# Stakeholder Comments Template

## Market Seams Workshop

This template has been created for submission of stakeholder comments on the Market Seams Workshop that was held on July 31, 2026. The Stakeholder meeting presentation and other information related to this initiative may be found on the webpage at: westernenergymarkets.com/meetings-events/topics/market-seams

Upon completion of this template, please submit it to ISOStakeholderAffairs@caiso.com.

Submissions are requested by close of business on **August 14, 2026**

| Submitted by | Organization | Date Submitted |
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**Please provide your organization's comments on the following issues and questions.**

1. Please provide your organization's feedback on the Market Seams Workshop that was held on July 31, 2026.

Powerex appreciates the opportunity to submit comments on the California ISO's Western Seams Workshop held July 31, 2026. The workshop's expert panelists expressed solution-oriented perspectives, underscoring that reliable, fair, and efficient coordination between organized markets in the West is fully achievable. The workshop was constructive and substantive, and Powerex hopes it marks the beginning of a sustained commitment by the California ISO, SPP and stakeholders on coordination between EDAM and Markets+.

The dialogue regarding how the West should organize its wholesale electricity markets has often centered on the perceived cost of seams. Relying largely on production cost studies, the California ISO and some EDAM proponents have argued that a West served by two day-ahead organized markets would forfeit much of the value that a single market could deliver, and have used that argument to advocate for EDAM as the West's single organized market. Entities weighing which organized market to join have been told that, whatever their concerns about governance and market design, the cost of the resulting seam would be too high to justify a second market.

At the July 31 workshop, John Tsoukalis of the Brattle Group (whose production cost modeling has been cited prominently in the argument for a single organized market centered on EDAM) offered a very different perspective. Specifically, when comparing a two-market West against a single market spanning most of the region, he explained that "you could achieve benefits similar to that if you had really good intertie optimization."

Powerex sees this as a critical and highly constructive turning point in the regional dialogue. The premise underlying years of debate —that the West must trade the efficiency of a single market for the governance and market design its participants want —is false. Intertie optimization can capture much of the economic benefits of a shared dispatch without requiring all entities to join the same organized market. The approach is proven and already in use in the west as real-time energy imbalance markets optimize transfers across balancing authority boundaries every day, and SPP published an analysis in October 2025 on extending the same approach to its seam with MISO.

Other expert panelists also shared insights on how organized markets can and do coordinate to ensure reliability, share data, and assist one another during emergencies. The message was positive and consistent: that significant opportunities exist for seams between markets to be managed effectively, fairly and efficiently.

This should give confidence to entities still weighing which market to join. The West can have coordination nearly as efficient as a single market, without asking stakeholders to trade that for the governance and market design they seek.

### Organized Markets will not Eliminate Western Seams, but they can Significantly Improve how they are Managed

Neither EDAM nor Markets+ will eliminate any of the dozens of seams that exist between the region's many balancing authority areas (BAAs), transmission service providers (TSPs), resource adequacy (RA) programs, or other areas of functional responsibility. But while the adoption of organized markets will not eliminate seams, it nevertheless presents a major opportunity to improve how seams are managed going forward. Organized markets will be able to build upon the West's long history of successfully managing seams to protect reliability and manage transmission flows. Many seams will shift from being managed under multiple different custom bilateral agreements negotiated between the specific affected entities, to being managed under the consistent rules of the organized markets. A more standardized approach that leverages the expanded capability of organized markets is a significant step forward in managing seams in the West.

The role of organized markets in managing seams will fall into two broad groups. First, seams between BAAs or TSPs within the same organized market will typically be managed under rules developed and implemented by that market, through that market's governance framework. For example, the ongoing initiative to develop an EDAM congestion rent allocation approach to address parallel flows between TSPs in EDAM is a seam that will be managed entirely based on CAISO's EDAM rules. Second, seams between BAAs or TSPs in different organized markets will be managed under mutually-satisfactory agreements negotiated between the two markets. This second subset of western seams was the focus of a November 2025 white paper by FERC staff and of the July 16 FERC order directing the California ISO and SPP to submit a joint report on their efforts toward developing agreements for managing these shared seams. Against this backdrop, the July 31 workshop provided a forum for more detailed discussion of how the seams that will exist between organized markets might be managed.

**The July 31 Workshop Underscored that Reliable, Fair and Efficient Management of Seams Between EDAM and Markets+ is Achievable**

The expert panelists at the July 31st workshop, including several knowledgeable about the experience of Eastern markets, painted a compelling picture: seams between organized markets are an important and well-understood challenge, that there is substantial real-world experience with what already works well and what needs to be done better, and that the West is well positioned to develop effective solutions. Powerex found the comments of two panelists especially compelling:

Richard Doying of Grid Strategies spoke to his extensive experience at MISO and the seams with its neighbors. Mr. Doying laid out what Powerex believes to be a helpful framework for thinking about what seams agreements seeks to achieve:

> *You have to take care of reliability first. Then you can think about how do we make sure it's fair for everybody. And then you can think about, after those two are already resolved, how do we make it as efficient as possible[.]*

Powerex agrees that the top priority of seams coordination must be reliability. In this regard Mr. Doying was clear that, in the eastern markets, seams agreements have worked very well. This provides confidence that there is an existing roadmap the West can draw upon for different organized markets to share information, develop operating procedures, and assist one another during emergencies. Where eastern markets have struggled, according to Mr. Doying, is in achieving outcomes broadly viewed as fair and in maximizing efficiency across the multiple markets.

Mr. Doying also emphasized that "the West has a lot going for it," including its experience with real-time organized markets that, paired with lessons drawn from markets in other regions, will help guide the region in addressing market seams.

John Tsoukalis of the Brattle Group also offered an encouraging perspective, describing putting in place an agreement to manage seams well as "definitely achievable in my opinion." Mr. Tsoukalis also described specific mechanisms that could maximize the efficiency of transactions between different organized markets (*i.e.,* the third prong of the framework described by Mr. Doying), including highlighting aspects of the West that may make it better positioned to achieve efficient outcomes.

As discussed above, Mr. Tsoukalis explained that, based on his simulation analyses, pursuing mechanisms for efficient transactions could unlock roughly $150 million in additional annual benefits. In other words, the economic benefits available when two organized markets pursue efficient inter-market coordination approximate the economic benefits of a single organized market. In Powerex's view, this is a powerful message, and implies that entities in the region are best served by selecting the organized market that meets their needs and priorities, while collectively insisting that the California ISO and SPP develop and implement fair and efficient coordination between the two markets.

### Conclusion

Powerex is encouraged by the constructive spirit and substantive depth of the July 31st workshop. The assembled experts conveyed a clear and consistent view: effective seams management between EDAM and Markets+ is a solvable problem, one that draws upon real-world experience with similar challenges in the East, adapts them to the unique characteristics of the West, and builds on the region's own deep history of inter-entity coordination. The perspectives shared at the workshop, and the framework established by FERC's July 16th order, support the view that the California ISO and SPP have both an opportunity and a duty to the region to ensure coordination between their respective organized markets in a manner that protects reliability, treats all participants fairly, and maximizes efficiency for the benefit of all entities in the West.

Powerex looks forward to the continuation of this workshop series and to the California ISO and SPP's joint report.