

Memorandum

To: ISO Board of Governors and WEM Governing Body
From: Elliot Mainzer, President and Chief Executive Officer
Date: February 24, 2026
Re: CEO report

This memorandum does not require ISO Board of Governors or WEM Governing Body action.

INTRODUCTION

For my March 2026 CEO report, I will provide an update on the Extended Day-Ahead Market (EDAM) and the progress that has been made on the various activities related to its May launch, as well as progress being made on the next steps of the West-wide Governance Pathways Initiative. I will also provide an update on three important transmission projects, the latest Western Energy Imbalance Market (WEIM) benefits report, and the status of onboarding two new entities into the real-time market.

CHANGES TO THE ISO BOARD OF GOVERNORS

Before I move into my updates, I want to first say a few words about the changes coming to the ISO Board of Governors. As we learned last week, Angelina Galiteva has stepped down from the ISO Board of Governors after 15-plus years of service. We are deeply appreciative of her dedicated leadership, which included time as the ISO's first female board chair. Angelina helped guide the ISO through major transmission expansion, the launch and growth of the Western Energy Imbalance Market and the coming Extended Day-Ahead Market. Angelina is particularly proud of her contributions to support the advancement of renewable integration on our grid and she moves on from the Board with an impressive legacy.

We also learned last week that Governor Newsom has reappointed Joe Eto to serve another three-year term on the Board. Joe's continued service brings valuable expertise and stability to the Board during a pivotal time for the Western grid and we are happy for this good news.

At the same time, it was announced by Governor Newsom that Alice Reynolds is stepping down from the California Public Utilities Commission (CPUC) to join the ISO Board of Governors, filling the seat previously held by Angelina. Alice has been a very supportive and engaged partner with the ISO during her time on the Commission and we are excited to be welcoming her to the Board as we continue our work to advance reliability and affordability for electricity customers across the West.

Congratulations are also in order for John Reynolds, who was named as the new CPUC President, and to Christine Harada, who was appointed by Governor Newsom to the CPUC. We appreciate the strong working relationship we have with the CPUC and look forward to continuing our shared efforts to support reliability, affordability and environmental sustainability.

PROGRESS ON THE EXTENDED DAY-AHEAD MARKET

Now to my updates. As members of the ISO Board of Governors and Western Energy Markets Governing Body (WEM Governing Body) know, ISO staff continue to be laser-focused on our May 1 Go-Live date for the Extended Day-Ahead Market. I am pleased to report we continue to make excellent progress toward that goal.

On February 4, we held a very well attended virtual town hall that allowed members of our executive leadership team to share important updates on a variety of EDAM-related activities. Topics included significant governance changes, our evolving stakeholder processes, overall progress toward EDAM's May 1 launch, transmission connectivity, the value proposition associated with a wide-area Western market as has been demonstrated by the WEIM, and our principles and engagement plan on attendant seams issue.

More than 500 participants took part in the EDAM town hall, and it generated positive media coverage about the momentum behind what really is a truly pivotal moment for energy in the West. As I said at the town hall, we have an unprecedented opportunity to take advantage of the physics and economics of a wide-area day-ahead and real-time electricity market under fully independent governance to drive further reliability and affordability benefits for Western electricity customers.

The fact that we are on the threshold of that moment reflects a number of years of hard, focused work. I want to again thank everyone on the ISO team for the progress that has been made and the momentum we have generated. I also want to thank our partners at PacifiCorp, which will be the first utility to join this exciting new market, just as it was first to join WEIM, at launch in 2014.

At the EDAM town hall, we were also able to share the exciting news that we had moved into parallel operations with PacifiCorp that same first week in February. This marked another major milestone on the way to an efficient EDAM launch. I could not be more proud of the commitment and work from our team that got us there.

As Khaled Abdul-Rahman, our VP and Chief Information and Technology Officer, wrote in a blog, parallel operations will continue through the market's Go-Live date in May. As he also noted, the scale of this effort is enormous, with multiple systems and dependencies and highly coordinated activities throughout the organization and at PacifiCorp.

We also began parallel operations in mid-February for two more entities that will be joining the WEIM in May—Power Watch and Black Hills Energy, and I will have more to say about that in a moment.

Additionally, we are continuing to provide support to the Pathways Initiative, which recently incorporated the new Regional Organization for Western Energy (ROWE) and selected Kathleen Staks as interim president. This allows the ROWE to move forward on important implementation work until a board and permanent executives are selected later this year. To support our efforts related to the ROWE, we have established an internal Pathways Implementation team to drive the work necessary to prepare the ISO for the Pathways Step 2 framework in alignment with Assembly Bill 825.

On February 6, we submitted a tariff amendment to support implementation of day-ahead market enhancements and the EDAM design to the Federal Energy Regulatory Commission. This is typical. We did something similar with the WEIM before its launch. Informed by market simulation results and our work on implementation, we made revisions to the tariff language to ensure alignment with implementation design ahead of the launch.

INTER-REGIONAL TRANSMISSION PROJECTS

Three important inter-regional transmission projects continue to make progress. We look forward to when they are delivering new capacity and clean power to the system. Here is a brief update on their status:

SUNZIA:

The SunZia project is a 550-mile line between central New Mexico and South-Central Arizona with a nameplate capacity of 3,650 MW, with the high voltage direct current (HVDC) SunZia line set to deliver 3,021 MW of wind energy to California and neighboring states. SunZia is continuing to move through commissioning and testing.

SWIP-NORTH:

The Southwest Intertie Project-North is a 285-mile link in a transmission pathway between Idaho, Nevada and California that recently achieved significant milestones. The project has right-of-way 99% secured, with permitting proceeding well and on track. SWIP-North has also received approval from the Federal Energy Regulatory Commission and has received its Certificate of Public Convenience and Necessity from the Idaho Public Utilities Commission. And on January 27, 2026, the Public Utilities Commission of Nevada voted 3-0 to approve the project's construction permit. Engineering and procurement are all proceeding on schedule, construction contracts are in place and the line is on track to become operational in June 2028.

TRANSWEST EXPRESS:

The TransWest Express is a 732-mile combined high-voltage direct and alternating current transmission line that will bring 3,000 megawatts (MW) of clean Wyoming wind power into California and other states in the Desert Southwest. We expect to see 1,500 MW of capacity on the Wyoming-Intermountain Power Project direct current segment in the third quarter of 2031 and an additional 1,500 MW of capacity in Q4. TransWest continues to advance interconnection and operating agreements, permitting, and design and procurement activities. Construction activities have been focused on site preparation at substations, critical tower pads on the HVDC line, and access roads.

WESTERN ENERGY IMBALANCE MARKET BENEFITS AND NEW PARTICIPANTS

Also in February, we released the latest quarterly benefits report for the Western Energy Imbalance Market, showing that the market has surpassed \$8 billion in total economic benefits since its launch in 2014. For 2025, the report showed \$1.62 billion in economic benefits to market participants, bringing the cumulative total since 2014 to an impressive \$8.24 billion.

As we explained in the report and in our news release, additional time was needed to post this quarterly report because, with significant changes in market resources and operational dynamics across the West, we wanted to work closely with our WEIM partners to refine the benefits methodology. This helps to ensure its logic remains robust, transparent, and reflective of current

conditions. For those seeking more information, we made the [updated methodology document](#) available on the Western Energy Markets website.

And as you know, the WEIM continues to grow. Our soon-to-become newest members, Black Hills Energy and Power Watch, moved into parallel operations the week of February 18. They expect to Go Live in the WEIM in May, the same month that EDAM launches during this very busy time in the continuing evolution of our electricity markets.