



Maintaining the current Scheduling Point-Tie (SP-Tie) pricing for CAISO interties at EDAM go-live, while delaying congestion modeling improvements, avoids the significant impacts to market participants and market pricing raised by many stakeholders, including DMM.

Clarifying that CRRs will only be funded by congestion rent that the CAISO balancing authority area actually collects avoids double allocation of rent that would result in unnecessary uplift.

## **II. COMMENTS**

### **Maintaining current congestion modeling at CAISO EDAM and WEIM interties**

CAISO intertie schedules are currently modeled as injected or withdrawn at scheduling point (SP) nodes associated with the intertie. The location of the actual generation or load associated with the intertie schedules is not identified in the market model, but the associated generation or load is of course not actually at the scheduling point. Therefore, the current modeling of intertie schedules as if they were injected or withdrawn at the scheduling point can create inaccurate estimates of physical power flows and losses over the transmission system. As explained by the CAISO, this known inaccuracy in “SP-Tie” modeling affects congestion management, pricing, and settlements.

In the original tariff filing for day-ahead market enhancements (DAME) and the extended day-ahead market (EDAM), the CAISO planned to improve power flow modeling by changing the modeling of intertie schedules from being treated as injections or withdrawals at a scheduling point to being injections or withdrawals at one of several generation aggregation points (GAPs). Because these GAPs would have their own

congestion and loss prices, the prices of imports or exports at the same intertie would be different for schedules associated with different GAPs. Thus, this approach will create multiple prices for the same intertie.

By creating multiple prices for the same intertie, this change to “GAP-Tie” pricing would affect market participants transacting at the interties in both the EDAM and bilateral markets. Stakeholders raised multiple concerns that the change to GAP-Tie pricing could negatively impact their business operations and practices, or at the very least they have not had adequate preparation to consider the potential impacts. DMM was among the concerned stakeholders, particularly with the potential negative or unanticipated effects caused by having multiple prices for the same intertie.<sup>1</sup>

DMM therefore supports the CAISO’s proposed tariff changes to maintain the SP-Tie prices for most CAISO interties on a transitional basis. DMM believes that the CAISO should vet the SP-Tie replacement approach—which may differ from the multiple GAP-Tie modeling—with stakeholders in a policy process. This would allow the CAISO to improve congestion modeling in a manner that is fully vetted and understood by stakeholders.

### **CRRs cannot be funded by rent the CAISO BAA does not collect**

CAISO BAA transmission ratepayers will not have rights to congestion rent on non-CAISO constraints in EDAM, and no such revenue will be collected by CAISO. Because the CAISO BAA does not have the rent from non-CAISO constraints, CRRs cannot be

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<sup>1</sup> These concerns were listed in: *Comments on the Intertie Scheduling EDAM Implementation Workshop - November 5-6, 2025*, Department of Market Monitoring, 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>

paid for congestion on non-CAISO BAA constraints without uplifting the cost to CAISO measured demand (load plus exports). This would be inconsistent with the principles underlying CRRs—and the CRR 1B deficit offset provision of the CAISO tariff—which call for payments to CRRs to be funded only by congestion rent collected by the CAISO.

Further, the CAISO will not include non-CAISO constraint limits which will ultimately be included in the EDAM market mode in the CRR allocation or auction. This discrepancy between the CRR model and the EDAM market model would create inconsistency between how CRRs are settled in the auction and how they are paid in EDAM. This modeling difference would potentially allow auction participants to purchase CRRs in the auction to receive payments—funded by uplifts to measured demand—that would be essentially free (or very low cost) in the auction and only reflect modeled flows on CAISO constraints. Because this modeling difference would be well known, systematic, and very predictable, DMM believes there would be significant potential for this flaw to be exploited if the CRRs were paid for congestion prices on non-CAISO BAA constraints.

The CAISO's clarifications that it will not settle CRRs on congestion prices from non-CAISO constraints is consistent with the concept that CRR payments are to be funded by congestion rent collected by the CAISO, avoids unnecessary uplifts to Measured Demand, and avoids the potential to exploit inherent modeling differences between the CRR auction and EDAM. DMM supports this clarification.

### **III. CONCLUSION**

DMM supports the amendments related to maintaining modeling practices for CAISO intertie transactions at EDAM and WEIM transfer locations, and clarifying that

CRRs will not be paid for congestion on EDAM transmission constraints located in non-CAISO balancing authority areas.

#### **IV. MOTION TO INTERVENE**

DMM respectfully requests that the Commission afford due consideration to these comments and motion to intervene, and afford DMM full rights as a party to this proceeding. Pursuant to the Commission's Order 719, the CAISO tariff states "DMM shall review existing and proposed market rules, tariff provisions, and market design elements and recommend proposed rule and tariff changes to the CAISO, the CAISO Governing Board, FERC staff, the California Public Utilities Commission, Market Participants, and other interested entities."<sup>2</sup> As this proceeding involves CAISO tariff provisions that would affect the efficiency of CAISO markets, it implicates matters within DMM's purview.

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<sup>2</sup> CAISO Tariff Appendix P, Section 5.1.

Respectfully submitted,

**By: /s/ Roger Avalos**

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Dated: February 27, 2026

## **CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the above-referenced proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California, this 27<sup>th</sup> day of February, 2026.

**/s/ Aprille Girardot**  
Aprille Girardot