tariff Section Impacts:

- §11.35.1 (Allocation of Revenue and Surcharge associated with EDAM Transfer System Resources for the CAISO Balancing Authority Area)
- §11.35.2 (Allocation of Revenue and Surcharge associated with EDAM Transfer Revenue and EDAM Congestion Revenue for the CAISO Balancing Authority Area)
- §11.35.3 (Allocation of EDAM RSE Failure Revenue and Surcharge for the CAISO Balancing Authority Area)
- §26.2.1 - §26.2.3 (CAISO Participation as a Balancing Authority Area in the EDAM Area)
- §27.14.1 (EDAM Transfer and Congestion Revenue)
- §27.14.2 (EDAM Resource Sufficiency Evaluation)
- §27.14.3 (Net Export Transfer Constraint),
- §27.14.3.1 (Confidence Factor)
- §27.14.3.2 (Additional Reliability Margin)
- §27.14.4.2 - §27.14.4.4
- §33.11.7
- §33.18.2.2.1 (relates to Transfer Resource Settlement)
- §33.18.2.2.2 (relates to Transfer Revenue Distribution)
- §33.31.1.2 (relates to EDAM RSE Requirements)
- §33.26.1 – §33.26.4 (EDAM Recoverable Revenue)

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|----------------|--|----------------------|--------------------|---|
| EIBPR-MSIM-300 | <p><b>Reported Stressed Hour Assessment Parameters for CISO BAA</b></p> <p>The CISO BAA Operator shall submit input parameters for the CISO BAA's Net EDAM Export Constraint, the hourly Stressed Status, and Reason Code/Comment into the market interface.</p> <p>DAM shall execute run and post results.</p> <p>OASIS shall publish the following results publicly to market participants:</p> <ul style="list-style-type: none"> <li>• Confidence Factor (for EDAM and CISO BAAs)</li> <li>• Reliability Margin (for EDAM and CISO BAAs)</li> <li>• Stressed Hour Status (for CISO BAA only)</li> <li>• Reason Code (for CISO BAA only)</li> </ul> <p>Stressed Hour Status (applies to CISO BAA Only) will provide the following results, based on trade hour:</p> <ul style="list-style-type: none"> <li>- HE01 to HE12 (simulated as not stressed)</li> <li>- HE17 to HE21 (simulated as stressed)</li> <li>- HE22 to HE24 (simulated as not stressed)</li> </ul> <p>BRS Ref: EIBPR-BRQ-005</p> <p>EDAM BRS Ref.: EDAM-BRQ-13100, -20156</p> | IFM<br>SIBR          | OASIS              | <p>2. Interface changes</p> <p>3. New Report</p> <p>4. New System Process</p> |


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|----------------|--|-----------------------|------------------------------|---|
| EIBPR-MSIM-301 | <p><b>Transfer Resource Settlement – CISO BAA Net Export, Net Import Transfers</b></p> <p>For the market sim trade date, the following submissions shall be provided through BAAOP/SIBR for the day-ahead market CISO BAA-associated transfer resource(s):</p> <ul style="list-style-type: none"> <li>- Partial ETC/TOR rights applied to Self-Scheduled Energy, submitted by Transmission Rights holder SC</li> <li>- Partial ETC/TOR Pathway 2 release, submitted by Transmission Owner</li> <li>- Energy, Imbalance Reserve (IRU, IRD), Reliability Capacity (RCU, RCD) bids submitted by generation resources for ISO and EDAM BAAs</li> <li>- Available Transmission Capacity, as submitted by the EDAM BAA Entity (ITC)</li> </ul> <p>The Extended Day-Ahead Market shall execute run and produce awards, prices for the product types for the EDAM transfers.</p> <p>CMRI shall publish CISO BAA SC resource schedules/awards by product type (En, IRU, IRD, RCU, RCD).</p> <p>OASIS shall publish LMPs at the Transfer Locations by product type (En, IRU, IRD, RCU, RCD).</p> <p>MRI-S shall publish hourly CISO BAA resource SC net import and export transfer settlement for En, IRU, IRD, RCU, RCD product types. Export and import transfers may occur at different hours. ETC/TOR “perfect hedge” will be awarded, if applicable.</p> <p>BRS Ref: EIBPR-BRQ-0012A, -012B, -012C, -012D, -012E, -012F, -012G</p> <p>EDAM BRS Ref.: EDAM-BRQ, -13162, -19060, -19062, -20000, -20040</p> | IFM<br>SIBR/<br>BAAOP | CMRI<br>OASIS<br>Settlements | <p>1. Rule Impacts</p> <p>2. Interface changes</p> <p>4. New System Process</p> |

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| EIBPR-MSIM-302 | <p><b>Transfer Revenue Distribution – IFM and RUC Market Runs</b></p> <p>For the market sim trade date, the following will be submitted to the Day-Ahead Market through SIBR:</p> <ul style="list-style-type: none"> <li>- Both the CISO BAA and EDAM BAA sharing the same transfer resource should submit generation resource bids for Energy, IRU/IRD, and RCU/RCD</li> <li>- CISO BAA Operator shall submit ITC limits to manage transfers</li> <li>- Prior to 9am Pacific, ETC/TOR transmission holders shall release Pathway 2 transmission rights to CISO BAA -specific transfer resources</li> <li>- CISO BAA SCs will self-schedule Energy transfers with ETC/TOR transmission associated across those same transfer resources</li> <li>- CISO BAA transmission rights holders will leave retain some unexecuted ETC/TOR capacity in the Day-Ahead Market</li> </ul> <p><i>Note: ISO may adjust/overwrite some of the schedules or bid submissions to ensure the Day-Ahead market has conditions where net transfers occurs in both import and export directions, as well as the transfer resources are constrained.</i></p> <p>EDAM shall execute and publish market results, in which a binding transfer constraints occur for Energy, IRU/IRD product types occur in the IFM, and binding transfer constraints for RCU/RCD occur in RUC, during one or more hours for that trade date.</p> <p>OASIS shall publish shadow prices at constrained transfer resources for the Energy, IRU/IRD, and RCU/RCD product types in the EDAM. Shadow prices for each constrained TSR shall evenly split between the import and export BAAs associated with the transfer (in this case, one of which will be CISO BAA).</p> <p>MRI-S shall publish settlement statements for the CISO BAA sub-allocation of the transfer revenue distributions, as applicable on a trade hour basis, for the following outcomes, on a transfer location basis:</p> | IFM<br>SIBR/<br>BAAOP | OASIS<br>MRI-S | <p>1. Rule Impacts</p> <p>2. Interface changes</p> <p>4. New System Process</p> |
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|------------|---|----------------------|--------------------|--------------------------------------|
|            | <ul style="list-style-type: none"> <li>- Pathway 2 transfers shall receive distribution according to Tariff Section 33.18.2.2.2</li> <li>- Non-Pathway 2 Energy transfer ETC/TOR customers receive their revenue share pro rata, based on their scheduled ETC/TOR rights in relation to the total energy transfer schedule (excluding Pathway 2 transfers) at the transfer location</li> <li>- Remaining transfer revenue not previously distributed will be allocated in proportion to each SC's measured demand to the total CISO BAA measured demand minus balanced ETC/TOR measured demand</li> </ul> <p>BRS Ref: EIBPR-BRQ-124A, -124B, 124C EDAM BRS Ref.: EDAM-BRQ-13162, -19165, -19170, -19173, -19174, -20065</p> |                      |                    |                                      |

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| EIBPR-MSIM-303 | <p><b>RSE Test – EDAM BAA and CISO BAA setups</b></p> <p>For each market sim trade date, the following tasks shall be performed during scenarios MSIM-303A through MSIM-303F</p> <ul style="list-style-type: none"> <li>- <b>DA Market</b> will receive <ul style="list-style-type: none"> <li>- EDAM BAAs and CISO BAA Energy, IRU/IRD, and AS bids</li> <li>- EDAM BAAs and CISO BAA energy transfer schedules</li> <li>- Day-Ahead Load Forecasts</li> <li>- RSE Requirements (Upward, Downward)</li> </ul> </li> <li>- <b>DA-RSE, IFM, and RUC market runs</b> shall execute and publish results</li> <li>- <b>CMRI and OASIS</b> will publish Day-Ahead RSE results for EDAM and CISO BAAs</li> </ul> <p>EDAM BRS Ref.: EDAM-BRQ-11020, -11040, -11050, -11060, -11070, -11090, -11092, -11100, -11110, -11112, -11120, -11130, -11150a, -11180, -11230, -11290, -11295, -12050, -12080, -12090, -13160, -13161, -20000, -20010, -20030, -20031, -20040, -20050, -20051, -20054, -20057, -20065, -20068, -20070, -20080, -20130</p> | IFM<br>SIBR          | CMRI<br>OASIS<br>Settlements | <p><i>1. Rule Impacts</i></p> <p><i>4. New System Process</i></p> |

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| EIBPR-MSIM-303A | <p><b>RSE Test – CISO BAA Fails Upward RSE, Receives Surcharge Allocation</b></p> <p><b>MRI-S</b> will post settlement statements for CISO BAA SCs with metered demand reflecting the following conditions:</p> <ul style="list-style-type: none"> <li>- CISO BAA fails RSE due to <i>On-Peak Upward Tier 3</i> deficiency for at least one trade hour during the on-peak period (0600 to 2000 Hours Monday through Saturday, exceptions for Sundays and Holidays)</li> <li>- CISO BAA fails RSE due to <i>Off-Peak Upward</i> deficiency for at least one trade hour during the off-peak period (2000 to 2400 Hours AND 0000 to 0600 Hours Monday through Saturday, All-Day Sundays and Holidays)</li> <li>- CISO BAA passes RSE in <i>upward direction</i> for at least one trade hour</li> <li>- At least one EDAM BAA passes their RSE in the <i>upward direction</i> for all trade hours during the trade date, which will restrict EDAM BAAs (CISO BAA included) with failed upward hours as <i>ineligible</i> for <i>upward RSE surcharge revenue</i> during the entire trade date</li> <li>- For trade hours when the CISO BAA failed upward RSE, any applicable upward on-peak and off-peak RSE surcharge allocations will accumulate and apply to CISO BAA SCs pro rata, based on the SC's share of the Total CISO BAA metered demand.</li> <li>- No <i>upward</i> RSE surcharge revenue would be distributed for the entire trade date, as the CISO BAA is ineligible. Settlement surcharge allocations will be applied with the DA-RSE charge code</li> </ul> <p>BRS Ref.: EIBPR-BRQ-141, -143</p> <p>EDAM BRS Ref.: EDAM-BRQ-19110, -19115, -19120, -19150, -20050, -20051, -20054, -20080</p> | IFM<br>SIBR   | CMRI<br>OASIS<br>Settlements | <p>1. Rule Impacts</p> <p>4. New System Process</p> |

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| EIBPR-MSIM-303B | <p><b>RSE Test – CISO BAA Fails Downward RSE, Receives Surcharge Allocation</b></p> <p><b>MRI-S</b> will post settlement statements for CISO BAA SCs with metered demand reflecting the following conditions:</p> <ul style="list-style-type: none"> <li>- CISO BAA fails RSE due to <i>downward deficiency</i> for at least one trade hour</li> <li>- CISO BAA passes RSE in <i>downward direction</i> for at least one trade hour</li> <li>- At least one EDAM BAA passes their RSE in the <i>downward direction</i> for all trade hours, which will restrict EDAM BAAs (CISO BAA included) with failed <i>downward</i> hours as <i>ineligible</i> for <i>downward RSE surcharge revenue</i> for the entire trade date</li> <li>- For trade hours when the CISO BAA failed <i>downward</i> RSE, any applicable <i>downward</i> RSE surcharge allocations will apply to each CISO BAA SC pro rata, based on the SC's share of the Total CISO BAA metered demand.</li> <li>- No <i>downward</i> RSE surcharge revenue would be distributed for the entire trade date, as the CISO BAA is ineligible. Settlement surcharge allocations will be applied with the DA-RSE charge code</li> </ul> <p>BRS Ref.: EIBPR-BRQ-141, -143, -144, -145<br/>EDAM BRS Ref.: EDAM-BRQ-19110, -19115, -19120, -19150, -19160, -20050, -20051, -20054, -20080</p> | IFM<br>SIBR   | CMRI<br>OASIS<br>Settlements | <p>1. Rule Impacts</p> <p>4. New System Process</p> |

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|-----------------|--|---------------|------------------------------|---|
| EIBPR-MSIM-303C | <p><b>RSE Test – CISO BAA Fails Upward RSE, retains Hourly Upward Surcharge Revenue Eligibility</b></p> <p><b>MRI-S</b> will post settlement statements for CISO BAA SCs with metered demand reflecting the following conditions:</p> <ul style="list-style-type: none"> <li>- CISO BAA <i>fails</i> RSE due to <i>upward deficiency</i> for at least one trade hour in both the On-Peak Upward and Off-Peak Upward periods</li> <li>- CISO BAA <i>passes</i> RSE in the <i>upward direction</i> for at least one trade hour in both the On-Peak Upward and Off-Peak Upward periods</li> <li>- All EDAM and CISO BAAs fail their RSE in the <i>upward direction</i> for at least one hour during the trade day, such that eligibility for <i>upward surcharge revenue</i> applies for all on an hourly basis</li> <li>- For trade hours when the CISO BAA fails upward RSE, any applicable on-peak and off-peak upward RSE surcharge allocations will apply to each CISO BAA SC pro rata, based on the SC's share of the Total CISO BAA metered demand</li> <li>- For trade hours when the CISO BAA <i>passes on-peak and off-peak upward</i> RSE, any applicable on-peak and off-peak upward RSE surcharge revenue distributions will apply to each CISO BAA SC pro rata, based on the SC's share of the Total CISO BAA metered demand</li> <li>- Settlement surcharge allocations and surcharge revenue distributions will be applied to the DA-RSE charge code</li> </ul> <p><b>Note:</b> Failure hours should not coincide between CISO BAA and EDAM BAA(s) to ensure revenue allocation for eligible trade hours.</p> <p>BRS Ref.: EIBPR-BRQ-141, -143, -144, -145</p> <p>EDAM BRS Ref.: EDAM-BRQ-19110, -19115, -19120, -19150, -19160, -20050, -20051, -20054, -20080</p> | IFM<br>SIBR   | CMRI<br>OASIS<br>Settlements | <p>1. Rule Impacts</p> <p>4. New System Process</p> |

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| EIBPR-MSIM-303D | <p><b>RSE Test – CISO BAA Fails Downward RSE, retains Hourly Down Surcharge Revenue Eligibility</b></p> <p><b>MRI-S</b> will post settlement statements for CISO BAA SCs with metered demand reflecting the following conditions:</p> <ul style="list-style-type: none"> <li>- CISO BAA <i>fails</i> RSE due to <i>downward deficiency</i> for at least one trade hour</li> <li>- CISO BAA <i>passes</i> RSE in <i>downward direction</i> for at least one trade hour</li> <li>- All EDAM BAAs <i>fail</i> their RSE in the <i>downward direction</i> for at least one hour during the trade date, such that eligibility for <i>downward surcharge revenue</i> applies for all on an hourly basis</li> <li>- For trade hours when the CISO BAA fails <i>downward</i> RSE, any applicable <i>downward</i> RSE surcharge allocations will apply to each CISO BAA SC pro rata, based on the SC's share of the Total CISO BAA metered demand</li> <li>- For trade hours when the CISO BAA passes <i>downward</i> RSE, any applicable <i>downward</i> RSE surcharge revenue distributions will apply to each CISO BAA SC pro rata, based on the SC's share of the Total CISO BAA metered demand</li> <li>- Settlement surcharge allocations and surcharge revenue distributions will be applied to the DA-RSE charge code</li> </ul> <p>Note: Failure hours should not coincide between CISO BAA and EDAM BAA(s) to ensure revenue allocation for eligible trade hours.</p> <p>BRS Ref.: EIBPR-BRQ-141, -143, -144, -145</p> <p>EDAM BRS Ref.: EDAM-BRQ-19110, -19115, -19120, -19150, -19160, -20050, -20051, -20054, -20080</p> | IFM<br>SIBR   | CMRI<br>OASIS<br>Settlements | <p>1. Rule Impacts</p> <p>4. New System Process</p> |


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| ID#             | Guidance on Market Participant Impacts   | Source System | Sink System                  | Reason for Potential Scenario                       |
|-----------------|--|---------------|------------------------------|---|
| EIBPR-MSIM-303E | <p><b>RSE Test – CISO BAA Passes RSE (Upward, Downward), receives RSE Surcharge Revenue Distribution</b></p> <p><b>MRI-S</b> will post settlement statements for CISO BAA SCs with metered demand reflecting the following conditions:</p> <ul style="list-style-type: none"> <li>- CISO BAA <i>passes</i> upward RSE for all hours of trade date (both on-peak and off-peak periods)</li> <li>- CISO BAA <i>passes</i> downward RSE for all hours of trade date</li> <li>- At least one EDAM BAA fails its RSE in the <i>upward direction</i> for at least one hour during trade day for each of the on-peak and off-peak upward periods, such that the surcharge revenue amount is distributed to those eligible EDAM BAAs (CISO BAA included) that passed the upward RSE for that trade hour</li> <li>- At least one EDAM BAA fails its RSE in the <i>downward direction</i> for at least one hour during trade day, such that the surcharge revenue amount is distributed to those eligible EDAM BAAs (CISO BAA included) that passed the downward RSE for that trade hour</li> <li>- For trade hours when the CISO BAA passed upward RSE, any applicable on-peak and off-peak upward RSE surcharge revenue distributions will apply to each CISO BAA SC pro rata, based on the SC's share of the Total CISO BAA metered demand. <i>The same treatment for downward RSE surcharge revenue distributions shall be applied with regards to CISO BAA passing the downward RSE</i></li> <li>- Settlement surcharge revenue distributions will be applied to the DA-RSE charge code</li> </ul> <p>BRS Ref.:EIBPR-BRQ-144, -145</p> <p>EDAM BRS Ref.: EDAM-BRQ-19150, -19160, -20050, -20051, -20054, -20080</p> | IFM<br>SIBR   | CMRI<br>OASIS<br>Settlements | <p>1. Rule Impacts</p> <p>4. New System Process</p> |

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| ID#             | Guidance on Market Participant Impacts  | Source System | Sink System                  | Reason for Potential Scenario                       |
|-----------------|---|---------------|------------------------------|---|
| EIBPR-MSIM-303F | <p><b>RSE Test – CISO BAA Passes RSE (Upward, Downward), No Surcharge Revenue Distribution</b></p> <p><b>MRI-S</b> will post settlement statements for CISO BAA SCs with metered demand reflecting the following conditions:</p> <ul style="list-style-type: none"> <li>- The CISO BAA and all EDAM BAAs pass their <i>upward</i> RSE for all hours of trade date (during both on-peak and off-peak periods), such that no upward RSE surcharge revenue is attained for distribution for any hour of the trade date</li> <li>- The CISO BAA and all EDAM BAAs pass their <i>downward</i> RSE for all hours of trade date, such that no <i>downward</i> surcharge revenue is attained for distribution for any hour of the trade date</li> <li>- Neither RSE surcharge allocations nor RSE surcharge revenue distributions will be applied to the DA-RSE charge code for the CISO BAA SCs with metered demand</li> </ul> <p>BRS Ref.: EIBPR-BRQ-141, -143, -144, -145</p> <p>EDAM BRS Ref.: EDAM-BRQ-19110, -19115, -19120, -19150, -19160, -20050, -20051, -20054, -20070, -20080</p> | IFM<br>SIBR   | CMRI<br>OASIS<br>Settlements | <p>1. Rule Impacts</p> <p>4. New System Process</p> |




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| ID#             | Guidance on Market Participant Impacts   | Source System | Sink System       | Reason for Potential Scenario                   |
|-----------------|--|---------------|-------------------|---|
| EIBPR-MSIM-304A | <p><b>Preliminary EDAM Access Charge Rate and Recoverable Revenue Requirement Data (non-Production) published for each EDAM BAA/CISO BAA, TSP/PTO</b></p> <ul style="list-style-type: none"> <li>Market Sim EDAM Access Charge Rates shall be publicly posted in the Settlements section of the CAISO.Com website for each EDAM Entity (where the EDAM Recoverable Revenue Requirement attestation form will also be posted prior to Go Live) <ul style="list-style-type: none"> <li>Each EDAM BAA and CISO BAA, shall receive its associated charge rate for EDAM export transfers to other EDAM BAAs (including the CISO BAA)</li> </ul> </li> <li>Each EDAM TSP and CISO BAA PTO shall privately receive its Market Sim EDAM Recoverable Revenue requirement components (1-3, true-up) that will be used to calculate the EDAM Access Charges, EDAM Access Revenues, and PTO revenue distribution (for the CISO BAA only)</li> </ul> <p>Implementation Note:</p> <ul style="list-style-type: none"> <li>Market Sim data will be preliminary since Component 1 Revenue Requirement data for the complete historical period is only available after performed; calculation process will match those placed in PROD</li> <li>EDAM BAA access charge rate and recoverable revenue requirements (with component, true-up breakdown) will be posted in CAISO.com</li> <li>PTO breakdown of recoverable revenue requirements will be posted in Settlements section of CAISO.com</li> </ul> <p>BRS Ref.: EIBPR-BRQ-218B, -221</p> <p>EDAM BRS Ref.: EDAM-BRQ-19300, -19301, -19302, -19310, -19330, -19340a through -19340c, -19364</p> | N/A           | CAISO.Com<br>CIDI | <p>1. Rule Impacts</p> <p>5. New Model Data</p> |

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| <b>ID#</b>      | <b>Guidance on Market Participant Impacts</b>   | <b>Source System</b> | <b>Sink System</b>           | <b>Reason for Potential Scenario</b>                              |
|-----------------|---|----------------------|------------------------------|---|
| EIBPR-MSIM-304B | <p><b>EDAM Access Charges and Revenues Test – EDAM and CISO BAA setup</b></p> <p>For each market sim trade date, the following tasks shall be performed during scenarios MSIM-304C</p> <ul style="list-style-type: none"> <li>- <b>DA Market</b> will receive <ul style="list-style-type: none"> <li>- EDAM and CISO BAA Energy, IRU/IRD, and AS bids</li> <li>- EDAM and CISO BAA submission of demand bids</li> <li>- EDAM and CISO BAA energy transfer schedules</li> <li>- Day-Ahead Load Forecasts</li> <li>- RSE Requirements (Upward, Downward)</li> </ul> </li> </ul> <p>BRS Ref.: EIBPR-MSIM-303</p> | IFM<br>SIBR          | CMRI<br>OASIS<br>Settlements | <p><i>1. Rule Impacts</i></p> <p><i>4. New System Process</i></p> |

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| ID#             | Guidance on Market Participant Impacts   | Source System | Sink System | Reason for Potential Scenario   |
|-----------------|--|---------------|-------------|---|
| EIBPR-MSIM-304C | <p><b>EDAM Access Charge Allocation, EDAM Access Revenue Distribution for each EDAM BAA/CISO BAA, TSP/PTO</b></p> <p><b>MRI-S</b> will publish a statement that will provide the following for the simulated trade date:</p> <ul style="list-style-type: none"> <li>EDAM Access Charge Allocations for each EDAM BAA, where its cost is allocated based on that BAA's Gross Load and EDAM Access Charge Rate <ul style="list-style-type: none"> <li>Allocated charges to the CISO BAA shall apply to its load serving SCs in proportion to the SC's Gross Load relative to the entire Gross Load for CISO BAA</li> </ul> </li> <li>EDAM Access Revenue Allocations for each EDAM BAA will be sub-allocated to each CISO BAA PTO, on the basis of its share of TRR relative to the per each EDAM BAA that that TSP provided transmission access <ul style="list-style-type: none"> <li>For the CISO BAA's revenue allocation, each PTO will receive its own distribution based on its EDAM Recoverable Revenue requirement with a BD breakdown of each component type (1-3), and the true-up amount determined from the prior year</li> </ul> </li> <li>Monthly Excess Wheel-Through transfers revenue actuals for each PTO (will apply towards the following year's</li> <li>Monthly Revenue Shortfall/Surplus for each PTO (will be used for the following year's true-up)</li> </ul> <p>BRS Ref.: EIBPR-BRQ-250 through -260 (process), -261, -262, -264</p> <p>EDAM BRS Ref.: EDAM-BRQ-19010, -19024, -19025, -19080, -19300, -19305, -19310, -19350a through -19350c, -19360, -19361, -19362</p> | IFM           | Settlements | <p>1. Rule Impacts</p> <p>4. Modified System Process</p> <p>5. New Model Data</p> |

## Appendix A

The following appendices demonstrate the calculation of EDAM Recoverable Revenue Requirement for Components 1-3. Additionally, examples of the annual application of true-up is provided. For all the total EDAM recoverable revenue requirement components and true-up, an aggregation of each PTO member's amount is shown at the CISO BAA level.

The CISO BAA level requirement is what is used in the EDAM Access Charge rate calculation. Appendix A.8 of the EDAM Implementation BRS, which provides the market framework of EDAM for all the member BAAs (Balancing Authority Areas) and their associated TSPs (Transmission Service Providers), demonstrates the calculation of the EDAM Access Charge rates. The EDAM Access Charge rate calculation will reflect the distribution of each EDAM BAA's total recoverable revenue requirement (CISO BAA included) to the other EDAM BAAs on the basis of gross load.

Please note all values in these examples are fictitious and are not representation of actual data.

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## Appendix A.1: “Historical” Component 1 Revenue Requirement Calculation (Annual)

### Historical Component 1 Revenue Requirement (Annual)

#### ► Location 1 (transfers between CISO BAA and EDAM BAA 1)

|   |    |            |  |
|---|----|------------|--|
| 3-Yr Historical Avg WAC @ Location 1  | \$ | 11,175,000 | (a)  |
| Location 1 Exports that "sink" with EDAM BAA(s) <sup>1</sup>                          |    | 420 MWh    | (b)  |
| Location 1 Total Exports <sup>1</sup>   |    | 1,296 MWh  | (c)  |
| Comp 1 Forgone Revenue Ratio @ Location 1   |    | 0.324      | = (b) / (c)  |
|   |    |            |  |
| ► Total Entitlements @ Location 1   |    | 1,200 MWh  | (Total CISO BAA Entitlements)  |
| Entitlements Held by PTO1   |    | 720 MWh    | (PTO1 Entitlements)  |
| Entitlements Held by PTO2   |    | 180 MWh    | (PTO2 Entitlements)  |
| Entitlements Held by PTO3   |    | 300 MWh    | (PTO3 Entitlements)  |
|   |    |            |  |
| ► CISO BAA Component 1 Recoverable Revenue @ Location 1                               | \$ | 3,621,528  | = (a) * [ (b) / (c) ]  |
| PTO1 Component 1 Recoverable Revenue @ Location 1                                     | \$ | 2,172,917  | = (Comp 1 Recoverable Revenue @ Location 1) * [ (PTO1 Entitlements) / (Tot Entitlements) ]   |
| PTO2 Component 1 Recoverable Revenue @ Location 1                                     | \$ | 543,229    | = (Comp 1 Recoverable Revenue @ Location 1) * [ (PTO2 Entitlements) / (Tot Entitlements) ]   |
| PTO3 Component 1 Recoverable Revenue @ Location 1                                     | \$ | 905,382    | = (Comp 1 Recoverable Revenue @ Location 1) * [ (PTO3 Entitlements) / (Tot Entitlements) ]   |
|   |    |            |  |
| ► Reduction of Comp 1 Revenue @ Location 1 (if Comp 1 Limit Enforced, zero otherwise) |    |            |  |
| PTO1 Reduction of Recoverable Revenue @ Location 1                                    | \$ | (12,084)   | = (CISO BAA Comp 1 Reduction) * (CISO BAA Comp 1 Rev @1 / CISO BAA Comp 1 Rev Total) * (PTO1 Comp 1 Rev @1 / CISO BAA Comp 1 Rev @1) |
| PTO2 Reduction of Recoverable Revenue @ Location 1                                    | \$ | (3,021)    | = (CISO BAA Comp 1 Reduction) * (CISO BAA Comp 1 Rev @1 / CISO BAA Comp 1 Rev Total) * (PTO2 Comp 1 Rev @1 / CISO BAA Comp 1 Rev @1) |
| PTO3 Reduction of Recoverable Revenue @ Location 1                                    | \$ | (5,035)    | = (CISO BAA Comp 1 Reduction) * (CISO BAA Comp 1 Rev @1 / CISO BAA Comp 1 Rev Total) * (PTO3 Comp 1 Rev @1 / CISO BAA Comp 1 Rev @1) |

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► **Location 2 (transfers between CISO BAA and EDAM BAA 2)**

|   |    |            |  |
|---|----|------------|--|
| 3-Yr Historical Avg WAC @ Location 2  | \$ | 2,250,000  | (a')   |
| Location 2 Exports that "sink" with EDAM BAA(s) <sup>1</sup>                          |    | 6,364 MWh  | (b')   |
| Location 2 Total Exports <sup>1</sup>   |    | 19,780 MWh | (c')   |
| Comp 1 Forgone Revenue Ratio @ Location 2   |    | 0.322      | = (b') / (c')  |
| ► Total Entitlements (MWh) @ Location 2   |    | 17,200 MWh | (Total Entitlements)   |
| Entitlements Held by PTO1 (MWh)   |    | 1,950 MWh  | (PTO1 Entitlements)  |
| Entitlements Held by PTO2 (MWh)   |    | 8,750 MWh  | (PTO2 Entitlements)  |
| Entitlements Held by PTO3 (MWh)   |    | 6,500 MWh  | (PTO3 Entitlements)  |
| ► CISO BAA Component 1 Recoverable Revenue @ Location 2                               | \$ | 723,913    | = (a') * [ (b') / (c') ]   |
| PTO1 Component 1 Recoverable Revenue @ Location 2                                     | \$ | 82,072     | = (Comp 1 Recoverable Revenue @ Location 2) * [ (PTO1 Entitlements) / (Total Entitlements) ]   |
| PTO2 Component 1 Recoverable Revenue @ Location 2                                     | \$ | 368,270    | = (Comp 1 Recoverable Revenue @ Location 2) * [ (PTO2 Entitlements) / (Total Entitlements) ]   |
| PTO3 Component 1 Recoverable Revenue @ Location 2                                     | \$ | 273,572    | = (Comp 1 Recoverable Revenue @ Location 2) * [ (PTO3 Entitlements) / (Total Entitlements) ]   |
| ► Reduction of Comp 1 Revenue @ Location 2 (if Comp 1 Limit Enforced, zero otherwise) |    |            |  |
| PTO1 Reduction of Recoverable Revenue @ Location 2                                    | \$ | (456)      | = (CISO BAA Comp 1 Reduction) * (CISO BAA Comp 1 Rev @2 / CISO BAA Comp 1 Rev Total) * (PTO1 Comp 1 Rev @2 / CISO BAA Comp 1 Rev @2) |
| PTO2 Reduction of Recoverable Revenue @ Location 2                                    | \$ | (2,048)    | = (CISO BAA Comp 1 Reduction) * (CISO BAA Comp 1 Rev @2 / CISO BAA Comp 1 Rev Total) * (PTO2 Comp 1 Rev @2 / CISO BAA Comp 1 Rev @2) |
| PTO3 Reduction of Recoverable Revenue @ Location 2                                    | \$ | (1,521)    | = (CISO BAA Comp 1 Reduction) * (CISO BAA Comp 1 Rev @2 / CISO BAA Comp 1 Rev Total) * (PTO3 Comp 1 Rev @2 / CISO BAA Comp 1 Rev @2) |

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► **CISO BAA Component 1 EDAM Recoverable Revenue Limit (Revenue Cap) Assessment**

|   |              |                    |
|---|--------------|--------------------|
| Total Projected WAC revenue for all Locations associated with CISO BAA Grid | \$13,425,000 | $(q) = (a) + (a')$ |
| Portion of CISO BAA Exports that "sink" with EDAM BAA(s) <sup>1</sup>       | 6,784 MWh    | $(r) = (b) + (b')$ |
| Total CISO BAA Exports from CISO BAA, excluding ETC/TOR                     | 21,076 MWh   | $(s) = (c) + (c')$ |
| CISO BAA Component 1 Limit Ratio  | 0.322        | $= (r) / (s)$      |

► **CISO BAA Component 1 Recoverable Revenue Limit**      \$      **4,321,275**       $= (q) * [ (r) / (s) ]$

► **Total CISO BAA Component 1 Recoverable Revenue<sup>2</sup>**      \$      **4,345,441**       $= \text{Total CISO BAA Comp 1 Rev Req} = (\text{Total Comp 1 Rev Req @ Loc 1}) + (\text{Total Comp 1 Rev Req @ Loc 2})$

**Total CISO BAA Component 1 Recoverable Revenue Adjustment Reduction Amount**      \$      **(24,165)**      **Reduction Amount (Limit Enforced)**

**Total PTO1 Component 1 Recoverable Revenue (Limit Enforced)**      \$      **2,242,448**       $= [ (\text{Total PTO1 Comp 1 Recoverable Rev}) - (\text{CISO BAA Comp 1 Reduction Amount}) ] * [ (\text{PTO1 Comp 1 Rev Total}) / (\text{CISO Comp 1 Rev Total}) ]$

**Total PTO2 Component 1 Recoverable Revenue (Limit Enforced)**      \$      **906,430**       $= [ (\text{Total PTO2 Comp 1 Recoverable Rev}) - (\text{CISO BAA Comp 1 Reduction Amount}) ] * [ (\text{PTO2 Comp 1 Rev Total}) / (\text{CISO Comp 1 Rev Total}) ]$

**Total PTO3 Component 1 Recoverable Revenue (Limit Enforced)**      \$      **1,172,397**       $= [ (\text{Total PTO3 Comp 1 Recoverable Rev}) - (\text{CISO BAA Comp 1 Reduction Amount}) ] * [ (\text{PTO3 Comp 1 Rev Total}) / (\text{CISO Comp 1 Rev Total}) ]$

Example assumes there are only two (2) export locations associated with three (3) PTOs for the CISO BAA. Dollar amounts and ratios are not actual and for illustrative purposes only.

<sup>1</sup> Exports exclude balanced schedules with ETC/TOR.

<sup>2</sup> Historical Revenue Requirement Amount is applied as revenue without adjustment applied. If limit is enforced, a reduction amount will be applied.

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## Appendix A.2: “New Transmission” Component 2 Revenue Requirement Calculation (Annual)

### New Transmission Component 2 Revenue Requirement (Annual)

#### ► CISO BAA Transmission Revenue Requirement (\$)

|  |    |            |           |
|--|----|------------|-----------|
| Total CISO BAA Pre-Existing Transmission Revenue Requirements (e.g. Locations 1 & 2) | \$ | 28,850,000 | (trrCISO) |
| Total PTO1 Pre-Existing Transmission Revenue Requirements - Locations 1 & 2          | \$ | 7,212,500  | (trr1)    |
| Total PTO2 Pre-Existing Transmission Revenue Requirements - Locations 1 & 2          | \$ | 12,982,500 | (trr2)    |
| Total PTO3 Pre-Existing Transmission Revenue Requirements - Locations 1 & 2          | \$ | 8,655,000  | (trr3)    |

#### ► CISO BAA Total Component 1 Recoverable Revenue

|                                     |    |           |  |
|-------------------------------------|----|-----------|--|
|                                     | \$ | 4,321,275 |  |
| PTO1 Total Comp 1 Recovered Revenue | \$ | 2,242,448 | Cap Limit Enforced, Adjustment Applied |
| PTO2 Total Comp 1 Recovered Revenue | \$ | 906,430   | Cap Limit Enforced, Adjustment Applied |
| PTO3 Total Comp 1 Recovered Revenue | \$ | 1,172,397 | Cap Limit Enforced, Adjustment Applied |

#### ► CISO BAA's Proxy Baseline Ratio

|   | Amount        | Calculation     |
|---|---------------|-----------------|
| Historical 3-Yr Avg WAC Revenue for CISO BAA <sup>1,2</sup> | \$ 13,425,000 | (d)             |
| Historical 3-Yr Avg TRR for CISO BAA <sup>1,2</sup>         | \$ 28,850,000 | (e)             |
| Proxy Baseline Ratio <sup>1,2</sup>                         | 46.53%        | (f) = (d) / (e) |



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| ► Expiring Existing Contracts @ Location 1                      | Amount               | Calculation   |
|---|----------------------|---|
| ► <b>CISO BAA Component 1 Recoverable Revenue @ Location 1</b>  | <b>\$ 3,601,388</b>  |   |
| PTO1 Comp 1 Recoverable Revenue @ Location 1                    | \$ 2,160,833         | Cap Limit Enforced, Adjustment Applied  |
| PTO2 Comp 1 Recoverable Revenue @ Location 1                    | \$ 540,208           | Cap Limit Enforced, Adjustment Applied  |
| PTO3 Comp 1 Recoverable Revenue @ Location 1                    | \$ 900,347           | Cap Limit Enforced, Adjustment Applied  |
| ► <b>CISO BAA Expired Contract Revenue Amounts @ Location 1</b> | <b>\$ 7,000,000</b>  |   |
| PTO1 Expired Contract Revenue Amount @ Location 1               | \$ 4,250,000         | (x) = (PTO1 expired contract revenue amount @ Location 1)                           |
| PTO2 Expired Contract Revenue Amount @ Location 1               | \$ 2,750,000         | (y) = (PTO2 expired contract revenue amount @ Location 1)                           |
| PTO3 - No Contract Expiration @ Location 1                      | \$ -                 | (z) = (PTO3 expired contract revenue amount @ Location 1)                           |
| ► <b>Comp 2 Recoverable Revenue @ Location 1</b>                | <b>\$ 1,513,376</b>  |   |
| PTO1 Component 2 Recovered Revenue @ Location 1                 | \$ 1,321,373         | = (x) * [ ( PTO1 Comp 1 Recoverable Rev, adjusted if limit cap applied) / (trr1) ]  |
| PTO2 Component 2 Recovered Revenue @ Location 1                 | \$ 192,003           | = (y) * [ ( PTO2 Comp 1 Recoverable Rev, adjusted if limit cap applied) / (trr2) ]  |
| PTO3 Component 2 Recovered Revenue @ Location 1                 | \$ -                 | = (z) * [ ( PTO3 Comp 1 Recoverable Rev, adjusted if limit cap applied) / (trr3) ]  |
| ► Expiring Existing Contracts @ Location 2                      | Amount               | Calculation   |
| ► <b>CISO BAA Component 1 Recoverable Revenue @ Location 2</b>  | <b>\$ 719,887</b>    |   |
| PTO1 Comp 1 Recoverable Revenue @ Location 2                    | \$ 81,615            | Cap Limit Enforced, Adjustment Applied  |
| PTO2 Comp 1 Recoverable Revenue @ Location 2                    | \$ 366,222           | Cap Limit Enforced, Adjustment Applied  |
| PTO3 Comp 1 Recoverable Revenue @ Location 2                    | \$ 272,050           | Cap Limit Enforced, Adjustment Applied  |
| ► <b>CISO BAA Expired Contract Revenue Amounts @ Location 2</b> | <b>\$ 31,888,750</b> |   |
| PTO1 Expired Contract Revenue Amount @ Location 2               | \$ 8,031,250         | (x') = (PTO2's expired contract amount @ Location 2)                                |
| PTO2 Expired Contract Revenue Amount @ Location 2               | \$ 20,312,500        | (y') = (PTO2's expired contract amount @ Location 2)                                |
| PTO3 Expired Contract Revenue Amount @ Location 2               | \$ 3,545,000         | (z') = (PTO3's expired contract amount @ Location 2)                                |
| ► <b>Comp 2 Recoverable Revenue @ Location 2</b>                | <b>\$ 4,395,415</b>  |   |
| PTO1 - Component 2 Recovered Revenue @ Location 2               | \$ 2,497,007         | = (x') * [ ( PTO1 Comp 1 Recoverable Rev, adjusted if limit cap applied) / (trr1) ] |
| PTO2 - Component 2 Recovered Revenue @ Location 2               | \$ 1,418,206         | = (y') * [ ( PTO2 Comp 1 Recoverable Rev, adjusted if limit cap applied) / (trr2) ] |
| PTO3 - Component 2 Recovered Revenue @ Location 2               | \$ 480,202           | = (z') * [ ( PTO3 Comp 1 Recoverable Rev, adjusted if limit cap applied) / (trr3) ] |

## Appendix A.3: “Excess Wheel-Through Transfer” Component 3 Revenue Requirement Calculation (Annual)

### Excess Wheel-Through Component 3 Revenue Requirement (Annual)<sup>1</sup>

|  | Amount         | Calculation  |
|--|----------------|--|
| ► CISO BAA Wheel-Through Transfer Volume (Annual)        | 7,015 MWh      |  |
| ► Month 1  | 2,725 MWh      | <i>Hourly Excess Import/Export Quantities are not netted across hours, but are aggregated to a monthly value</i>                     |
| Day 1 of Month   | 2,415 MWh      | <i>Sum of Hourly Excess Wheel-Through Transfer Quantities</i>  |
| Hour 1: CISO BAA Wheel-Through Transfer Volume           |                |  |
| CISO BAA Export Transfer Volume                          | 6,300 MWh      | = CISO BAA Export Transfer Quantity  |
| CISO BAA Import Transfer Volume                          | 3,360 MWh      | = CISO BAA Import Transfer Quantity  |
| CISO BAA Wheel-Through Transfer Volume                   | 3,360 MWh      | = Min(CISO BAA Export Transfer Quantity, CISO BAA Import Transfer Quantity)  |
| CISO BAA Excess Wheel-Through Transfer Volume            | 420 MWh        | = Max[0, CISO BAA Wheel-Through Transfer Quantity - Max(0, (CISO BAA Export Transfer Quantity - CISO BAA Import Transfer Quantity))] |
| Hour 2: CISO BAA Wheel-Through Transfer Volume           |                |  |
| CISO BAA Export Transfer Volume                          | 1,890 MWh      | <i>See Hour 1</i>  |
| CISO BAA Import Transfer Volume                          | 3,360 MWh      |  |
| CISO BAA Wheel-Through Transfer Volume                   | 1,890 MWh      |  |
| CISO BAA Excess Wheel-Through Transfer Volume            | 1,890 MWh      |  |
| Hour 3: CISO BAA Wheel-Through Transfer Volume           |                |  |
| CISO BAA Export Transfer Volume                          | 5,985 MWh      | <i>See Hour 1</i>  |
| CISO BAA Import Transfer Volume                          | 2,940 MWh      |  |
| CISO BAA Wheel-Through Transfer Volume                   | 2,940 MWh      |  |
| CISO BAA Excess Wheel-Through Transfer Volume            | 0 MWh          |  |
| ...  |                | <i>[Assume no Excess Wheel-Through Transfer Quantities during Hours 4-23]</i>  |
| Hour 24: CISO BAA Wheel-Through Transfer Volume          |                |  |
| CISO BAA Export Transfer Volume                          | 7,875 MWh      | <i>See Hour 1</i>  |
| CISO BAA Import Transfer Volume                          | 3,990 MWh      |  |
| CISO BAA Wheel-Through Transfer Volume                   | 3,990 MWh      |  |
| CISO BAA Excess Wheel-Through Transfer Volume            | 105 MWh        |  |
| Day 2 of Month   | 85 MWh         |  |
| Day 3 of Month   | 225 MWh        |  |
| ...  |                | <i>[Assume no Excess Wheel-Through Transfer Quantities during Days 4-29]</i>   |
| Day 30 of Month  | 0 MWh          |  |
| ► Month 2  | 325 MWh        |  |
| ► Month 3  | 1,690 MWh      |  |
| ...  |                | <i>[Assume no Excess Wheel-Through Transfer Quantities during Months 4-11]</i>   |
| ► Month 12   | 2,275 MWh      |  |
| ► PTO1 - Annual Transmission Revenue Requirement (\$/yr) | \$ 325,745,982 |  |
| ► PTO2 - Annual Transmission Revenue Requirement (\$/yr) | \$ 588,739,980 |  |
| ► PTO3 - Annual Transmission Revenue Requirement (\$/yr) | \$ 858,147,422 |  |

|   |            |                   |                    |
|---|------------|-------------------|--------------------|
|  California ISO                                  | Technology | Template Version: | 6.9                |
|   |            | Document Version: | <del>4.41</del> .5 |
| Extended Day-Ahead Market ISO Balancing Authority Area Participation Rules Track A Business Requirements Specification - Planning |            | Date Created:     | 6/14/2024          |

|  |    |         |   |
|--|----|---------|---|
| ► Current WAC Rate (\$/MWh) <sup>2</sup>   | \$ | 11.6304 |   |
| ► Total CISO BAA Excess Wheel Through Component 3 Recoverable Revenue <sup>3</sup> | \$ | 81,587  | = CISO BAA Excess Wheel-Through Comp 3 Transfer Volume * Current WAC Rate <sup>2</sup>                |
| PTO1 Excess Wheel Through Revenue Requirement                                      | \$ | 14,993  | = CISO BAA Excess Wheel-Through Comp 3 Transfer Recoverable Revenue * (PTO1 TRR / Total CISO BAA TRR) |
| PTO2 Excess Wheel Through Revenue Requirement                                      | \$ | 27,097  | = CISO BAA Excess Wheel-Through Comp 3 Transfer Recoverable Revenue * (PTO2 TRR / Total CISO BAA TRR) |
| PTO3 Excess Wheel Through Revenue Requirement                                      | \$ | 39,497  | = CISO BAA Excess Wheel-Through Comp 3 Transfer Recoverable Revenue * (PTO3 TRR / Total CISO BAA TRR) |

<sup>1</sup>Amount is determined from prior year's actuals.  
<sup>2</sup> Assumes no forgone LV WAC Rate is applicable for the WAC Rate with any of the EDAM Transfers (only HV)  
<sup>3</sup>Total CISO BAA Excess Wheel-Through Component 3 Actuals are applied to the following year's

Excess wheel-through transfer amounts, based on actuals, will be provided on a monthly basis through the bill determinant file. These monthly amounts will aggregate to an annual value for each associated PTO and applied as the projected component 3 amount for the following year's attestation.

## Appendix A.4: Annual Total and True-Up of Revenue Requirement Calculation

### Total Recoverable Revenue Requirements with True-Up (Annual)

|                        | YEAR 1         |                |              | YEAR 2         |                |                | YEAR 3         |                |                | YEAR 4         |
|------------------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                        | Projected      | Actual         | True-Up      | Projected      | Actual         | True-Up        | Projected      | Actual         | True-Up        | Projected      |
| <b>CISO BAA</b>        | \$ 130,905,286 | \$ 122,723,705 |              | \$ 139,168,453 | \$ 145,778,955 |                | \$ 124,409,750 | \$ 129,230,628 |                | \$ 126,198,134 |
| Comp 1 <sup>1</sup>    | \$ 4,321,275   | \$ 4,048,502   |              | \$ 4,321,275   | \$ 4,809,268   |                | \$ 4,345,441   | \$ 4,286,086   |                | \$ 4,345,441   |
| Comp 2 <sup>2</sup>    | \$ 126,584,010 | \$ 118,593,616 |              | \$ 126,584,010 | \$ 140,878,886 |                | \$ 126,584,010 | \$ 124,854,982 |                | \$ 126,584,010 |
| Comp 3 <sup>3</sup>    | \$ -           | \$ 81,587      |              | \$ 81,587      | \$ 90,801      |                | \$ 90,801      | \$ 89,560      |                | \$ 89,560      |
| True-Up <sup>3,4</sup> | \$ -           |                | \$ 8,181,580 | \$ 8,181,580   |                | \$ (6,610,502) | \$ (6,610,502) |                | \$ (4,820,878) | \$ (4,820,878) |
| <b>PTO1</b>            | \$ 6,060,828   | \$ 5,682,026   |              | \$ 6,454,622   | \$ 6,761,217   |                | \$ 5,770,917   | \$ 5,995,705   |                | \$ 5,852,499   |
| Comp 1 <sup>1</sup>    | \$ 2,242,448   | \$ 2,096,748   |              | \$ 2,242,448   | \$ 2,495,412   |                | \$ 2,242,448   | \$ 2,212,263   |                | \$ 2,242,448   |
| Comp 2 <sup>2</sup>    | \$ 3,818,380   | \$ 3,570,285   |              | \$ 3,818,380   | \$ 4,249,121   |                | \$ 3,818,380   | \$ 3,766,982   |                | \$ 3,818,380   |
| Comp 3 <sup>3</sup>    | \$ -           | \$ 14,993      |              | \$ 14,993      | \$ 16,684      |                | \$ 16,684      | \$ 16,460      |                | \$ 16,460      |
| True-Up <sup>3,4</sup> | \$ -           |                | \$ 378,802   | \$ 378,802     |                | \$ (306,595)   | \$ (306,595)   |                | \$ (224,788)   | \$ (224,788)   |
| <b>PTO2</b>            | \$ 15,240,724  | \$ 14,288,179  |              | \$ 16,220,366  | \$ 16,990,834  |                | \$ 14,500,412  | \$ 15,065,229  |                | \$ 14,705,655  |
| Comp 1 <sup>1</sup>    | \$ 906,430     | \$ 848,166     |              | \$ 906,430     | \$ 1,008,723   |                | \$ 906,430     | \$ 894,223     |                | \$ 906,430     |
| Comp 2 <sup>2</sup>    | \$ 14,334,294  | \$ 13,412,915  |              | \$ 14,334,294  | \$ 15,951,956  |                | \$ 14,334,294  | \$ 14,141,257  |                | \$ 14,334,294  |
| Comp 3 <sup>3</sup>    | \$ -           | \$ 27,097      |              | \$ 27,097      | \$ 30,155      |                | \$ 30,155      | \$ 29,749      |                | \$ 29,749      |
| True-Up <sup>3,4</sup> | \$ -           |                | \$ 952,545   | \$ 952,545     |                | \$ (770,467)   | \$ (770,467)   |                | \$ (564,818)   | \$ (564,818)   |
| <b>PTO3</b>            | \$ 109,603,734 | \$ 102,753,501 |              | \$ 116,493,465 | \$ 122,026,904 |                | \$ 104,114,253 | \$ 108,169,694 |                | \$ 105,591,659 |
| Comp 1 <sup>1</sup>    | \$ 1,172,397   | \$ 1,098,700   |              | \$ 1,172,397   | \$ 1,304,814   |                | \$ 1,172,397   | \$ 1,156,594   |                | \$ 1,172,397   |
| Comp 2 <sup>2</sup>    | \$ 108,431,337 | \$ 101,615,304 |              | \$ 108,431,337 | \$ 120,678,132 |                | \$ 108,431,337 | \$ 106,969,734 |                | \$ 108,431,337 |
| Comp 3 <sup>3</sup>    | \$ -           | \$ 39,497      |              | \$ 39,497      | \$ 43,958      |                | \$ 43,958      | \$ 43,366      |                | \$ 43,366      |
| True-Up <sup>3,4</sup> | \$ -           |                | \$ 6,850,233 | \$ 6,850,233   |                | \$ (5,533,440) | \$ (5,533,440) |                | \$ (4,055,441) | \$ (4,055,441) |

<sup>1</sup> Fixed amount for each year (only re-assessed if new BAA adjacent to CISO BAA joins or leaves EDAM, which did not occur for this model).

<sup>2</sup> Fixed amount for each year (only recalculated if New Upgrade is activated or Existing Contract expires, which did not occur for this model).

<sup>3</sup> Actual values calculated are applied to the following year. Year 1 has no prior year data for this component, therefore is zero.

<sup>4</sup> True-up Amount = Projected - Actual; applies either a credit (if revenue shortfall occurs) or debit (if revenue surplus occurs) and applied to the following year.