California ISO

FACT SHEET

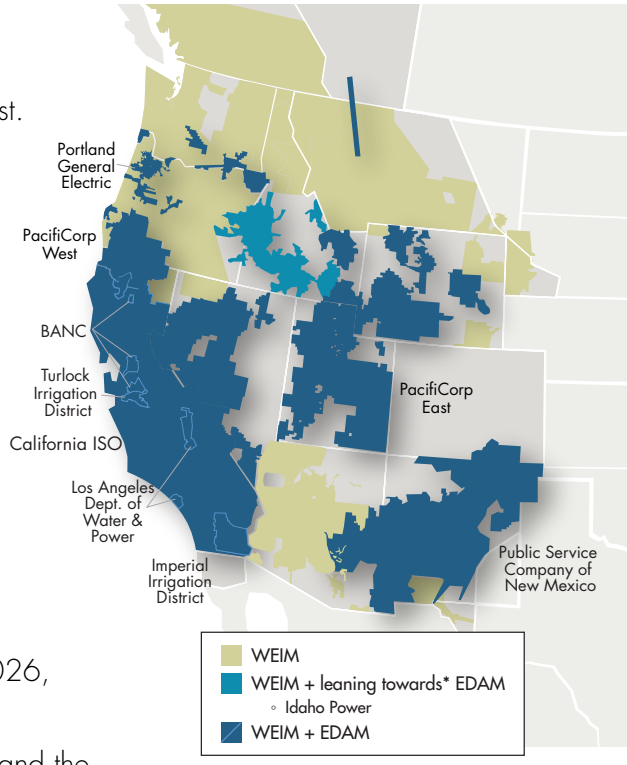
Extended Day-Ahead Market

The Extended Day-Ahead Market (EDAM) is a voluntary day-ahead electricity market designed to deliver significant reliability, economic, and environmental benefits to balancing areas and utilities throughout the West.

Building on the proven success and tangible benefits of the real-time Western Energy Imbalance Market (WEIM), EDAM commits generation to meet demand cost-effectively, increases regional coordination, and supports states' policy goals.

Since its launch in 2014, the WEIM has grown to 23 participating balancing areas outside of the California Independent System Operator (ISO), representing 80% of the load in the Western Interconnection, with cumulative benefits exceeding $9 billion as of Q2 2026.

By leveraging the significant resource diversity and transmission connectivity between major supply and demand regions throughout the West, EDAM is designed to deliver additional benefits to those realized in the WEIM through greater reliability coordination and resource optimization in the day-ahead timeframe. Since EDAM launch in May 2026, the gross EDAM benefits are nearly $11.5 million.



*Entity(ies) publicly indicated leaning towards EDAM as their preferred day-ahead market.
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The EDAM design was jointly approved by the ISO Board of Governors and the Western Energy Markets (WEM) Governing Body in 2023, and the associated tariff was approved by the Federal Energy Regulatory Commission (FERC), in addition to recent modifications.

The EDAM design supports each Balancing Authority's autonomy and includes several important features:

- **Voluntary participation structure.** Balancing authorities participating in the WEIM can voluntarily elect whether and when to extend participation to EDAM based on individual assessments, business needs, and readiness. The ISO will continue to fully support all entities' participation in the WEIM, regardless of whether they join EDAM.
- **Low cost to participate with no exit fees.** EDAM is built on an existing and proven infrastructure platform that minimizes costs to participate in the market and exit fees will not be imposed if the participant later chooses to leave the market.
- **Daily resource sufficiency evaluation compatible with different resource adequacy and resource planning programs in the West.** EDAM does not require participation in a specific resource adequacy program to share in the benefits of a market.
- **Maximizes transmission connectivity** to support efficient energy transfers among EDAM areas.
- **Supports compliance with different greenhouse gas (GHG) state regulatory programs** across the West through FERC-approved design.

EDAM launched May 2026 with the participation of the two PacifiCorp balancing authority areas and Portland General Electric (PGE) joins in fall 2026. Additional participants are committed to join EDAM in 2027 and beyond.

The Benefits of EDAM

The day-ahead market efficiently positions supply to meet forecasted demand across the EDAM footprint and identifies economic transfers between participating areas, providing reliability, economic, and environmental benefits for participating balancing areas and their utilities.

Reliability benefits: By improving visibility and awareness of conditions across the footprint, including supply availability, a regional day-ahead market positions a diverse set of resources to cost-effectively meet the next day's conditions. A diverse and broad supply pool also allows the market to better respond to changes in conditions and extreme weather events, effectively reducing operational risk and the frequency and magnitude of emergency conditions.

Economic benefits: Operational benefits result from reduced production costs and optimized commitment of the least-cost resources to meet demand. Since demand peaks vary for individual balancing areas across the West, the day-ahead market seeks to efficiently commit supply to meet peak needs of the whole footprint, which provides the economic savings in serving load.

Environmental benefits: When excess renewable production occurs in one balancing area in the regional day-ahead market, the energy can be used to meet demand elsewhere, reducing the need for renewable resource curtailment.

In a 2022 EDAM Benefits Study from Energy Strategies, the following benefits were calculated, incremental to the WEIM, from a West-wide Extended Day-Ahead Market:

- Total annual operational savings for the West would increase $543 million per year from reduced power production expenses – a 4.5% decrease from the status quo.
- Additional potential savings could accrue through lower and shared planning reserve requirements and harmonization in resource procurement programs, providing additional capacity savings up to $557 million per year in avoided investments.
- A West-wide EDAM would reduce CO_2 emissions by an estimated 2.92 million metric tons per year, equal to removing more than 634,000 vehicles from the road.
- If the full suite of EDAM benefits is realized, the entire West could save as much as $1.2 billion annually.

In addition to the ISO's study, each of the prospective EDAM participants have conducted studies which demonstrate that participation in EDAM would result in significant additional benefits, including increased cost savings, reduced renewable generation curtailments and a reduction in greenhouse gas emissions in the Western Electric Coordinating Council.

For more information about the western energy markets (WEIM and EDAM) and related governance and activities, please visit westernenergymarkets.com. If you'd like to speak with someone about these markets, please contact Melissa Skelton, Manager of Regional Coordination, at mskelton@caiso.com or (279) 766-1970.

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