

December 5, 2024

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: California Independent System Operator Corporation**Filing of Non-Conforming EDAM Implementation Agreement
with Balancing Authority of Northern California and Request
for Effective Date on Shortened Notice****Docket No. ER25-____-000**

Dear Secretary Reese:

The California Independent System Operator Corporation (“CAISO”) submits for Commission acceptance a non-conforming EDAM Implementation Agreement (“Agreement”) between the CAISO and the Balancing Authority of Northern California (“BANC”).¹ BANC is a joint powers authority organized under the laws of the State of California, registered as a balancing authority with the North American Electric Reliability Corporation. BANC is an existing EIM Entity and has executed applicable EIM agreements to enable its participation in the Western Energy Imbalance Market (“WEIM”).

The Agreement sets forth the scope of services and associated rate for the CAISO to implement BANC into the Extended Day-Ahead Market (“EDAM”) on May 1, 2027. Non-conforming changes to the *pro forma* EDAM Implementation Agreement are needed because BANC does not provide transmission service and other functions, while the *pro forma* implies that it does. These changes clarify BANC’s balancing authority function as it relates to implementation of EDAM within its balancing area.

The CAISO respectfully requests that the Commission accept the Agreement effective December 6, 2024, the day after the date of this filing, so that the CAISO can provide EDAM implementation services to BANC and remain on schedule. The CAISO further requests the Commission waive its notice

¹ The CAISO submits the Agreement pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d. The Agreement is designated as Service Agreement No. 5225 under the CAISO tariff.

requirement to permit acceptance of the Agreement as requested, and to issue an order by February 3, 2025.

I. Background

The CAISO tariff includes provisions for EDAM implementation applicable to an EDAM entity, the balancing area it operates, and certain participants within its balancing area, including transmission service providers.² Each entity that seeks to become an EDAM entity and enable participation within its balancing area must first execute an EDAM Implementation Agreement.³ The *pro forma* EDAM Implementation Agreement, which is contained in appendix B.31 of the CAISO tariff, includes a provision that requires a “showing that [EDAM entity] is authorized to make transmission available in its Balancing Authority Area consistent with the CAISO Tariff and the applicable transmission service tariffs, contracts, rules, procedures or other arrangements”.⁴ BANC is not authorized to make transmission available within its balancing area and would be unable to make this showing, similar to the agreement supporting its participation in the WEIM.⁵

II. Agreement Between the CAISO and BANC

The Agreement recognizes this limitation and, rather than imposing an impossible burden on BANC, points the CAISO to the entities that provide transmission service and perform other functions within the BANC balancing area not performed by BANC.⁶ The CAISO tariff supports this approach because it differentiates the primary roles and responsibilities for each EDAM function within a balancing area.⁷ For example, an EDAM transmission service provider has different roles and responsibilities than the EDAM entity roles and responsibilities

² CAISO Tariff, Sections 33.1 through 33.4 and Appendixes B.27 through B.33. See *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 (2023) (accepting the implementation tariff provisions and service agreements so that interested participants could prepare for participation).

³ CAISO Tariff, Section 33.2.1.

⁴ *Pro forma* EDAM Implementation Agreement, section 2.4. See also, the EIM Entity Agreement supporting BANC’s participation in the WEIM, accepted by Commission Letter Order in Docket No. ER20-2502 (September 28, 2020) and available on the Western Energy Market website at <https://www.westerneim.com/Documents/Jul24-2020-Amended-EIM-Entity-Agreement-between-the-California-ISO-and-Balancing-Authority-of-Northern-California-ER20-2502.pdf>.

⁵ BANC’s members include the Cities of Redding, Roseville and Shasta Lake, the Modesto Irrigation District, the Sacramento Municipal Utility District, and the Trinity Public Utilities District. In addition, the Western Area Power Administration – Sierra Nevada Region, operates as a sub-control area within the BANC balancing area.

⁶ See the Agreement, Section 2.4 and Recital E.

⁷ CAISO Tariff, Section 33.4.

of BANC, and enters into a separate agreement.⁸ This ensures that the functions necessary for participation in EDAM can be understood and the associated agreements executed prior to the BANC balancing area implementation date. Further, the CAISO will coordinate with BANC to identify entities performing functions associated with EDAM participation in its balancing area that are not performed by BANC and engage directly with these entities to help them prepare for participation, including execution of the EDAM participation agreement(s) applicable to the function(s) they perform prior to the BANC implementation date.⁹ Accordingly, the CAISO and BANC entered into the Agreement, which clarifies what otherwise would be a barrier to BANC's implementation in EDAM.

The Agreement differs from the *pro forma* EDAM Implementation Agreement solely with respect to the recitals, the information required by section 2.3, and the transmission service functions in section 2.4 as explained above.¹⁰ The CAISO believes that the agreed upon changes reasonably balance the desire for BANC to proceed with EDAM implementation with the CAISO's interest in ensuring all necessary EDAM functions within the BANC balancing area are prepared for participation and have entered into the agreement(s) applicable to the function(s) they perform, including BANC. Accordingly, the Agreement is a just and reasonable approach for the unique nature of the BANC balancing area implementation and will support EDAM participation by BANC and those performing essential market functions within their balancing area.

III. Effective Date and Request for Waiver of the Notice Requirement

The CAISO respectfully requests that the Commission permit the Agreement to go into effect on December 6, 2024, the day after the date of this filing, and issue an order by February 3, 2025. Making the Agreement effective December 6, 2024 will allow BANC to proceed with EDAM implementation on schedule.¹¹ Good cause exists to grant the requested waiver. Permitting the Agreement to be effective on this date supports commencement of the initial activities associated with EDAM implementation and will help ensure the timely

⁸ Compare CAISO Tariff, Section 33.4.1 and CAISO Tariff, Section 33.4.2. This is also true for other functions, including the EDAM Load Serving Entity and the EDAM Resource functions.

⁹ See, e.g., CAISO Tariff, Section 33.4.1(h) (requiring BANC to determine and inform the CAISO of EDAM transmission service providers within its balancing area).

¹⁰ Attachment B hereto contains a document showing the differences between the Agreement and the *pro forma* EDAM Implementation Agreement in red-line format, which is provided for informational purposes only.

¹¹ Pursuant to section 35.11 of the Commission's regulations, 18 C.F.R. § 35.11, the CAISO respectfully requests waiver of the notice requirement contained in section 35.3(a)(1) of the Commission's regulations, 18 C.F.R. § 35.3(a)(1), to allow the tariff revision to go into effect on December 6, 2024.

implementation of the BANC balancing area. The Commission has previously accepted CAISO agreements that went into effect on shortened notice in order to address timing concerns.¹² As in those cases, granting an effective date of December 6, 2024 for the Agreement is appropriate. Further, the parties understand that the Commission may not accept the Agreement as requested and, as the only parties directly affected by such a ruling, are prepared to resolve any issues that may arise as a result.

IV. Service

The CAISO has served copies of this filing upon BANC, the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted the filing on the CAISO website.

V. Contents of Filing

In addition to this transmittal letter, this filing includes the following attachments:

- | | |
|--------------|---|
| Attachment A | The fully executed Agreement; and |
| Attachment B | A document showing the differences between the Agreement and the <i>pro forma</i> EDAM Implementation Agreement in red-line format. |

VI. Correspondence

Pursuant to Rule 203(b) of the Commission's Rules of Practice and Procedure,¹³ the CAISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

John C. Anders
Deputy General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7287
Fax: (916) 608-7222
E-mail: janders@caiso.com

¹² Letter Order, Docket No. ER21-649-000 (February 4, 2021).

¹³ 18 C.F.R. § 385.203(b).

VII. Conclusion

The CAISO respectfully requests that the Commission accept the Agreement effective December 6, 2024, grant waiver of its notice requirement to permit this outcome and issue an order by February 3, 2025. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

By: /s/ John C. Anders

Roger E. Collanton
General Counsel
John C. Anders
Deputy General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630

*Attorneys for the California Independent
System Operator Corporation*

Attachment A – Executed Agreement

EDAM Implementation Agreement

Between

Balancing Authority of Northern California (BANC)

and the

California Independent System Operator Corporation

December 5, 2024

**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION**

AND

**BALANCING AUTHORITY OF
NORTHERN CALIFORNIA**

**EDAM ENTITY IMPLEMENTATION
AGREEMENT**

THIS EXTENDED DAY-AHEAD MARKET ENTITY IMPLEMENTATION AGREEMENT

("Agreement") is executed this 22nd day of November, 2024, by and between:

- (1) **Balancing Authority of Northern California** ("BANC" or "EDAM Entity") having its registered and principal executive office at 6001 S Street, MS D-109, Sacramento, CA, 95852,

and

- (2) California Independent System Operator Corporation, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the CAISO Governing Board may from time to time designate, ("CAISO").

The EDAM Entity and the CAISO each are hereinafter referred to as the "Parties."

Whereas:

- A. The CAISO operates the Day-Ahead Market pursuant to the CAISO Tariff, and will extend the Day-Ahead Market to an EIM Entity that executes and performs in accordance with an EDAM Entity Implementation Agreement.
- B. BANC is an EIM Entity and has requested to participate in the CAISO's Day-Ahead Market as an EDAM Entity.
- C. The Parties acknowledge that the rules and procedures governing participation in the CAISO's Day-Ahead Market as an EDAM Entity are set forth in the provisions of the CAISO Tariff as filed with the Federal Energy Regulatory Commission ("FERC").
- D. BANC is a joint powers authority organized under the laws of the State of California and whose members include the Cities of Redding, Roseville and Shasta Lake, the Modesto Irrigation District, the Sacramento Municipal Utility District, and the Trinity Public Utilities District.
- E. BANC is a registered Balancing Authority Area ("BAA") with the North American Electric Reliability Corporation, and will perform certain of the EDAM market functions as an EDAM Entity as set forth in the CAISO Tariff, similar with how it does today as an EIM Entity wherein BANC does not perform all market functions on behalf of its members or others within its BAA. For example, the Parties acknowledge that BANC does not currently provide transmission services and does not currently own or operate EIM Participating Resources. Accordingly, any revisions to applicable agreements will be

made by respective participants with in the BANC Balancing Authority Area as applicable, and not BANC.

- F. Because of these differences and others, a non-conforming EDAM Implementation Agreement is necessary to accurately recite BANC's obligation as an EDAM Entity and remove contradictory language in Section 2.4 below.
- G. Implementation of participation by BANC in the CAISO's Day-Ahead Market as an EDAM Entity requires the CAISO to incur costs to set up its business and software systems on behalf of BANC.
- H. BANC has requested the CAISO to conduct or cause to be performed work to implement BANC as an EDAM Entity into the CAISO systems, and BANC will reimburse the CAISO for the actual costs incurred.
- I. The Parties are entering into this Agreement to set forth the terms upon which the CAISO will timely configure its systems to incorporate BANC as an EDAM Entity on or before May 1, 2027 ("EDAM Entity Implementation Date").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

- 1.1 Master Definitions Supplement.** All terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the CAISO Tariff.
- 1.2 Rules of Interpretation.** The following rules of interpretation and conventions shall apply to this Agreement:
 - (a) if there is any inconsistency between this Agreement and the CAISO Tariff, the CAISO Tariff will prevail to the extent of the inconsistency;
 - (b) the singular shall include the plural and vice versa;
 - (c) the masculine shall include the feminine and neutral and vice versa;
 - (d) "includes" or "including" shall mean "including without limitation";

- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year;
- (k) unless the context requires otherwise, “or” is used in the conjunctive sense; and
- (l) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

RESPONSIBILITIES OF EDAM ENTITY AND CAISO

- 2.1 Scope of Responsibilities.** The CAISO shall conduct or cause to be performed changes to the CAISO business and software systems, in accordance with the CAISO Tariff, to allow BANC to participate in the CAISO’s Day-Ahead Market as an EDAM Entity. The scope of the implementation will include planning and project management; full network modeling of resources; system integration and testing; metering and settlements; and operations readiness and training. The CAISO shall also provide BANC a project plan of implementation activities, including a

schedule by which information and data will be required to be sent to the CAISO; testing to be performed by BANC; and training to meet the EDAM Entity Implementation Date.

- 2.2 Implementation Deposit and Cost Allocation.** Consistent with Section 33.11.5 of the CAISO tariff, BANC will provide a deposit and pay the actual costs of the implementation, including any actual amounts in excess of the initial deposit. The CAISO will provide invoices and refunds on a timely basis. Any difference between the deposit(s) made toward the implementation of BANC and associated administrative costs, and the actual cost of the implementation of BANC shall be paid by or refunded to BANC, in accordance with Article V of this Agreement.
- 2.3 Technical Data.** BANC will provide the CAISO technical data to facilitate the implementation in the Day-Ahead Market as an EDAM Entity and assumptions used for the data, such as system conditions, existing and planned generation, and unit modeling, as applicable to BANC. The CAISO shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by BANC as a result of implementation in the Day-Ahead Market as an EDAM Entity.
- 2.4 Compliance with CAISO Tariff Requirements for an EDAM Entity.** Prior to the EDAM Entity Implementation Date, BANC will satisfy all requirements of the CAISO Tariff applicable to an EDAM Entity, including: (1) demonstrating that BANC satisfies all qualifications for participation as an EDAM Entity; (2) entering into an addendum to its EIM Entity Agreement with the CAISO governing BANC's participation in the Extended Day-Ahead Market; and (3) securing representation by an EDAM Entity Scheduling Coordinator.

ARTICLE III

TERM AND TERMINATION

3.1 Effective Date. This Agreement shall be effective as of the later of the date it is executed by the Parties or the date it is accepted for filing and made effective by FERC and shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement.

3.2 Termination

3.2.1 Termination by CAISO. The CAISO may terminate this Agreement by giving written notice of termination pursuant to Section 33.1 of the CAISO Tariff or in the event that BANC commits any material default under this Agreement or Section 33 of the CAISO Tariff that, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given BANC written notice of the default, unless the default is excused by reason of Uncontrollable Forces in accordance with Article IX of this Agreement. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the CAISO with FERC will be considered timely if (1) the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within sixty (60) days after issuance of the notice of default; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. This Agreement shall terminate upon acceptance by FERC of such a notice of termination or thirty (30) days after the date of the CAISO's notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

3.2.2 Termination by EDAM Entity. In the event that BANC no longer wishes to participate in the CAISO's Extended Day-Ahead Market as an EDAM Entity pursuant to the CAISO Tariff, it may terminate this Agreement on giving the CAISO not less than thirty (30) days written notice. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the CAISO with FERC will be considered timely if (1) the request to file a notice of termination is

made after the preconditions for termination have been met, and the CAISO files the notice of termination within thirty (30) days of receipt of such request; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. This Agreement shall terminate upon acceptance by FERC of such a notice of termination or upon the next production date of the Full-Network Model release following the thirty (30) days after the CAISO's receipt of BANC's notice of termination, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

- 3.3 No Termination Charge.** With the exception of the implementation costs, the CAISO shall not levy an exit fee or other charge associated with CAISO systems, procedures, or other changes required by the termination of BANC's participation in the Extended Day-Ahead Market as of the effective date of such notice, provided that BANC's obligations incurred under this Agreement shall survive termination until satisfied.

ARTICLE IV

CAISO TARIFF

- 4.1 Agreement Subject to CAISO Tariff.** This Agreement shall be subject to Section 33 of the CAISO Tariff and all other provisions of the CAISO Tariff applicable to an EDAM Entity.

ARTICLE V

COSTS AND ACCOUNTING

- 5.1 Costs.** The CAISO shall maintain records and accounts of all costs incurred in performing the implementation of the EDAM Entity in sufficient detail to allow verification of all costs incurred, including associated overheads.
- 5.2 Settlement of Deposit(s).** The deposit provided in accordance with Section 2.2 of this Agreement shall be applied to the prudent costs of the CAISO in implementing BANC as an EDAM Entity in the Day-Ahead Market. If the actual costs of the implementation of BANC are greater than the initial deposit provided by BANC, the CAISO will invoice BANC for an additional deposit amount to cover expenses. Payment of invoices shall be

due no later than thirty (30) days after the date of receipt. Any invoice payment past due will accrue interest, per annum, calculated in accordance with 5 C.F.R. 1315.10.

At the end of the implementation, the CAISO will provide a report that details deposit(s) received, actual costs incurred, and applicable interest earnings (on deposit balance) for each implementation project. Interest will be calculated at the end of the implementation project, from the time the deposit(s) was received until the implementation is completed. The calculation will be based on the average earning of the bank account, in which the deposit is held, on the remaining amount of the deposit. Any unused deposit remaining after the implementation is completed plus interest on the remaining deposit will be returned to BANC within ninety (90) calendar days after the implementation is completed; the CAISO and BANC approve the completion; and all required documents for the refund are received by the CAISO. All refunds will be processed following the CAISO's generally accepted accounting practices. Any deadline for CAISO action will be tolled to the extent BANC has not provided the CAISO with the appropriate documents to facilitate an eligible refund.

In the event this agreement is terminated by either party or both parties after BANC's implementation has begun, then the CAISO will make every attempt to halt work and related costs on the implementation as soon as practical and begin the refund process for any payments provided by BANC in excess of costs incurred by the CAISO, if applicable.

- 5.3 Audit.** BANC shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by BANC shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by BANC of the CAISO's notification of the final costs of the implementation of BANC.

ARTICLE VI

DISPUTE RESOLUTION

- 6.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event

any dispute is not settled, the Parties shall adhere to the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the CAISO Tariff to Market Participants shall be read as a reference to BANC and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

- 7.1 Representation and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.
- 7.2 Necessary Approvals.** BANC represents that all necessary rights, leases, approvals, permits, licenses, easements, access to operate in compliance with this Agreement have been or will be obtained by BANC prior to the effective date of this Agreement, including any arrangement with any third party Balancing Authorities.

ARTICLE VIII

LIABILITY

- 8.1 Liability.** The provisions of Section 14 of the CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to BANC and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE IX

UNCONTROLLABLE FORCES

- 9.1 Uncontrollable Forces Tariff Provisions.** Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14.1 of the CAISO Tariff to Market Participants shall be read as a reference to BANC and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE X

MISCELLANEOUS

- 10.1 Assignments.** Either Party may assign or transfer any or all of its rights or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff and no Party may assign or transfer any or all of its rights or obligations under this Agreement without such consent. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights or obligations under this Agreement as if said successor in interest were an original Party to this Agreement.
- 10.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the CAISO Tariff, provided that all references in Section 22.4 of the CAISO Tariff to Market Participants shall be read as a reference to BANC and references to the CAISO Tariff shall be read as references to this Agreement, and unless otherwise stated or agreed shall be made to the representative of the other Party indicated in Schedule 1. A Party must update the information in Schedule 1 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 10.3 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 10.4 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the CAISO ADR Procedures do not apply shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

- 10.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.
- 10.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 10.7 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.
- 10.8 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein shall be construed as affecting in any way the right of the CAISO to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the Federal Power Act ("FPA") and pursuant to FERC's rules and regulations promulgated thereunder, and BANC shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the FPA and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

10.9 Electronic Signatures. The Parties agree that this Agreement may be executed by either handwritten signature or digitally signed using Adobe Sign, Adobe E-Sign, or DocuSign. A digital signature is the same as a handwritten signature and shall be considered valid and acceptable.

10.10 Counterparts. This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

DocuSigned by:
Khaled Abdul-Rahman
By: 018C588C28F8484...
Name: Khaled Abdul-Rahman
Title: Vice President
Date: 11/22/2024

Balancing Authority of Northern California

Signed by:
James R. Shetler
By: 6F62FA88A7C6483...
Name: James R. Shetler
Title: General Manager
Date: 11/22/2024

SCHEDULE 1**NOTICES****EDAM Entity**

Name of Primary Representative: James Shetler
Title: General Manager
Company: Balancing Authority of Northern California
Address: 6001 S Street, MS D-109
City/State/Zip Code: Sacramento, CA, 95852-1830
Email Address: JimShetler@thebanc.org
Phone: 916-870-3774

Name of Alternative Representative: Tony Braun
Title: General Counsel
Company: Braun, Blaising & Wynne
Address: 555 Capitol Mall, Suite 570
City/State/Zip Code: Sacramento, CA, 95814
Email Address: Braun@braunlegal.com
Phone: 916-326-4449

CAISO

Name of Primary Representative: Regulatory Contracts
Title: N/A
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: RegulatoryContracts@caiso.com
Phone: (916) 351-4400
Fax: (916) 608-5063

Name of Alternative Representative: Christopher J. Sibley
Title: Senior Manager, Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: csibley@caiso.com
Phone: (916) 608-7030
Fax: (916) 608-5063

Attachment B – Redline of agreement v. *pro forma*

EDAM Implementation Agreement

Between

Balancing Authority of Northern California (BANC)

and the

California Independent System Operator Corporation

December 5, 2024

**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION**

AND

**BALANCING AUTHORITY OF
NORTHERN CALIFORNIA**

**EDAM ENTITY IMPLEMENTATION
AGREEMENT**

THIS EXTENDED DAY-AHEAD MARKET ENTITY IMPLEMENTATION AGREEMENT

("Agreement") is ~~established~~executed this _____ day of _____, 2024,
~~and is accepted~~ by and between:

- (1) ~~Balancing Authority of Northern California~~ ("BANC" or "EDAM Entity") having its registered and principal executive office at 6001 S Street, MS D-109, Sacramento, CA, 95852,

and

- (2) California Independent System Operator Corporation, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the CAISO Governing Board may from time to time designate, ("CAISO").

The EDAM Entity and the CAISO each are hereinafter referred to as the "Parties."

Whereas:

- A. The CAISO operates the Day-Ahead Market pursuant to the CAISO Tariff, and will extend the Day-Ahead Market to an EIM Entity that executes and performs in accordance with an EDAM Entity Implementation Agreement.
- B. BANC ~~is an EIM Entity, or is in a concurrent implementation process to become~~ is an EIM Entity, and has requested to participate in the CAISO's Day-Ahead Market as an EDAM Entity.
- C. The Parties acknowledge that the rules and procedures governing participation in the CAISO's Day-Ahead Market as an EDAM Entity are set forth in the provisions of the CAISO Tariff as filed with the Federal Energy Regulatory Commission ("FERC") ~~and that implementation as an EDAM Entity requires corresponding revisions to BANC Open Access Transmission Tariff/retail distribution tariff and the execution of associated service agreements;~~
- D. BANC is a joint powers authority organized under the laws of the State of California and whose members include the Cities of Redding, Roseville and Shasta Lake, the Modesto Irrigation District, the Sacramento Municipal Utility District, and the Trinity Public Utilities District.
- E. BANC is a registered Balancing Authority Area ("BAA") with the North American Electric Reliability Corporation, and will perform certain of the EDAM market

functions as an EDAM Entity as set forth in the CAISO Tariff, similar with how it does today as an EIM Entity wherein BANC does not perform all market functions on behalf of its members or others within its BAA. For example, the Parties acknowledge that BANC does not currently provide transmission services and does not currently own or operate EIM Participating Resources. Accordingly, any revisions to applicable agreements will be made by respective participants with in the BANC Balancing Authority Area as applicable, and not BANC.

F. Because of these differences and others, a non-conforming EDAM Implementation Agreement is necessary to accurately recite BANC's obligation as an EDAM Entity and remove contradictory language in Section 2.4 below.

G.

D.G. Implementation of participation by BANC in the CAISO's Day-Ahead Market as an EDAM Entity requires the CAISO to incur costs to set up its business and software systems on behalf of BANC.

~~E.H.~~ BANC has requested the CAISO to conduct or cause to be performed work to implement BANC as an EDAM Entity into the CAISO systems, and BANC will reimburse the CAISO for the actual costs incurred.

~~F.~~ I. The Parties are entering into this Agreement to set forth the terms upon which the CAISO will timely configure its systems to incorporate BANC as an EDAM Entity on or before May 1, 2027 ("EDAM Entity Implementation Date").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Master Definitions Supplement. All terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the CAISO Tariff.

1.2 Rules of Interpretation. The following rules of interpretation and conventions shall apply to this Agreement:

- (a) if there is any inconsistency between this Agreement and the CAISO Tariff, the CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) "includes" or "including" shall mean "including without limitation";
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced

or restated from time to time;

- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year;
- (k) unless the context requires otherwise, “or” is used in the conjunctive sense; and
- (l) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

RESPONSIBILITIES OF EDAM ENTITY AND CAISO

2.1 Scope of Responsibilities. The CAISO shall conduct or cause to be performed changes to the CAISO business and software systems, in accordance with the CAISO Tariff, to allow BANC to participate in the CAISO’s Day-Ahead Market as an EDAM Entity. The scope of the implementation will include planning and project management; full network modeling of resources; system integration and testing; metering and settlements; and operations readiness and training. The CAISO shall also provide BANC a project plan of implementation activities, including a schedule by which information and data will be required to be sent to the CAISO; testing to be performed by BANC ; and training to meet the EDAM Entity Implementation Date.

2.2 Implementation Deposit and Cost Allocation. Consistent with Section 33.11.5 of the CAISO tariff, BANC will provide a deposit and pay the actual costs of the implementation, including any actual amounts in excess of the initial deposit. The CAISO will provide invoices and refunds on a timely basis. Any difference between the deposit(s) made toward the implementation of BANC and associated administrative costs, and the

actual cost of the implementation of BANC shall be paid by or refunded to BANC, in accordance with Article V of this Agreement.

- 2.3 Technical Data.** BANC will provide the CAISO technical data to facilitate the implementation in the Day-Ahead Market as an EDAM Entity and assumptions used for the data, such as system conditions, existing and planned generation, and unit modeling, as applicable to BANC. The CAISO shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by BANC as a result of implementation in the Day-Ahead Market as an EDAM Entity.
- 2.4 Compliance with CAISO Tariff Requirements for an EDAM Entity.** Prior to the EDAM Entity Implementation Date, BANC will satisfy all requirements of the CAISO Tariff applicable to an EDAM Entity, including: (1) demonstrating that BANC satisfies all qualifications for participation as an EDAM Entity; (2) ~~showing that BANC is authorized to make transmission available in its Balancing Authority Area consistent with the CAISO Tariff and the applicable transmission service tariffs, contracts, rules, procedures or other arrangements;~~ (3) entering into an addendum to its EIM Entity Agreement with the CAISO governing BANC's participation in the Extended Day-Ahead Market; and (34) securing representation by an EDAM Entity Scheduling Coordinator.

ARTICLE III

TERM AND TERMINATION

- 3.1 Effective Date.** This Agreement shall be effective as of the later of the date it is executed by the Parties or the date it is accepted for filing and made effective by FERC ~~(if applicable)~~ and shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement.

3.2 Termination

3.2.1 Termination by CAISO. The CAISO may terminate this Agreement by giving written notice of termination pursuant to Section 33.1 of the CAISO Tariff or in the event that BANC commits any material default under this Agreement or Section 33 of the CAISO Tariff that, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given BANC written notice of the default, unless the default is excused by reason of Uncontrollable Forces in accordance with Article IX of this Agreement. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the CAISO with FERC will be considered timely if (1) the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within sixty (60) days after issuance of the notice of default; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. This Agreement shall terminate upon acceptance by FERC of such a notice of termination or thirty (30) days after the date of the CAISO's notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

3.2.2 Termination by EDAM Entity. In the event that BANC no longer wishes to participate in the CAISO's Extended Day-Ahead Market as an EDAM Entity pursuant to the CAISO Tariff, it may terminate this Agreement on giving the CAISO not less than thirty (30) days written notice. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the CAISO with FERC will be considered timely if (1) the request to file a notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within thirty (30) days of receipt of such request; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. This Agreement shall terminate upon acceptance by FERC of such a notice of termination or upon the next production date of the Full-Network Model release following the thirty (30) days after the CAISO's receipt of BANC's notice of termination, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

3.3 No Termination Charge. With the exception of the implementation

costs, the CAISO shall not levy an exit fee or other charge associated with CAISO systems, procedures, or other changes required by the termination of BANC's participation in the Extended Day-Ahead Market as of the effective date of such notice, provided that BANC obligations incurred under this Agreement shall survive termination until satisfied.

ARTICLE IV

CAISO TARIFF

4.1 Agreement Subject to CAISO Tariff. This Agreement shall be subject to Section 33 of the CAISO Tariff and all other provisions of the CAISO Tariff applicable to an EDAM Entity.

ARTICLE V

COSTS AND ACCOUNTING

5.1 Costs. The CAISO shall maintain records and accounts of all costs incurred in performing the implementation of the EDAM Entity in sufficient detail to allow verification of all costs incurred, including associated overheads.

5.2 Settlement of Deposit(s). The deposit provided in accordance with Section 2.2 of this Agreement shall be applied to the prudent costs of the CAISO in implementing BANC as an EDAM Entity in the Day-Ahead Market. If the actual costs of the implementation of BANC are greater than the initial deposit provided by BANC, the CAISO will invoice BANC for an additional deposit amount to cover expenses. Payment of invoices shall be due no later than thirty (30) days after the date of receipt. Any invoice payment past due will accrue interest, per annum, calculated in accordance with 5 C.F.R. 1315.10.

At the end of the implementation, the CAISO will provide a report that details deposit(s) received, actual costs incurred, and applicable interest earnings (on deposit balance) for each implementation project. Interest will be calculated at the end of the implementation project, from the time the deposit(s) was received until the implementation is completed. The calculation will be based on the average earning of the bank account, in which the deposit is held, on the remaining amount of the deposit. Any

unused deposit remaining after the implementation is completed plus interest on the remaining deposit will be returned to BANC within ninety (90) calendar days after the implementation is completed; the CAISO and BANC approve the completion; and all required documents for the refund are received by the CAISO. All refunds will be processed following the CAISO's generally accepted accounting practices. Any deadline for CAISO action will be tolled to the extent BANC has not provided the CAISO with the appropriate documents to facilitate an eligible refund.

In the event this agreement is terminated by either party or both parties after BANC's implementation has begun, then the CAISO will make every attempt to halt work and related costs on the implementation as soon as practical and begin the refund process for any payments provided by BANC in excess of costs incurred by the CAISO, if applicable.

- 5.3 Audit.** BANC shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by BANC shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by BANC of the CAISO's notification of the final costs of the implementation of BANC.

ARTICLE VI

DISPUTE RESOLUTION

- 6.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the CAISO Tariff to Market Participants shall be read as a reference to BANC and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

- 7.1 Representation and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.
- 7.2 Necessary Approvals.** BANC represents that all necessary rights, leases, approvals, permits, licenses, easements, access to operate in compliance with this Agreement have been or will be obtained by BANC prior to the effective date of this Agreement, including any arrangement with any third party Balancing Authorities.

ARTICLE VIII

LIABILITY

- 8.1 Liability.** The provisions of Section 14 of the CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to BANC and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE IX

UNCONTROLLABLE FORCES

- 9.1 Uncontrollable Forces Tariff Provisions.** Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14.1 of the CAISO Tariff to Market Participants shall be read as a reference to BANC and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE X

MISCELLANEOUS

- 10.1 Assignments.** Either Party may assign or transfer any or all of its rights or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff and no Party may assign or transfer any or all of its rights or obligations under this Agreement without such consent. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights or obligations under this Agreement as if said successor in interest were an original Party to this Agreement.
- 10.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the CAISO Tariff, provided that all references in Section 22.4 of the CAISO Tariff to Market Participants shall be read as a reference to BANC and references to the CAISO Tariff shall be read as references to this Agreement, and unless otherwise stated or agreed shall be made to the representative of the other Party indicated in Schedule 1. A Party must update the information in Schedule 1 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 10.3 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 10.4 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the CAISO ADR Procedures do not apply shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

- 10.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.
- 10.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 10.7 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.
- 10.8 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein shall be construed as affecting in any way the right of the CAISO to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the Federal Power Act ("FPA") and pursuant to FERC's rules and regulations promulgated thereunder, and BANC shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the FPA and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

10.9 Electronic Signatures. The Parties agree that this Agreement may be executed by either handwritten signature or digitally signed using Adobe Sign, Adobe E-Sign, or DocuSign. A digital signature is the same as a handwritten signature and shall be considered valid and acceptable.

10.10 Counterparts. This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By:_____

Name:_____

Title:_____

Date:_____

Balancing Authority of Northern California

By:_____

Name:_____

Title:_____

Date:_____

SCHEDULE 1**NOTICES****EDAM Entity**

Name of Primary Representative: James Shetler
Title: General Manager
Company: Balancing Authority of Northern California
Address: 6001 S Street, MS D-109
City/State/Zip Code: Sacramento, CA, 95852-1830
Email Address: JimShetler@thebanc.org
Phone: 916-870-3774

Name of Alternative Representative: Tony Braun
Title: General Counsel
Company: Braun, Blaising & Wynne
Address: 555 Capitol Mall, Suite 570
City/State/Zip Code: Sacramento, CA, 95814
Email Address: Braun@braunlegal.com
Phone: 916-326-4449

CAISO

Name of Primary Representative: Regulatory Contracts
Title: N/A
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: RegulatoryContracts@caiso.com
Phone: (916) 351-4400
Fax: (916) 608-5063

Name of Alternative Representative: Christopher J. Sibley
Title: Senior Manager, Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: csibley@caiso.com
Phone: (916) 608-7030
Fax: (916) 608-5063