Comments on the Intertie Schedule Modeling Evolution Stakeholder Workshop March 18, 2026

Department of Market Monitoring

April 1, 2026

Summary

DMM appreciates the opportunity to comment on the March 18, 2026 *Intertie Schedule Modeling Evolution Stakeholder Workshop*.[1] DMM supports the ISO's efforts to improve congestion modeling for intertie schedules by replacing scheduling points with generation aggregation points (GAPs). However, DMM does not support an approach that would result in multiple prices for the same intertie. DMM believes the ISO should associate a single GAP per intertie for modeling and pricing of all transactions at an intertie. Whether or not importers and exporters can economically bid at "internal EDAM interties" with the CAISO balancing area is an important issue that needs to be discussed in the upcoming workshops.

Comments

GAP-Tie modeling can improve congestion management compared to SP-Tie Modeling

CAISO intertie schedules are currently modeled as injected/withdrawn at scheduling point (SP) nodes associated with a specific intertie. The location of the actual generation or load associated with the intertie schedules is not known, but the associated generation or load is very clearly not at the scheduling point. Therefore, the current modeling of intertie schedules as if they were injected/withdrawn at the scheduling point can create inaccurate estimates of physical power flows and losses over the transmission system. As explained by the ISO, this known inaccuracy affects congestion management, pricing, and settlements.[2]

The ISO aims to improve power flow modeling by changing the modeling of intertie schedules from being treated as injections/withdrawals at a scheduling point to being injections/withdrawals at generation aggregation points (GAPs). This approach, which the ISO refers to as GAP-Tie modeling, can improve congestion modeling, management, and pricing. However, for reasons explained in these comments, DMM believes this GAP-Tie design should be implemented in a way that ensures a single price is maintained for a given intertie.

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[1] *Intertie Schedule Modeling Evolution on CAISO Balancing Area Interties - Stakeholder Workshop*, March 18, 2026: https://stakeholdercenter.caiso.com/InitiativeDocuments/Presentation-Intertie-Schedule-Modeling-Evolution-on-CAISO-Balancing-Area-Interties-Mar-18-2026.pdf

[2] *Extended Day-Ahead Market Intertie Scheduling,* EDAM Intertie Scheduling Team, November 4, 2025, p iii: https://stakeholdercenter.caiso.com/InitiativeDocuments/Intertie-Scheduling-Scenarios-Extended-Day-Ahead-Market-Nov-4-2025.pdf

The ISO should aim to improve congestion modeling while maintaining a single price per intertie

Moving to GAP-Tie modeling from the current approach of modeling schedules as simple injections at tie points may improve congestion modeling, management, and pricing. However, the GAP used in this new approach is still not the actual location where power associated with an import is injected. It is not clear how much additional value there is from modeling multiple GAPs per tie relative to a single GAP. Further, DMM believes, in terms of market design, it is much better to have a single price per intertie, and that all imports and exports at that intertie settle on that price.

Multiple GAPs per intertie would create multiple prices which can create a variety of market design issues. For example, multiple prices for the same intertie could result in imports clearing at higher offer prices over other imports with lower offer prices—solely because of the differences in the congestion and loss price components between their GAPs. This might make sense if the congestion cost differences between the competing import offers were accurately represented by the GAP congestion prices. But the GAP is still not the actual congestion impact of the imports. The imports are not from generation physically at the GAP. The ISO would not know the real relative congestion price differences, and it is not clear whether choosing one import offer over another based on the difference in congestion prices between GAPs is a sensible policy that supports efficient market outcomes.[3]

Economic bidding at the internal EDAM interties with CAISO

During the transitional intertie modeling period, the ISO will only support economic bidding for a limited set of schedules at internal EDAM interties with CAISO.[4] It appears that the ISO planned, at least prior to the current stakeholder process, to not support economic bidding at internal EDAM interties after the transitional period. This will limit the ability of entities to participate in ISO markets.

DMM notes that the EDAM design maintains the transmission scheduling rights systems of the non-CAISO balancing areas joining EDAM. A balancing area joining EDAM is not the same as joining the ISO footprint as a participating transmission owner. That is, an internal EDAM intertie between a non-CAISO BAA and the CAISO BAA is not the same as connections between participating transmission owner systems within the CAISO BAA.

EDAM schedules need to have accompanying transmission scheduling rights. If those transmission rights are not used by EDAM/WEIM energy schedules, then presumably those rights become available for others to use. Therefore, if bidding were allowed at internal interties, an importer who could bring power to the intertie for a lower cost than the EDAM transfer could clear the EDAM market and would then be able to schedule the power in real-time using available transmission. Without bidding allowed, the importer could not compete with the EDAM transfers.

The relevance of this example may depend on the EDAM BAA that the importer schedules rights across not supporting intertie bidding. If this EDAM BAA allows intertie bidding at its interties, the importer

[3] Additional potential issues are listed in DMM *Comments on the Intertie Scheduling EDAM Implementation Workshop November 5-6, 2025*, November 10, 2025: https://www.caiso.com/documents/dmm-comments-on-the-intertie-scheduling-edam-implementation-nov-05-06-2025-workshop-nov-11-2025.pdf

[4] Transactions will be limited to resource adequacy and Renewable Portfolio Standard contracts with an unknown source or that are outside the EDAM footprint.

could bid at the intertie needed to cross the BAA, and the market could optimize whether that supports a transfer or meets the load in the EDAM BAA.

The ISO should carefully reconsider whether not supporting economic bidding at internal EDAM interties with CAISO is an appropriate policy.