

Comments on Day-Ahead Market Enhancements Configurable Parameters Working Group Presentation on November 20, 2025

Department of Market Monitoring

December 10, 2025

The Department of Market Monitoring (DMM) appreciates the opportunity to comment on the *Day-Ahead Market Enhancements - Configurable Parameters Implementation Working Group* presentation on November 20, 2025.¹ While DMM supports the ISO testing the sensitivity of the configurable parameters on market results prior to go-live, DMM continues to recommend caution when interpreting results that use unrealistic market data.

The ISO conducted additional sensitivity analysis of the envelope multiplier using the improved benchmark scenario. Similar to the previous analysis, the higher envelope multipliers continue to result in less imbalance reserves (IR) awarded to battery resources and substantially higher IR prices. As DMM previously noted, the multiplier value should balance real-time deliverability of storage capacity without overly constraining IR supply and causing inefficiently high IR prices.²

DMM recommends that after go-live, the ISO prioritize an assessment of the impact of the envelope multiplier on real-time performance of storage resources that receive IR awards to determine if the reliability benefits of a high envelope multiplier justify higher IR prices. While DMM supported the ISO's relatively high initial multiplier value of 85 percent as a conservative starting point, if market results reveal that this value has limited impact on real-time storage availability, the higher IR prices caused by the high envelope multiplier may not be justified.

DMM appreciates the ISO including information about the bids for imbalance reserves in the recent presentation.³ To better understand the interaction between IR bids and IR price, DMM requests the ISO provide additional figures similar to the ones in this presentation that show IR bid megawatt quantities by price bucket, but exclude the megawatt quantities of IR bids that correspond to energy schedules or are infeasible due to commitment status and start-up time.

Lastly, DMM supports the ISO focusing on the IR deployment factor and set of enforced constraints in December and January, as these are more easily configurable parameters that do not require a tariff change, unlike the bid cap and default imbalance reserve price.

¹ *Day-Ahead Market Enhancements: Configurable Parameters Implementation Working Group Presentation*, California ISO, November 20, 2025: <https://stakeholdercenter.caiso.com/InitiativeDocuments/Presentation-Day-Ahead-Market-Enhancements-Configurable-Parameters-Implementation-Working-Group-Nov-20-2025.pdf>

² *DMM Comments on Day-Ahead Market Enhancements: Configurable Parameters Implementation Working Group Presentation on October 21, 2025*, Department of Market Monitoring, November 4, 2025: <https://www.caiso.com/documents/comments-on-day-ahead-market-enhancements-configurable-parameters-implementation-working-group-oct-21-2025.pdf>

³ *Day-Ahead Market Enhancements: Configurable Parameters Implementation Working Group Presentation*, California ISO, November 20, 2025, slides 28-29: <https://stakeholdercenter.caiso.com/InitiativeDocuments/Presentation-Day-Ahead-Market-Enhancements-Configurable-Parameters-Implementation-Working-Group-Nov-20-2025.pdf>