California Independent System Operator Corporation

February 6, 2026

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

**Re: California Independent System Operator Corporation**
**Docket No. ER26-____-000**

**Tariff Amendment to support implementation of Day-Ahead Market Enhancements and Extended Day-Ahead Market Design**

Dear Secretary Reese:

The California Independent System Operator Corporation (CAISO) submits this tariff amendment to clarify several areas of the CAISO tariff related to its Day-Ahead Market Enhancement (DAME) and Extended Day-Ahead Market (EDAM) design.[1] These tariff revisions seek to correct errors, clarify existing practices, and resolve ambiguities. The revisions also address implementation issues that have arisen since the Commission accepted the DAME and EDAM design.[2] The changes proposed herein amend tariff language the Commission has accepted but that is not yet in effect.[3] For the sake of clarity, the CAISO plans to provide an effective date notice of the changes previously accepted and the changes proposed herein so that they take effect on the same day.

[1] The CAISO submits this filing pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d, and Part 35 of the Commission's Regulations, 18 C.F.R. Part 35. Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the CAISO tariff, and references herein to specific tariff sections are references to sections of the CAISO tariff unless otherwise specified.

[2] In this filing, the CAISO refers to the *DAME-EDAM tariff* for those provisions that the Commission has accepted but are not yet in effect and the *CAISO tariff* for those tariff changes that are in effect today.

[3] A consolidated version of the DAME-EDAM tariff the Commission previously accepted is available on the CAISO's website: https://www.caiso.com/documents/all-pending-tariff-language-for-edam-dame.pdf.

The CAISO submits these revisions in the same filing; each change is severable from the others and is just and reasonable on its own except for the transitional measures for CAISO intertie scheduling and modeling described in Sections II.A.i and II.A.ii. These provisions are not severable from each other and the Commission should consider them together. The CAISO respectfully requests the Commission issue an order accepting these changes no later than April 8, 2026, and authorize the CAISO to make them effective upon 7 days notice.

## I. Background

The CAISO is working to implement a major market change with introduction of DAME and EDAM on May 1, 2026.[4] Together, DAME and EDAM will transform and extend the day-ahead market framework to additional balancing authority areas in the Western Interconnection.

The DAME tariff changes establish two new products – imbalance reserves and reliability capacity – to address imbalances in the supply and load forecast between the day-ahead and real-time market. The CAISO will procure imbalance reserves up and imbalance reserves down to meet the range of expected imbalances between the day-ahead and real-time net load forecasts. The integrated forward market will co-optimize bids for energy, ancillary services, and both types of imbalance reserves in determining market awards, thus enhancing market efficiency. Similarly, the CAISO will procure reliability capacity up much the same as the capacity it procures today in its residual unit commitment process. The CAISO will also procure reliability capacity down, which represents new capacity procured to address scenarios where the day-ahead market awards too much energy relative to the day-ahead net load forecast. Procuring capacity in the downward direction works together with the upward capacity to inject more flexibility into the market and address potential oversupply in the real-time market.

EDAM will enable other balancing authority areas in the West to participate in a day-ahead market.[5] These tariff changes incorporate the enhancements proposed in the DAME initiative. Together, the tariff changes will support the optimal day-ahead commitment of a geographically diverse set of resources across an expanded market area, maximizing the use of available transmission capability and providing broad reliability and economic benefits.

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[4] *Cal. Indep. Sys. Operator Corp.,* 192 FERC ¶ 61,196 (2025); *Cal. Indep. Sys. Operator Corp.*, 190 FERC ¶ 61,097 (2025); *Cal. Indep. Sys. Operator Corp.*, 187 FERC ¶ 61,154 (2024); *Cal. Indep. Sys. Operator Corp.,* 186 FERC ¶ 61,170 (2024); *Cal. Indep. Sys. Operator Corp.,* 185 FERC ¶ 61,210 (2023).

[5] At EDAM go-live, the market will not procure ancillary services for balancing authority areas other than the CAISO. *See* DAME-EDAM tariff at section 33.31.2.2.

PacifiCorp plans to participate in the day-ahead market at the launch of EDAM on May 1, 2026.

For any major market initiative, particularly one with the scope of DAME and EDAM, it is typical to surface additional details and requirements during implementation work. The CAISO addresses most of these details through business practice manuals and associated operating procedures. However, some details and requirements necessitate tariff revisions because they implicate a rate, term, or condition of the underlying transmission service. In 2025, during market simulation activities designed to test functionality of new software and systems as well as implementation workshops, the CAISO and stakeholders identified the need to make various changes to the tariff. The CAISO appreciates its stakeholder community who have engaged in implementation discussions, raised questions, and have helped develop the changes presented herein.

## II. Proposed Tariff Revisions

In coordination with prospective EDAM Entities as well as market participants, the CAISO has identified several needed revisions to its DAME and EDAM tariff. Attachment C to this filing contains a table identifying each of the CAISO's proposed tariff changes. This attachment identifies each tariff section the CAISO proposes to change, the proposed change, and an explanation for the proposed change. The CAISO describes several of these changes below to provide additional context for revisions that have received stakeholder attention during the tariff stakeholder process. Where applicable, the CAISO provides references to its initial DAME and EDAM transmittal letter in which it discussed the topics of these tariff rule changes.[6] The changes include:

- Supporting intertie scheduling practices on a transitional basis for certain resources at CAISO interties that will become EDAM transfer locations, *i.e.,* EDAM internal interties.

- Maintaining on a transitional basis certain modeling practices for CAISO intertie transactions at EDAM and Western Energy Imbalance Market (WEIM) transfer locations.

- Clarifying that the fifteen-minute market and real-time dispatch will not economically re-optimize schedules from the hour ahead scheduling process (HASP) at EDAM and WEIM transfer locations.

[6] CAISO transmittal letter dated August 22, 2023 in Commission docket ER23-2686 (August 22, 20205 DAME-EDAM transmittal letter).

- Clarifying that Congestion Revenue Rights (CRR) funding contributions from EDAM transmission constraints will be set to zero at the start of EDAM for purposes of the CRR settlement process.

- Clarifying the effective date for the Greenhouse Gas (GHG) accounting provisions pertaining to the GHG Regulation Area of the State of Washington.

- Providing a day-ahead contingency analysis tool to EDAM Entities.

- Sharing information with EDAM Entities for purposes of balancing authority operations and administration of their transmission tariffs.

- Recognizing EDAM transmission service providers may adjust the application of a firm transmission rate charge if a transmission customer is unable to procure sufficient firm transmission service to support resource dispatch levels.

- Modifying price correction rules to address issues in which an EDAM Entity or EIM entity experience a market disruption.

## A. The CAISO proposes on a transitional basis to preserve the ability of market participants to bid at CAISO interties that are EDAM transfer locations as well as model those transactions as physical injections at interties

### i. The CAISO proposes on a transitional basis to preserve the ability of market participants to bid at CAISO interties that are EDAM transfer locations

EDAM allows for transfers between participating balancing authority areas in the day-ahead market. These transfers will occur at EDAM transfer locations or EDAM internal interties, which are interties between participating balancing authority areas. For the CAISO, interties with participating EDAM balancing areas will be within the EDAM market area and no longer serve as scheduling points for import bids into or export bids from the CAISO.[7] Instead, the CAISO will dispatch and settle CAISO and EDAM resources at their physical locations to support efficient energy transfers between the CAISO and EDAM Entity

[7] A scheduling point is a location in the base market model at which Scheduling Coordinators may submit Intertie Bids in the CAISO markets. (CAISO Tariff, Appendix A, Master Definition Supplement.)

balancing authority areas. To the extent transmission across an EDAM transfer location between balancing authority areas may have a scheduling limit that binds, the market will seek to re-dispatch resources to meet the obligations across the market footprint (*i.e.,* the EDAM area). This will result in price separation of the marginal energy component between the balancing area where the scheduling limit constraint is located and the rest of the EDAM market area.

At the outset of EDAM, the CAISO and PacifiCorp will have two EDAM transfer locations– one at Crag View with PacifiCorp West and the other at Mona with PacifiCorp East that will become internal EDAM interties.[8] They would no longer serve as scheduling points for the CAISO balancing authority area. During implementation discussions, stakeholders expressed concern that the elimination of scheduling points at CAISO interties with EDAM balancing authority areas will disrupt forward contracts for resource adequacy supply or resources supporting renewable portfolio standard transactions. Stakeholders were also concerned about disruption of commercial transactions to hedge the risk of congestion for such transactions.

The CAISO recognizes that transactions at CAISO interties reflect a significant volume of transactions among market participants and have supported efficient and reliable operations of the CAISO. The CAISO also recognizes the effort to implement DAME and EDAM involves implementing numerous market changes and may not have provided sufficient opportunity for market participants to modify existing commercial arrangements that depend upon or adjust approaches to conduct forward transactions at CAISO intertie locations. For these reasons, the CAISO is proposing a transitional measure that will allow scheduling coordinators representing non-resource specific system resources supporting resource adequacy or renewable portfolio standard transactions to continue to submit import bids at CAISO interties that are also EDAM internal interties, including Crag View and Mona.[9] Resource-specific bids seeking to

[8] The DAME-EDAM tariff defines an EDAM Internal Intertie as "A point of interconnection between the CAISO Balancing Authority Area or an EDAM Entity Balancing Authority Area and another Balancing Authority Area in the EDAM Area." In contrast, the DAME-EDAM tariff defines an EDAM External intertie as "A point of interconnection between the CAISO Balancing Authority Area or an EDAM Entity Balancing Authority Area and a Balancing Authority Area other than a Balancing Authority Area in the EDAM Area."

[9] Proposed addition to CAISO tariff section 30.5.2.4, which reads:

> A Scheduling Coordinator for a Non-Resource-Specific System Resource that is a Resource Adequacy Resource or that supports a renewable portfolio standard transaction and that has met the registration requirements set forth in the CAISO's Business Practice Manual may submit a Bid at an CAISO BAA EDAM Transfer location, if the Scheduling Coordinator does not the know the source of Non-Resource-Specific System Resource at time of Day-Ahead Market Bid submission or the source is otherwise outside of the EDAM Area.

support an EDAM transfer at these locations will bid and be settled at their physical resource locations.

Under this transitional measure, scheduling coordinators will register Resource IDs in the CAISO Master File for any non-resource specific system resources registered to support a resource adequacy plan or to fulfill renewable portfolio standard contract requirements. Thereafter, if the supply for that system resource comes from an EDAM balancing authority area supporting a resource adequacy showing, scheduling coordinators will need to reassign any non-resource specific system resources registered to support a resource adequacy plan to a specific resource or resources in the applicable EDAM balancing authority area prior to the operation of the day-ahead market.[10] This reassignment will facilitate the ability of the market to accurately identify supply resources supporting these transactions in order to allow the CAISO to administer its resource adequacy availability incentive mechanism and demonstrate compliance with applicable must offer obligations. If the scheduling coordinator does not know the identity of the resource or resources supporting these transactions before the day-ahead market, they may register a resource at the intertie location representing the non-resource specific source.[11] For transactions solely supporting a renewable portfolio standard contract, no requirement for reassignment would apply.

Supporting continued import bidding at the intertie transfer location on a limited basis will ensure the market continues to support delivery of existing arrangements important to reliability and provide continuity to California's resource adequacy program and renewable portfolio standard arrangements scheduled by market participants at those locations. The transitional measure recognizes that market participants need additional time to gain familiarity with the EDAM design and adjust any scheduling practices as necessary. To respect the need to support forward contracts and the financial positions of market participants, the CAISO plans to extend this transitional measure through at least the end of 2026. However, allowing broader intertie bidding at transfer locations between CAISO and PacifiCorp would undermine the effort to more efficiently dispatch resources across the EDAM market area. Intertie bidding at transfer locations between the CAISO and an EDAM balancing authority area that are EDAM internal interties undermines the ability to maximize transfers at those

[10] Revised CAISO tariff section 40.6.5.2

[11] Like today, in conjunction with scheduling at CAISO interties that are also EDAM transfer locations, the scheduling coordinator will need to ensure it secures adequate transmission service to the CAISO intertie. For those schedules not reassigned to resources within PacifiCorp's balancing authority area and that source from outside the EDAM market area, the scheduling coordinator will also need to ensure it has registered a system resource at a PacifiCorp intertie location and receive an associated ID under which to submit an import self-schedule at these locations to balance the day-ahead, or HASP imports to the CAISO balancing authority area. The registration of the system resource will be associated with the specific intertie.

locations, which are supported by the dispatch of market resources at physical locations. The energy schedules and bids of import resources at these interties may duplicate the energy schedules and bids of physical resources inside the EDAM balancing authority areas. The loss and congestion effects of these import schedules may also be duplicative, resulting in less accurate congestion management and marginal prices. Accordingly, allowing unfettered intertie bidding at transfer locations between the CAISO and an EDAM balancing authority area that are EDAM internal interties could degrade market efficiency and give rise to potential uplifts.

The CAISO intends to hold stakeholder discussions this year to further discuss intertie scheduling modeling. This effort will explore the mechanics of phasing out this transitional measure for schedules at the CAISO interties that are EDAM internal interties. This effort will include identifying the appropriate timeframe to phase out the transitional measure, which specific forward transactions may rely on existing scheduling points, and how market participants can adjust their commercial arrangements and scheduling practices under EDAM. The CAISO recognizes the importance of these discussions to provide market participants with the time and opportunity to identify potential changes to commercial arrangements and evolve their practices as the market moves to a more accurate modeling design for intertie transactions.

At EDAM go-live, the CAISO does not anticipate it will receive significant import schedules at either Crag View or Mona from non-resource specific system resources representing resource adequacy capacity. The year-ahead resource adequacy showings for 2026, which the CAISO received in fall 2025, did not show any entity proposing to use import capacity at these locations to meet resource adequacy requirements. These showings may well change during resource adequacy months in 2026; however, no entity has shown monthly resource adequacy supply for these locations in either January, February or March 2026. Based on monthly resource adequacy showings in 2025, the volumes of these transactions were small, *i.e.,* less than 100 MW during the summer months of July, August and September.

The Commission should accept this transitional scheduling measure. First, the DAME-EDAM tariff is not yet in effect, and this proposal provides an opportunity to make a temporary adjustment before implementation of the new market design. Second, the measure preserves flexibility on a transitional basis for market participants to schedule imports to the CAISO at existing intertie scheduling points. Third, the measure supports forward contracts that enhance electric reliability. Fourth, the measure provides market participants with time to gain a better understanding between current scheduling approaches for intertie resources and a more optimal EDAM design that will optimize transfers between participating balancing authority areas in the EDAM area by dispatching and settling transactions at resource locations. The transitional measure will also

allow market participants time to adjust commercial arrangements that may rely on current scheduling approaches for intertie resources.

**ii. The CAISO proposes on a transitional basis to continue modeling non-resource specific system resources as physical injections at CAISO scheduling points**

The EDAM design evolves the modeling of intertie transactions with the CAISO balancing authority area. Today, the CAISO generally models and prices intertie resources at scheduling points, which the network models as pricing nodes or aggregations of pricing nodes. This modeling approach is referred to as scheduling point intertie modeling, or SP-Tie modeling, which models energy injections as if they are sourced from a generator directly at the intertie location.

In contrast, schedules at interties of WEIM balancing authority areas are modeled based on the aggregate supply of the neighboring non-WEIM balancing authority area. This modeling approach more accurately models the source of the generation and the effect of flows on congestion. This modeling approach is referred to as generation aggregation point intertie modeling, or GAP-Tie modeling. Effectively, these intertie schedules are modeled as if the generation were sourcing from an aggregation of resources in that neighboring balancing authority area.

The current approach to modeling CAISO intertie transactions, which in the case of imports to the CAISO assumes a generator is located at an intertie, is comparatively less accurate for purposes of congestion management than Gap-Tie modeling. As a result, the modeling of power flows can give rise to a mismatch between scheduling transactions and actual energy injections at resource locations. In turn, market uplifts can arise between modeled and actual congestion. To improve the accuracy of modeled flows and congestion management, the EDAM design approved by the Commission extended the GAP-Tie modeling approach – currently used at WEIM interties –across the EDAM footprint at both EDAM interties and CAISO interties.[12]

Under the EDAM design, the CAISO proposed to deploy an aggregated generation pricing node to account for prices at CAISO and EDAM interties separately from the transfer locations between balancing areas in the market area.[13] Under this approach, the CAISO would model CAISO intertie

[12] DAME-EDAM tariff at Appendix C, Section A.8. More background on this proposal is set forth in the in the CAISO's August 22, 20205 DAME-EDAM transmittal letter at 176-179.

[13] As explained in Section II.A.i. of this transmittal letter, under the EDAM design, modeling of schedules and economic bidding at EDAM transfer locations is not necessary because resources within EDAM balancing areas are modeled at their physical location and submit bids in the market at their physical locations. The CAISO is proposing a transitional measure in its filing to continue to allow for bidding at CAISO interties that are EDAM transfer locations.

transactions for which it did not know the source of supply at either a default generation aggregation point or a generic generator aggregation point. The model would use a default generation aggregation point if the supply were sourced from an EDAM balancing authority area or a generic generation aggregation point if that information were not available. This modeling approach more accurately accounts for the location of the energy injections or energy withdrawals supporting the import or export transactions. Accordingly, this approach more accurately reflects the congestion management impacts of these transactions on the system, leading to more accurate pricing.

As EDAM implementation discussions progressed in 2025, stakeholders raised questions about how this modeling of intertie transactions on CAISO interties in EDAM might impact forward supply contracts that rely in part on market pricing as well as the how value of congestion revenue rights secured through the CAISO's allocation and auction mechanisms would hedge pricing risks for market participants. Intertie bidding on CAISO interties has and remains significant in comparison to other balancing authority areas participating in WEIM or planning to participate in EDAM. Stakeholders expressed concerns that they had limited time to evaluate, better understand, and adapt their commercial arrangements at CAISO interties ahead of EDAM launch in May 2026. Based on this feedback, the CAISO proposes, on a transitional basis, to continue modeling CAISO interties transactions as physical injections at scheduling point locations, *i.e.,* SP-Tie modeling, rather than shift to generation aggregation point modeling, *i.e.,* GAP-Tie modeling.

The CAISO will discuss the need for and the duration of this transitional measure with market participants through the same process it has proposed to address resource adequacy and renewable portfolio standard imports at CAISO interties that are EDAM transfer locations. This transitional measure will support EDAM launch by mitigating the potential for disrupting forward contracts. It will also provide further opportunities to discuss with stakeholders the benefits of accurate modeling of intertie schedules while seeking to preserve the market liquidity they provide. During the transitional period, the market design for intertie transactions will reflect the following modeling rules:

- For schedules at the CAISO interties with non-EDAM balancing areas, the CAISO will retain the existing modeling and bidding practices where schedules are modeled at the intertie location – as a direct injection of energy at that location - and are settled at that same location. The CAISO will not implement generation aggregation point modeling at these CAISO interties during the transitional period.[14] This transitional measure will align with the

[14] See proposed changes to Appendix C of the DAME-EDAM tariff, Section A.8.

modeling location of congestion revenue rights at these intertie locations for the calendar year 2026. In other words, the congestion revenue rights that participants have acquired and will acquire at the CAISO intertie locations with non-EDAM balancing authority area are modeled and aligned in the same way as intertie schedules thus providing fidelity with the congestion hedge represented by the congestion revenue right.

- For schedules at CAISO interties with EDAM Entities (EDAM internal interties or EDAM transfer locations), the CAISO will continue to recognize scheduling points at these transfer locations. The CAISO will model imports at these locations at the EDAM resource location(s) to which a scheduling coordinator assigns a resource adequacy schedule before day-ahead market clearing. Alternatively, if the scheduling coordinator represents it does not know the location of the resource supporting the transaction through the registration of a non-resource specific system resource at that intertie, the CAISO will model the schedule at a default generation aggregation point identified by the EDAM Entity either as sourcing from aggregated resource in the EDAM Entity's balancing authority area or from a non-market balancing authority area.

- For EDAM Entity interties (*i.e.,* PacifiCorp's interties with balancing authorities other than the CAISO), the CAISO will extend the current practice of modeling intertie schedules at generation aggregation points consistent with the approved EDAM tariff language.[15] This modeling has been in place since inception of the WEIM at these interties, and the Commission has accepted tariff revisions that recognize this modeling would apply when parties submit offers at those EDAM Entity intertie locations.[16]

The Commission should accept these transitional intertie modeling rules to allow the CAISO to work with market participants that have forward contracts or entered financial arrangements that reflect how the market models CAISO intertie transactions today. Again, the DAME-EDAM tariff is not yet in effect, and this proposal provides an opportunity to extend current modeling practices. Even though the accepted DAME and EDAM tariff modifications would have changed modeling practices at CAISO interties, the current approach remains a just and reasonable practice and has supported interchange transactions for many years.

[15] Appendix C of the DAME-EDAM tariff at Section A.8.

[16] *Id.*

The transitional rules will provide an opportunity for market participants to understand how use of the Gap-Tie modeling enhancements would impact their commercial activity at relevant CAISO interties. The process will permit a further stakeholder discussion of the implications of Gap-Tie modeling at CAISO interties as well as explore how and why it is important to enhance modeling practices, such as to reduce the potential for mismatches between modeled and actual power flows.

### B. The CAISO proposes to clarify how the fifteen-minute market and real-time dispatch will treat schedules cleared in HASP at EDAM and WEIM transfer locations

Intertie schedules continue to support market liquidity and reliability in the CAISO balancing authority area. The CAISO clears interties scales using HASP, which is an element of the real-time market that starts approximately 71.5 minutes before the trading hour and clears intertie bids and self-schedules.[17] Approximately 45 minutes before the trading hour, HASP produces advisory schedules for internal resources and binding hourly block energy schedules for imports and exports. HASP also produces advisory schedules for economic hourly block bids with an intra-hour option that allows scheduling coordinators to change their schedules for economic reasons once in the trading hour as well as advisory schedules for fifteen-minute dispatchable imports and exports.[18]

EDAM will allow the market to optimize transfers between participating balancing authority areas in the day-ahead timeframe. The real-time market will also support transfers between the CAISO, EDAM Entities, and WEIM Entities. These transfers will occur in the fifteen-minute market as well as in the five-minute dispatch. At the same time, the CAISO will continue to optimize intertie schedules into its balancing authority area and other balancing authority areas that support bids at their interties. For the CAISO, these schedules arise from hourly block intertie bids, economic hourly block bids with an intra-hour option, and fifteen-minute economic bids.

Implementing a fifteen-minute market allowed the CAISO to align prices for intertie transactions, internal generation, and load, thereby reducing real-time imbalance offset charges. However, given hourly scheduling practices throughout the Western Interconnection, the CAISO has continued to utilize the HASP to clear intertie schedules based on advisory locational marginal prices. These intertie schedules, which the CAISO models as injections at scheduling points, can still create a mismatch with actual power flows because the CAISO does not

[17] CAISO tariff section 34.2; *see also* Business Practice Manual for Market Operation at Section 7.1.1.

[18] CAISO tariff section 34.2.1.

have visibility on the actual operation of the physical resources supporting those schedules.

In conjunction with deploying EDAM, the CAISO will continue operating HASP as part of the real-time market. Scheduling coordinators will continue to submit real-time bids prior to the time HASP runs. The FMM will continue to establish locational marginal prices for all pricing nodes, including all scheduling points. Nevertheless, HASP intertie schedules will compete with economic transfers between EDAM balancing authority areas and WEIM balancing authority areas. From a market efficiency and power flow perspective, these interties schedules are inferior market instruments compared to economic transfers, which result from dispatch and settlement of market resources at the same time. In the case of HASP schedules, the market may not have granular information about the operation of the actual resources supporting the HASP schedule and the risk of mismatch or even double counting of supply can arise in market operations.

In this filing, the CAISO proposes to clarify that the fifteen-minute market and real-time dispatch market will not economically re-optimize schedules that clear HASP at interties between the CAISO, EDAM Entities or WEIM participants.[19] Intertie schedules clearing HASP reflect injections at the CAISO's intertie locations and may produce results that do not accurately account for power flows. As a result, the schedules may give rise to anomalous pricing outcomes that result in uplift. To help remedy this issue, the CAISO will use the schedules that clear HASP in the fifteen minute and real-time dispatch, subject to any intra-hour option or other adjustments pursuant to CAISO tariff section 34.[20] The Commission should accept this clarification because maintaining these schedules through the fifteen-minute market and real-time dispatch using the MWhs that clear HASP, subject to any adjustments, will help ensure that the market does not inadvertently dispatch resources supporting those quantities that are duplicative with resources modeled in EDAM or WEIM balancing authority areas as transfers. This approach will also allow market participants time to secure sufficient supply to support those quantities and submit relevant e-tags. After HASP clears these schedules, market participants may still adjust these schedules through E-tag adjustments, but the market will not economically re-optimize the quantity of the schedule. This approach balances preserving the market liquidity that intertie schedules provide with the practical challenges of modeling and optimizing those schedules alongside regional market transfers.

[19] Proposed addition to CAISO tariff section 34.2.1.

[20] Proposed addition to CAISO tariff section 34.4.

At EDAM go-live, this change will not impact dynamic schedules at CAISO interties from WEIM balancing authority areas.[21] The fifteen-minute market and real-time dispatch will continue to optimize these schedules at CAISO interties. Dynamic schedules model external supply as if the supply is an internal CAISO resource. These schedules are often associated with physical resources that are identified in a dynamic scheduling agreement for scheduling coordinators.[22] Allowing the fifteen-minute market and real-time dispatch to economically optimize these schedules remains an acceptable practice for the time being. For dynamic schedules at CAISO interties with EDAM balancing authority areas, the market will optimize these schedules at the EDAM physical resource locations.

For intertie schedules that clear HASP between the CAISO and non-WEIM balancing authority areas, the fifteen-minute market will continue to economically optimize fifteen-minute bids and dynamic intertie schedules as it does today. The CAISO will continue to work with market participants to evaluate the market's external resource participation model and evolve the design as participants gain experience in the day-ahead market and supply structures across the West continue to evolve.

### C. The CAISO proposes to clarify CRR funding contributions from EDAM transmission constraints will be set to zero at the start of EDAM for purposes of the CRR settlement process

The market design within the CAISO balancing area includes CRRs, which are financial instruments that market participants can acquire through a CAISO-administered allocation and auction process or through a secondary registration system.[23] CRRs are defined by their: (a) paired source and sink points on the transmission system; (b) designated megawatt (MW) quantity; and (c) term (e.g., a season or a month). As part of the financial settlement of CRRs, the CAISO calculates an hourly CRR congestion fund for every transmission constraint that is congested in the integrated forward market in a settlement period and settles CRRs based on the money available in the congestion funds that correspond to the constraints over which each CRR has modeled flow.

In 2025, the Commission accepted additional tariff revisions to take effect on EDAM go-live that address the allocation of congestion revenues among

[21] A dynamic schedule is a dynamic transfer in which the resource supplying the energy or ancillary services remains under the control of the host balancing authority – the balancing authority for the balancing area where the resource is interconnected to the electric system. Under a dynamic schedule, the host balancing authority includes the resource's output in its balancing of supply and demand.

[22] Appendix B.5 of the CAISO tariff.

[23] *See CAISO* tariff section 36 *et seq*.

balancing areas participating in EDAM.[24] Under these rules, congestion revenue from parallel flow on transmission constraints in an EDAM balancing authority area created by transactions in the CAISO balancing authority area are allocated to the EDAM balancing authority for further sub-allocation pursuant to its transmission tariff. When a CRR has modeled flow on an EDAM transmission constraint (*i.e.,* parallel flow) the CAISO balancing area will not be allocated the congestion revenue on that constraint to fund the CRR. That is because those funds are instead allocated to the EDAM balancing authority where the constraint is located.

In 2018, the CAISO implemented rules that only fund CRRs based on the congestion revenue collected on the transmission constraints over which the CRR has modeled flow.[25] Consistent with rules established then, the CAISO proposes to clarify in this filing that CRR funding contributions from EDAM constraints will be zero when EDAM goes live.[26] This clarification will ensure all parties are on notice that the congestion revenue arising from an EDAM transmission constraint is set to zero dollars for purposes of the CRR settlement process. Without this change, there could be a misimpression that the CAISO will allocate the same congestion revenue to two places (*i.e.*, a CRR holder and an EDAM balancing authority). Additional discussions on EDAM congestion revenue allocation policy development may result in the CAISO balancing area receiving congestion revenue associated with transmission constraints outside the CAISO balancing area.

### D. The CAISO proposes language to clarify the effective date for the GHG accounting provisions pertaining to the GHG Regulation Area of the State of Washington

The CAISO's EDAM and WEIM design accounts for the costs arising from state GHG accounting and reduction policies that price carbon. This includes factoring in GHG emission costs incurred for GHG regulatory compliance associated with power transactions, reflecting those costs in the CAISO's security constrained least-cost dispatch, and facilitating any required GHG reporting and verification processes. The design allows scheduling coordinators for resources to recover their cost of compliance with a state's carbon pricing policy and provides a mechanism to identify which scheduling coordinators are electricity importers into a GHG regulation area.[27]

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[24] *Cal. Indep. Sys. Operator Corp.,* 192 FERC ¶ 61,196 (2025).

[25] *Cal. Indep. Sys. Operator Corp., 165 FERC ¶ 61,085* (2018).

[26] Proposed change to CAISO tariff section 11.2.4.1.2.

[27] These rules are set forth in the CAISO's WEIM and EDAM tariff at sections 29.32 and 33.32. *See also,* August 22, 2025 DAME-EDAM transmittal letter at 160-176.

Scheduling coordinators for resources with a GHG regulation area, include their production costs associated with compliance with a state carbon pricing program within their energy bids and the CAISO has rules to reflect those costs in default energy bids. Scheduling coordinators for resources outside of a GHG regulation area submit bid adders to signal they are willing to serve load in a GHG regulation area to and to reflect the compliance costs with the state's carbon pricing program. Using bid adders, the market optimally attributes transfers into a GHG regulation area to EDAM resources and WEIM participating resources.[28] This design allows sellers of power to recover their production costs associated with compliance with a state program that prices carbon and also ensures that load outside of a GHG regulation area does not pay increased costs based on the state carbon pricing program.

When the CAISO submitted the tariff revisions to implement this element of the EDAM design, it coordinated with the State of California and the State of Washington, the two western states that price carbon. At the time, the State of Washington was working to revise its rules to account for electricity imports in the State of Washington's GHG regulation area from centralized electricity markets. The CAISO's design comports with rules the State of Washington has promulgated to apply a compliance obligation to specified electricity imports from centralized energy markets. In September 2025, however, the State of Washington provided guidance to advise market participants and market operators to prepare for attribution of specified imports in the State of Washington GHG regulation area beginning January 1, 2027.[29] For this reason, the CAISO is adding language to its tariff to state that the provisions of Section 29.32 and 33.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027.[30] The Commission should accept this language to ensure the CAISO tariff rules remain consistent with the State of Washington's carbon pricing program rules.

The practical effect of this language is that the market will not accept bid adders in EDAM or WEIM from scheduling coordinators for resources outside of the state of Washington's GHG regulation area after DAME and EDAM go into production until the first trading day of 2027. Accordingly, the market will not clear a GHG marginal cost for serving load in the State of Washington's GHG regulation area. Nor will the market attribute those resources as serving demand in the State of Washington or settle GHG payments to these resources. Consistent with the guidance provided by the State of Washington's Department of Ecology, the reporting entity for imports into the state of Washinton will remain

[28] *Cal. Indep. Sys. Operator Corp.,* 153 FERC ¶ 61,087.

[29] *See,* Guidance: Reporting rules for calendar year 2026 relevant to centralized electricity markets, Publication 25-14-065. Published September 3, 2025: https://apps.ecology.wa.gov/publications/documents/2514065.pdf

[30] *See* proposed change to tariff sections 29.32(a)(1) and 33.32.1.

the retail provider or market participant located or operating in Washington that receives a delivery of electricity facilitated through a centralized energy market. Starting January 1, 2027, the importer attributed by the market will become the reporting entity and must report both power and emissions associated with the attributed electricity. The importer will also be responsible for the compliance obligation associated with any reported emissions that are covered under the Cap-and-Invest Program. At this point, the market will accept GHG bid adders for the State of Washington regulation area, clear a GHG marginal cost for serving load in the State of Washington's GHG regulation area, and attribute transfers into the State of Washington GHG regulation area to EDAM and WEIM resources based on those resources' bid adders.

### E. The CAISO proposes to offer a day-ahead contingency analysis tool to EDAM Entities.

At the request of several prospective EDAM Entities, the CAISO proposes to offer a day-ahead contingency analysis tool for use by EDAM entity balancing area operators on a cost-of-service subscription basis. A day-ahead contingency analysis tool supports operators' efforts to identify potential transmission contingencies in the day-ahead timeframe and mitigate those risks. This tool can and does identify contingencies that often arise in real-time and therefore provides significantly more time to take steps to manage those risks. The service the CAISO proposes to offer is akin to the real-time contingency analysis tool that the CAISO currently offers operators in other balancing areas through its reliability coordinator function.[31]

The CAISO proposes that EDAM Entities may elect to take the service for an initial three-year term on a cost-of-service basis and then on an annual basis thereafter.[32] Once this election is made, the default will be to provide the service to the EDAM Entity unless it provides notice of termination. The fees are the ongoing software license fee, which will be passed through directly to the EDAM Entities, and charges set forth in the CAISO's most recently published report regarding the GMC and other rates, which will include a one-time implementation fee and an annual administrative charge for CAISO support of the day-ahead contingency analysis services.

The CAISO's proposed tariff language provides that EDAM Entities initially electing the service will pay for three years of services regardless of whether it

[31] CAISO tariff section 19.3 and Business Practice Manual for Reliability Coordinator Servies at Section 14.1: https://bpmcm.caiso.com/BPM%20Document%20Library/Reliability%20Coordinator%20Services/Reliability%20Coordinator%20Services%20BPM%20Version%203.docx.

[32] Proposed CAISO section 33.21.

takes day-ahead contingency analysis services for the entire three-year term. This commitment is appropriate to allow for appropriate planning to provision the tool and ensures cost recovery for resource commitments to make the tool available. Thereafter, the EDAM Entity will receive annual invoices for day-ahead contingency analysis services as described in the Business Practice Manual for EDAM. Payment for day-ahead contingency analysis services will be due within twenty-one business days of the invoice date. These terms provide transparent and straightforward means to obtain and continue to receive day ahead contingency analysis service.

The Commission should accept the CAISO's tariff language because this service will provide EDAM Entity balancing authority areas with access to similar tools the CAISO has available in managing its balancing area. This service will improve EDAM balancing area operation and is consistent with the overall objective of enhancing reliability through participation in the day-ahead market by balancing areas already participating in the WEIM.

### F. The CAISO proposes to share certain market information with WEIM Entities for purposes of balancing authority operations and administration of their transmission tariffs.

Foundational to the EDAM design is that entities, including the CAISO, will participate as balancing authority areas in a combined day-ahead market. The CAISO will not become the transmission service provider for EDAM Entities. This function will remain with the CAISO and EDAM Entities in their respective balancing authority areas, as is the case with the WEIM today. During implementation discussions, the CAISO and prospective EDAM Entities identified the need to ensure entities have adequate information to perform their respective functions and support readiness for participation in EDAM. Accordingly, the CAISO is proposing a tariff revision to authorize the CAISO to share market information with an EDAM Entity to the extent such information relates to the EDAM Entity's balancing authority area operations and is equivalent to information available to the CAISO balancing authority.[33] This information may include information contained in the market results interface (*e.g.,* contract reference numbers, scheduling priority of a market resource) and certain inter-scheduling coordinator trade information (identity of scheduling coordinators, trading location, market product trade). The CAISO will retain discretion as to what information it will share, if any, and is not proposing to share bids or other proprietary information that could be used to gain an unfair advantage in the market. The CAISO is not proposing any changes or exceptions to that Standard of Conduct for transmission service providers or EDAM Entities. Instead, the CAISO is seeking to ensure that a mechanism exists for EDAM Entities to fulfill

[33] Proposed CAISO tariff section 33.6.6.

their role as transmission service providers and correctly settle transactions under their respective open access transmission tariffs.

### G. The CAISO proposes to recognize that an EDAM transmission service provider may adjust the application of a firm transmission rate charge if a transmission customer is unable to procure sufficient firm transmission service to support resource dispatch levels.

The EDAM design requires that resources have sufficient transmission reserved under the respective transmission service provider's tariff to cover its market dispatch.[34] These requirements provide that an EDAM resource scheduling coordinator must obtain transmission service from an EDAM transmission service provider, which an EDAM resource scheduling coordinator may satisfy as follows:

(a) The EDAM Resource is a designated network resource under the terms of an EDAM Transmission Service Provider tariff,

(b) The EDAM Resource reserves firm point-to-point transmission service of any duration under the terms of an EDAM Transmission Service Provider tariff, or

(c) The EDAM Resource is associated with an EDAM Legacy Contract or an EDAM Transmission Ownership Right.

The purpose of these requirements is to ensure that EDAM resources have obtained adequate transmission service to support market operations and that an EDAM transmission service provider receives payment for the use of its transmission from resources with a real-time dispatch under the applicable EDAM transmission service provider's tariff, thus mitigating cost shifts. If an EDAM resource cannot secure required transmission before market clearing, the CAISO as the market operator will inform the EDAM Entity associated with the EDAM transmission service provider so that the EDAM transmission service provider may assess a transmission charge based on the transmission rate for the lowest duration of firm transmission service offered under its tariff, which may be a daily firm or hourly firm transmission service.

Notwithstanding these requirements, situations may still arise in which transmission customers cannot secure sufficient firm transmission from an EDAM transmission service provider to support their market awards in real-time. This may occur in instances in which an EDAM transmission service provider has insufficient firm transmission available. Based on information provided by PacifiCorp and its transmission customers, this situation has in fact occurred from time to time.

[34] EDAM Tariff at section 33.23.

Accordingly, the CAISO is proposing a tariff clarification that will allow an EDAM transmission service provider to adjust its transmission charge as appropriate when an EDAM resource cannot secure firm transmission service under the options specified in the EDAM tariff.[35]

This clarification will allow an EDAM transmission service provider to develop rules applicable to their transmission customers to provide an adjustment of its rate or settlement reconciliation to reflect a more appropriate charge, *e.g.,* considering the hourly non-firm rate sufficient or applying a different rate, if the transmission customer is unable to procure sufficient firm transmission service to meet this requirement. The commission should accept this tariff change because it will facilitate resources' participation in the market, which might otherwise not do so because they would face exposure to additional firm transmission charges. This will support participation in the market without undermining the revenue normally received by the transmission service provider, which will enhance market efficiency.

### H. The CAISO proposes to change the timing of its price correction process to address issues in which an EDAM Entity or EIM Entity experiences a market disruption.

The CAISO tariff includes a set of procedures that allow the CAISO to correct market prices that are invalid because of input errors, the failure of a market or component of a market to run in any given interval, or the miscalculation of a price in a manner that is inconsistent with tariff requirements.[36] The EDAM incorporated by reference these processes.[37]

The CAISO has developed processes to perform price validation, which include monitoring and ensuring prices accurately reflect system conditions. The CAISO has processes to validate prices coincident with performing market runs in the day-ahead timeframe that occur prior to the publication of market results and post-market price validation process for the real-time market. The timing to complete the price correction process depends on the applicable market.[38] For the day-ahead market, the price correction process ends no later than the end of the third business day following the trading day. For the real-time market, the price correction process ends no later than the end of the fifth business day following that trading day. Thereafter, posted prices are final and used for

[35] Proposed charge to EDAM tariff section 33.23.

[36] CAISO tariff section 35; Section 9.1 of the CAISO Business Practice Manual for Market Operations. *See also Cal. Indep. Sys. Operator Corp.* 132 FERC ¶ 61,269 (2010).

[37] EDAM tariff section 33.35.

[38] CAISO tariff section 35.2.

settlement purposes unless the CAISO needs to change them for specified reasons.[39]

Even in these cases, the CAISO must complete any such changes within twenty (20) business days of the affected trading day.[40] Thereafter, the CAISO will use the price posted on OASIS for settlement purposes. Based on experience with WEIM Entities involving market disruptions, this part of the process can be more difficult when the CAISO requires input from other transmission service providers. For this reason, as part of EDAM implementation, the CAISO proposes to clarify that for cases where the CAISO must remedy a price correction processing or publication issue arising from the separation or isolation from the market area of an EDAM Entity balancing authority area or WEIM Entity balancing authority area, the time to make any such changes will be within 30 business days of the affected trading day. This additional time will provide an opportunity to coordinate any input from WEIM Entities or EDAM Entities. The Commission should accept this change because it will promote valid prices for a WEIM and EDAM Entities, balanced with the need to reach price finality for settling transactions with their transmission customers.

## III. Stakeholder Process for this Tariff Amendment

As referenced, the CAISO is working with EDAM partners and market participants to implement its DAME and EDAM design. This effort is ongoing and includes market simulation, customer trainings, implementation workshops, development of business practice manuals, and parallel operations. The tariff revisions in this filing arise from these implementation efforts. The CAISO held multiple calls with stakeholders to discuss these tariff revisions and, in some cases, those calls and subsequent comments resulted in the CAISO modifying the list of changes presented here.[41] For example, in response to one stakeholder comment, the CAISO is proposing a tariff revision to clarify that the timing requirements for bid submission in the day-ahead market by market close

[39] The CAISO may change posted prices for a limited period of time in the following cases: (1) the price correction affects a large number of market intervals; (2) a software or hardware issue impeded the CAISO from processing price corrections or publishing the corrected prices by the end of the required timeframes; (3) a limitation, failure or error in implementing a business process that causes the publication of an incorrect price that is either corrected erroneously, or left uncorrected within required timeframes; or (4) complex manual corrections. *See* CAISO tariff section 35.3.

[40] CAISO tariff section 35.3.2.

[41] More information about the CAISO's tariff stakeholder process is available on the CAISO website: https://stakeholdercenter.caiso.com/RecurringStakeholderProcesses/Tariff-Clarification-Filings-2025.

extends to bids for reliability capacity and imbalance reserves.[42] Based on feedback from other stakeholders, the CAISO is maintaining language in the tariff that specifies the time by which the CAISO or an EDAM Entity may elect to enable the net export EDAM transfer constraint for its balancing authority area on the day before the trading day.[43] The CAISO briefed the CAISO Board of Governors and WEIM Governing Body on the need for these tariff revisions during their December 2025 joint meeting.

The CAISO held several stakeholder implementation workshops and trainings in 2025 to discuss intertie scheduling and modeling rules. These meetings were widely attended, spurred numerous questions, and resulted in the CAISO proposing the transitional intertie scheduling and modeling rules in this filing. In connection with these rule changes, one stakeholder suggested the market should apply scheduling point modeling of intertie schedules at EDAM and WEIM Entity interties, *i.e.,* as injections of energy at that intertie location, rather than using generator aggregation points to model those transactions. The CAISO explained that such an approach would also change the modeling practice for WEIM Entity interties in place since inception of the WEIM. Such a change would be a step in the wrong direction to enhance the accuracy of modeling power flows and performing congestion management more effectively through the market. On January 30, 2026, the CAISO held a further stakeholder discussion and posted a frequently asked questions document to support market participants as they prepare for EDAM implementation in May 2026.[44] The CAISO has scheduled a further training on these topics on February 11, 2026.[45]

## IV. Effective Date and Request for Order

The CAISO respectfully requests the Commission issue an order accepting these changes no later than April 8, 2026, and allow the CAISO to make them effective upon 7 days' notice. The CAISO anticipates providing such notice to make these tariff revisions effective on May 1, 2026. The CAISO respectfully requests that the Commission issue an order accepting the tariff revisions by April 8, 2026. Receipt of an order by this date will support the readiness determinations of the CAISO and PacifiCorp prior to DAME-EDAM implementation on May 1, 2026.

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[42] Proposed change to CAISO tariff section 30.1.1

[43] The EDAM transfer constraint is a configurable constraint to permit a Balancing Authority Area in the EDAM Area to enable an hourly limit on the amount of net EDAM Transfer exports. *See* EDAM tariff at section 33.31.3.

[44] A copy of this frequency asked questions document is available on the CAISO's website: https://caiso.bravais.com/s/442/CAISO_com.

[45] *See* Market Notice issued February 4, 2025: https://www.caiso.com/meetings-events/calendar/extended-day-ahead-market-edam-training-for-intertie-scheduling-readiness-feb-11-2026-0100-pm.

## V. Communications

Under Rule 203(b)(3),[46] the CAISO respectfully requests that all correspondence and other communications about this filing be served upon:

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## VI. Service

The CAISO has served copies of this filing on 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 a copy of the filing on the CAISO website.

## VII. Contents of this filing

Besides this transmittal letter, this filing includes these attachments:

| | |
|---|---|
| Attachment A | Clean CAISO tariff sheets |
| Attachment B | Redlined CAISO tariff sheets |
| Attachment C | Table of tariff revisions with accompanying rationale |

[46] 18 C.F.R. § 385.203(b)(3).

## VIII. Conclusion

The CAISO respectfully requests that the Commission issue an order accepting the tariff revisions in this filing by April 8, 2026, and authorize the CAISO to make them effective upon seven days' advance notice. The tariff revisions support implementation for a significant day-ahead market changes and integrating additional balancing authorities in the Westen Interconnection into day ahead market operations.

Respectfully submitted,

***/s/ Andrew Ulmer***
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**Attachment A – Clean Tariff Sheets**

**Tariff Amendment – Support Implementation of DAME/EDAM**

**California Independent System Operator Corporation**

**February 6, 2026**

## Section 11

* * * * *

### 11.2 Settlement of Day-Ahead Market Transactions

All transactions in the IFM and RUC as specified in the Day-Ahead Schedule, AS Awards and RUC Awards, respectively, are financially binding and will be settled based on the Day-Ahead LMP, ASMP or RUC Price for the relevant Location for the specific resource or transaction identified for the Bid. The CAISO will settle the costs of Demand, Energy, Imbalance Reserves, Reliability Capacity, or Ancillary Services as separate Settlement charges and payments for each Settlement Period as appropriate.

#### 11.2.1 IFM Settlements

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##### 11.2.1.8 Charges for Unavailable Imbalance Reserves

As provided in this Section 11.2.1.8, the CAISO charges resources with Imbalance Reserves Awards when some portion of the Imbalance Reserves Award is unavailable to the CAISO. Charges assessed pursuant to this Section 11.2.1.8 for unavailable IRU and IRD awards are subtracted from the separate allocations of IRU and IRD costs, respectively, pursuant to Section 11.2.1.9.

###### 11.2.1.8.1 Charges for Unavailable IRU awards

A resource's unavailable IRU quantity is the amount, if any, by which the resource's Day-Ahead Schedule for Supply plus Ancillary Services Awards other than for Regulation Down plus the IRU award exceeds the resource's Upper Economic Limit as adjusted by applicable Outages in the FMM. Provided, however, the unavailable IRU quantity is capped at the IRU award minus the Five-Minute Imbalance Reserve Quantity. The CAISO charges a resource with an unavailable IRU quantity the product of the unavailable quantity and the higher of the FMM Flexible Ramp Up Price or the resource's Locational IRU Price.

###### 11.2.1.8.2 Charges for Unavailable IRD awards

A resource's unavailable IRD quantity is the amount, if any, by which the resource's Lower Economic Limit as adjusted by applicable Outages in the FMM exceeds the resource's Day-Ahead Schedule for

Supply minus the Ancillary Services Awards for Regulation Down minus the IRD award. Provided, however, the unavailable IRD quantity is capped at the IRD award minus the Five-Minute Imbalance Reserve Quantity. The CAISO charges a resource with an unavailable IRD quantity the product of the unavailable quantity and the higher of the FMM Flexible Ramp Down price or the resource's Locational IRD Price.

**11.2.1.8.3 Priority of Charges When a Resource is Unavailable for both Imbalance Reserves and Reliability Capacity**

For Settlement Periods in which a resource receives both a RUC Award and Imbalance Reserves Award and is unavailable in the RTM, or only bids a portion of its combined award in the RTM, the CAISO first applies charges per Section 11.2.2.2 to the quantity of unavailable Reliability Capacity and then applies charges per this Section 11.2.1.8 to the remaining unavailable capacity. If a resource has an Ancillary Services Award, RUC Award, and Imbalance Reserves Award in the same Settlement Period and is unavailable in the RTM, then the CAISO first determines any unavailable quantities pursuant to this Section 11.2.1.8.3 and then applies the rescission rules in Section 11.10.9.

**11.2.1.9 Allocation of Imbalance Reserves Costs** The CAISO allocates the separate costs of IRU and IRD through distinct two-tiered allocations. For IRU, the costs allocated include the direct costs of procuring IRU, as reflected by the summation of the product of each Imbalance Reserves Award for IRU and its Locational IRU Price, and the congestion revenue calculated per Section 31.3.1.6.4 from transmission constraints binding in the up deployment scenario for Imbalance Reserves. For IRD, the costs allocated include both the direct costs, as reflected by the summation of the product of each Imbalance Reserves Award for IRD and its Locational IRD Price, of procuring IRD and the congestion revenue calculated per Section 31.3.1.6.4 from transmission constraints binding in the down deployment scenario for imbalance reserves.

A Scheduling Coordinator's allocation of IRU costs in tier 1 is the product of its IRU tier 1 cost allocation quantity, as specified in Section 11.2.1.9.1, and its IRU tier 1 cost allocation price, as specified in Section 11.2.1.9.3. A Scheduling Coordinator's allocation of IRD costs in tier 1 is the product of its IRD tier 1 cost allocation quantity, as specified in Section 11.2.1.9.2, and its IRD tier 1 cost allocation price, as specified in Section 11.2.1.9.4.

The CAISO allocates the costs of Imbalance Reserves procurement not recovered through the IRU or IRD tier 1 cost allocations to Scheduling Coordinators in Tier 2 in proportion to their metered Demand in the interval for which the CAISO procured the Imbalance Reserves.

The CAISO excludes from tier 1 and tier 2 allocations for both IRU and IRD the valid and balanced portion of ETC and TOR self-schedules based on the market (IFM or RTM) in which the Scheduling Coordinator reflected the ETC or TOR self-schedules. The CAISO does not exclude from the Imbalance Reserves cost allocations any quantities above the valid and balanced portion of ETC or TOR self-schedules.

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**11.2.4 CRR Settlements**

The CAISO will pay or charge CRR Holders as further specified in this Section 11.2.4 and its subsections.

* * * * *

**11.2.4.1.2 Calculation of Hourly CRR Congestion Fund**

The CAISO calculates an Hourly CRR Congestion Fund for every Transmission Constraint in the CAISO BAA that is congested in the IFM in a Settlement Period. The Hourly CRR Congestion Fund specific to a particular binding Transmission Constraint in a given Settlement Period is the sum of the: (a) portion of the IFM Congestion Charge in that Settlement Period attributable to congestion on the Transmission Constraint to which the Hourly CRR Congestion Fund corresponds; (b) charges specific to the Transmission Constraint calculated pursuant to Section 11.2.4.4.1; and (c) CRR revenue adjustments the CAISO may make pursuant to Sections 11.2.4.6 or 11.2.4.7 that are associated with the Transmission Constraint. Part (a) does not include funds needed to make a Congestion difference allocation to an EDAM Entity Balancing Authority Area as specified in Section 33.11.1.2.1. The Hourly CRR Congestion Fund for a Transmission Constraint in an EDAM Entity Balancing Authority Area is set to zero dollars ($0).

* * * * * *

### 11.5.4 Imbalance Energy Pricing; Non-Zero Offset Amount Allocation

#### 11.5.4.1 EIM Transfers and Offset Allocations

EIM Transfer revenue will be collected when one Balancing Authority Area in the EIM Area provides Energy to another Balancing Authority Area in the EIM Area and the associated EIM Transfer System Resource prices differ. Congestion revenue will be collected when a Transmission Constraint or intertie scheduling limit binds at different locations of the transmission system and the LMP varies across a Balancing Authority Area in the EIM Area and across FMM and RTD LMPs from source to sink within and across the EIM Area. The CAISO will collect neutrality amounts to recover differences between Real-Time Market payments made and Real-Time Market payments received within Balancing Authority Areas in the EIM Area. The CAISO will allocate EIM Transfer revenue, Real-Time Congestion revenue, and offsets to an EIM Entity Balancing Authority Area or the CAISO Balancing Authority Area as provided below.

* * * * * *

**11.5.4.1.5 EIM Transfer Revenue.**

(a) **Calculation.** The CAISO will calculate EIM Transfer revenue when the net EIM Transfer scheduling limit is reached in the Real-Time Market as the separation of the Marginal Energy Cost of the binding Balancing Authority Area in the EIM Area from the Marginal Energy Cost of an adjacent Balancing Authority Area in the EIM Area that is attributed to an EIM Transfer System Resource.

(b) **Allocation.** The CAISO will allocate EIM Transfer revenue by dividing the revenue equally to the Balancing Authorities on each side of the EIM Transfer as defined by the Balancing Authority Area boundary at that intertie, except when the CAISO has been notified during the implementation of the Real-Time Market within an EIM Entity Balancing Authority Area of an agreement between both EIM Entities on either side of a EIM Transfer that a different allocation for some portion of the transfer revenue is required to give effect to a pre-existing commercial arrangement, which will then be sub-allocated–

(1) for the CAISO Balancing Authority Area in accordance with the CAISO Tariff in the CAISO Balancing Authority Area, including allocation to Scheduling Coordinators for Existing Contract rights and Transmission Ownership Rights holders consistent with the terms of the agreements concerning use of the transmission facilities supporting the EIM Transfer;

(2) for an EIM Entity Balancing Authority Area that does not participate in the Day-Ahead Market in accordance with the associated EIM Transmission Service Provider tariff; and

(3) for an EIM Entity Balancing Authority Area that participates in the Day-Ahead Market depending on whether the transmission across an EIM Intertie is made available by: (a) an EDAM Entity pursuant to Section 33.18.2, 2.1 or Section 33.18.2.2.3, in which case the CAISO will allocate the EIM Transfer revenue to the EIM Entity Scheduling Coordinator for further allocation by the EIM Transmission Service Provider in accordance with its tariff, (b) an EDAM Transmission Service Provider customer pursuant to Section 33.18.2.2, in which case the CAISO will allocate the EIM Transfer revenue directly to the Scheduling Coordinator for the EDAM Transmission Service Provider customer, or (c) an EDAM Legacy Contact or EDAM Transmission Ownership Right pursuant to Section 33.18.2.2.2, in which case the CAISO will allocate the EDAM Transfer revenue to the Scheduling Coordinator for the EDAM Legacy Contact or EDAM Transmission Ownership Right holder, respectively.

* * * * * *

**11.8.6.5 Allocation of RUC Compensation Costs**

**11.8.6.5.1 Calculation of RUC Compensation Costs**

For each Trading Hour of the RUC, the CAISO shall calculate the RUC Compensation Costs separately

for RCU and RCD as the sum of the RUC Availability Payments for either RCU or RCD. The RUC Compensation Costs for RCU additionally include the hourly Net RUC Bid Cost Uplift.

#### 11.8.6.5.2 Calculation of the Hourly Net RUC Bid Cost Uplift

For each Trading Hour of the RUC, the hourly Net RUC Bid Cost Uplift is determined as the sum over the Settlement Intervals in that Trading Hour of the product of any positive Net RUC Bid Cost Uplift remaining in the Settlement Interval after the sequential netting in Section 11.8.6.2 and the application of the uplift ratio as determined in Section 11.8.6.3. Scheduling Coordinators for MSS Operators that are non-Load following and under gross Settlement receive the allocation of hourly Net RUC Bid Cost Uplift like all other Scheduling Coordinators.

#### 11.8.6.5.3 Allocation of the RUC Compensation Costs

The CAISO allocates the sum of the RUC Compensation Costs as specified below. A Scheduling Coordinator's allocation of RCU costs in tier 1 is the product of the RCU tier 1 cost allocation quantity, as specified in Section 11.8.6.5.3.1, and the RCU tier 1 cost allocation price, as specified in Section 11.8.6.5.3.3.

A Scheduling Coordinator's allocation of RCD costs in tier 1 is the product of the RCD tier 1 cost allocation quantity, as specified in Section 11.8.6.5.3.2, and the RCD tier 1 cost allocation price, as specified in 11.8.6.5.3.4.

The CAISO allocates the costs of Reliability Capacity procurement not recovered through the RCU or RCD tier 1 cost allocations to Scheduling Coordinators in proportion to their metered Demand in the Trading Hour for which the CAISO procured the Reliability Capacity.

##### 11.8.6.5.3.1 RCU Tier 1 Cost Allocation Quantity

A Scheduling Coordinator's total RCU tier 1 cost allocation quantity is the sum of the tier 1 quantities, specified as follows.

For a Scheduling Coordinator with net Virtual Supply Awards in a Trading Hour, the RCU tier 1 cost allocation quantity associated with its Virtual Supply is the higher of: (a) zero; or (b) the Scheduling Coordinator's net Virtual Awards, if the Balancing Authority Area in which that Scheduling Coordinator is located has net Virtual Supply.

For a Scheduling Coordinator with under-scheduled Load in a Trading Hour, the RCU tier 1 cost

allocation quantity associated with its under-scheduled Load is the net negative metered Demand, excluding net negative Demand associated with balanced ETC/TOR rights and negative deviation for Participating Load resulting from a market dispatch.

#### 11.8.6.5.3.2 RCD Tier 1 Cost Allocation Quantity

A Scheduling Coordinator's total RCD tier 1 cost allocation quantity is the sum of the tier 1 quantities, specified as follows.

For a Scheduling Coordinator with net Virtual Demand Awards in a Trading Hour, the RCD tier 1 cost allocation quantity associated with its Virtual Demand is the lower of: (a) zero; or (b) the Scheduling Coordinator's net Virtual Awards, if the Balancing Authority Area in which that Scheduling Coordinator is located has net Virtual Demand.

For a Scheduling Coordinator with over-scheduled Load in a Trading Hour, the RCD tier 1 cost allocation associated with its over-scheduled Load is the net positive metered Demand, excluding net positive demand associated with balanced ETC/TOR rights and positive deviation for Participating Load resulting from a market dispatch.

#### 11.8.6.5.3.3 RCU Tier 1 Cost Allocation Price

The RCU tier 1 cost allocation price for a Trading Hour is the lower of: (a) the RUC Compensation Costs for RCU, as adjusted by payment rescissions applied per Section 11.2.2.2, divided by the total MWs of RCU awards; and (b) the RUC Compensation Costs for RCU to meet Measured Demand divided by the sum of each Scheduling Coordinator's RCU tier 1 cost allocation quantity in that Trading Hour.

#### 11.8.6.5.3.4 RCD Tier 1 Cost Allocation Price

The RCD tier 1 cost allocation price for a Trading Hour is the lower of: (a) the RUC Compensation Costs for RCD, as adjusted by payment rescissions applied per Section 11.2.2.2, divided by the total MWs of RCD awards; and (b) the RUC Compensation Costs for RCD to meet Measured Demand divided by the sum of each Scheduling Coordinator's RCD tier 1 cost allocation quantity in that Trading Hour

#### 11.8.6.5.3.5 Reliability Capacity Cost Allocation to MSSs

The CAISO allocates costs of Reliability Capacity to a MSS the same as any other Scheduling Coordinator irrespective of the MSS's election, per Section 4.9.13, of net Settlements or gross Settlements.

The CAISO does not allocate costs of Reliability Capacity from either tier 1 or tier 2 to a MSS that has elected, per Section 4.9.13, to Load follow with its generating resources.

#### 11.8.6.5.3.6 Reliability Capacity Cost Allocation to Holders of ETCs or TORs

The CAISO excludes from tier 1 and tier 2 allocations for both RCU and RCD the valid and balanced portion of ETC and TOR self-schedules based on the market (IFM or RTM) in which the Scheduling Coordinator reflected the ETC or TOR self-schedules. The CAISO does not exclude from the Reliability Capacity cost allocations any quantities above the valid and balanced portion of ETC or TOR self-schedules.

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### 11.22.8 Scheduling Coordinator ID Charge

The Scheduling Coordinator ID Charge for each Scheduling Coordinator is $1,500.00 per month, per Scheduling Coordinator ID Code for any Trading Month in which the Scheduling Coordinator has market activity. The Scheduling Coordinator ID Charge is subject to adjustment as described in Appendix F, Schedule 1, Part A. The CAISO will credit amounts recovered through the Scheduling Coordinator ID Charges against the revenue requirement for Market Services Charges as described in Appendix F, Schedule 1, Part A. This Scheduling Coordinator ID Charge will not be assessed to a Scheduling Coordinator ID Code issued for the sole purpose of representing an EDAM Resource or a wheeling through transaction located in an EDAM Balancing Authority Area that sources from or sinks to the EIM Balancing Authority Area where the EIM Entity Scheduling Coordinator is affiliated with the EDAM Resource or wheeling through transaction.

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## Section 29

### 29. Energy Imbalance Market

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## 29.17 EIM Transmission System

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(g) **EIM Transfer Schedule Cost.**

(1) **In General.** The CAISO's Security Constrained Economic Dispatch in the Fifteen Minute Market and Real-Time Dispatch shall use an EIM Transfer schedule cost associated with EIM Transfers at each EIM Internal Intertie to determine the optimal scheduling path for EIM Transfers, which in all intervals shall be less than $0.01.

(2) **Objectives.** The CAISO shall use the lowest EIM Transfer schedule cost determined based upon the objectives of –

(A) maximizing the use of the transmission capacity made available for EIM Transfers in both the Fifteen-Minute Market and Real-Time Dispatch;

(B) minimizing the number of E-Tags required to comply with the WECC scheduling practices; and

(C) minimizing the impact of outages or curtailments on the E-Tags used to account for EIM Transfers based on historical outage and curtailment data for each EIM Internal Intertie.

(3) **EIM Transfer Schedule Cost Publication.** The CAISO will publish the EIM Transfer schedule cost associated with each EIM Internal Intertie.

(4) **EIM Transfer Schedule Cost Adjustment.** The CAISO may adjust the EIM Transfer schedule costs to maintain the path priorities established by the criteria in Section 29.17(g)(2) when an EIM Entity Balancing Authority Area is added or subtracted from the EIM Area, as seasonal transmission system ratings change, or the transmission system topology changes.

(5) **Locational Marginal Price.** The CAISO will reflect the EIM Transfer schedule cost in the Marginal Cost of Congestion.

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**29.32 Greenhouse Gas Regulation and GHG Bid Adders.**

**(a) GHG Bid Adders.**

**(1) In General.** EDAM Resource Scheduling Coordinators, EIM Participating Resource Scheduling Coordinators, and Scheduling Coordinators for resources within the CAISO Balancing Authority Area will have an opportunity to recover costs of compliance with GHG regulations adopted by a state jurisdiction that has priced GHG emissions as part of a state GHG reporting and reduction program. The provisions of Section 29.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027.

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## Section 30

### 30.1 Bids, Including Self-Schedules

Scheduling Coordinators shall submit Bids to participate in the CAISO Markets, as well as any Self-Schedules, ETC Self-Schedules, TOR Self-Schedules, or Self-Provided Ancillary Services. Bidding rules for each type of resource are contained in this Section 30 and additional specifications regarding bidding practices are contained in the Business Practice Manuals posted on the CAISO Website. Bids will consist of various components described in this Section 30 through which the Scheduling Coordinator provides information regarding the parameters and conditions pursuant to which the Bid may be optimized by the CAISO Markets.

#### 30.1.1 Day-Ahead Market

Bids submitted in the DAM apply to the twenty-four (24) hours of the next Trading Day (23 or 25 hours on

the Daylight Savings transition days) and are used in both the IFM and RUC. Bids must be received by Market Close for the Day-Ahead Market. The Bids shall include information for each of the twenty-four (24) Settlement Periods of the Trading Day. Failure to provide the information within the stated time frame shall result in the Bids being declared invalid by the CAISO. Scheduling Coordinators may submit Bids for the DAM as early as seven (7) days ahead of the targeted Trading Day.

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**30.5 Bidding Rules**

**30.5.2 Supply Bids**

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**30.5.2.4 Supply Bids for System Resources**

In addition to the common elements listed in Section 30.5.2.1, Supply Bids for Resource-Specific System Resources shall also contain Start-Up Bids and Minimum Load Bids. Resource-Specific System Resources are subject to the Proxy Cost methodology or the Registered Cost methodology for Default Start-Up Bids and Default Minimum Load Bids as provided in Section 30.4, and Transaction ID as created by the CAISO. Other System Resources are not eligible to recover Start-Up Costs and Minimum Load Costs. Resource-Specific System Resources are eligible to participate in the Day-Ahead Market on an equivalent basis as Generating Units and are not obligated to participate in RUC or the RTM if the resource did not receive a Day-Ahead Schedule unless the resource is a Resource Adequacy Resource. A Scheduling Coordinator for a Non-Resource-Specific System Resource that is a Resource Adequacy Resource or that supports a renewable portfolio standard transaction and that has met the registration requirements set forth in the CAISO's Business Practice Manual may submit a Bid at an CAISO BAA EDAM Transfer location, if the Scheduling Coordinator does not the know the source of Non-Resource-Specific System Resource at time of Day-Ahead Market Bid submission or the source is otherwise outside of the EDAM Area. If the Resource-Specific System Resource is a Resource Adequacy

Resource, the Scheduling Coordinator for the resource is obligated to make it available to the CAISO Market as prescribed by Section 40.6. Dynamic Resource-Specific System Resources are also eligible to participate in the RTM on an equivalent basis as Generating Units. The quantity (in MWh) of Energy categorized as Interruptible Imports (non-firm imports) can only be submitted through Self-Schedules in the Day-Ahead Market and cannot be incrementally increased in the RTM. Bids submitted to the Day-Ahead Market for ELS Resources will be applicable for two days after they have been submitted and cannot be changed the day after they have been submitted. Bids for System Resources that exceed the Soft Energy Bid Cap are subject to the rules in Sections 30.7.12, as applicable.

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**30.5.2.8 RUC Availability Bids**

Scheduling Coordinators may submit RUC Availability Bids to seek a RUC Award. Scheduling Coordinators submit separate RUC Availability Bids for RCU and RCD. For Multi-Stage Generating Resources, the RUC Availability Bids shall be submitted at the MSG Configuration. The RUC Availability Bid is a MW quantity in $/MW per hour. The quantity of a RUC Availability Bid for RCU or RCD cannot exceed the lower of the following two values: (1) the resource's 60-minute ramp capability; or (2) the Upper Economic Limit. In the case of Non-Generator Resources, however, the quantity of a RUC Availability Bid for RCU or RCD cannot exceed the lower of: (1) the resource's 60-minute ramp capability; or (2) the difference between the Upper Economic Limit and the Lower Economic Limit. The value for the $/MW per hour component of the Bid must be between 0 and 250.

Resources offering Economic Bids for Energy to the IFM must submit a RUC Availability Bid for RCU at a quantity no less than the quantity of the Economic Bid for Energy.

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**30.5.8.2 Real-Time Market.**

Scheduling Coordinators may submit Export Bids and Bids for Non-Resource-Specific System Resources above the Soft Energy Bid Cap, not to exceed the Hard Energy Bid Cap, for any Trading Hour of the Real-Time Market in which

(a) The conditions in Section 30.5.8.1 applied to the same Trading Hour of the Day-Ahead Market; or

(b)

(1) The CAISO has accepted a Bid for the applicable Trading Hour of the Real-Time Market with an Energy Bid price that exceeds the Soft Energy Bid Cap pursuant to Section 30.7.12, not including Bids from Reliability Demand Response Resources, or

(2) the Maximum Import Bid Price exceeds the Soft Energy Bid Cap

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**30.7 Bid Validation**

The CAISO shall validate submitted Bids pursuant to the procedures set forth in this Section 30.7 and the rules set forth in the Business Practice Manuals.

**30.7.1 Scheduling Coordinator Access**

Each Scheduling Coordinator will be provided access to the CAISO's secure communication system to submit, modify and cancel Bids prior to the close of both the DAM and RTM, as specified in Section 30.5.1. The CAISO shall provide information regarding submitted Bids including, but not be limited to, the following: (i) notification of acceptance; (ii) notification of validation; (iii) notification of rejection; (iv) notification of status; (v) notification of submission error(s); and (vi) default modification or generation of Bids, including as further provided below, if any, on behalf of Scheduling Coordinators.

**30.7.2 Timing of CAISO Validation**

Once a Bid is submitted to the CAISO Markets, the Bid is available for validation, which is conducted in multiple steps. Clean Bids will be generated after Market Close.

**30.7.3 Day-Ahead Market Validation**

### 30.7.3.1 Validation Prior to Market Close and Master File Update

The CAISO conducts Bid validation in three steps:

**Step 1:** The CAISO will validate all Bids after submission of the Bid for content validation which determines that the Bid adheres to the structural rules required of all Bids as further described in the Business Practices Manuals. If the Bid fails any of the content level rules the CAISO shall assign it a rejected status and the Scheduling Coordinator must correct and resubmit the Bid.

**Step 2:** After the Bids are successfully validated for content, but prior to the Market Close of the DAM, the Bids will continue through the second level of validation rules to verify that the Bid adheres to the applicable CAISO Market rules and if applicable, limits based on Master File data. If the Bid fails any level two validation rules, the CAISO shall assign the Bid as invalid and the Scheduling Coordinator must either correct or resubmit the Bid.

**Step 3:** If the Bid successfully passes validation in Step 2, it will continue through the third level of validation where the Bid will be analyzed based on its contents to identify any missing Bid components that must be present for the Bid to be valid consistent with the market rules contained in Article III of this CAISO Tariff and as reflected in the Business Practice Manuals. At this stage the Bid will either be automatically modified for correctness and assigned a status of conditionally modified or modified, or if it can be accepted as is, the Bid will be assigned a status of conditionally valid, or valid. A Bid will be automatically modified and assigned a status of modified or conditionally modified Bid, whenever the CAISO inserts or modifies a Bid component. The CAISO will insert or modify a Bid component (1) whenever a Self-Schedule quantity is less than the lowest quantity specified as an Economic Bid for either an Energy Bid or Demand Bid, in which case the CAISO extends the Self-Schedule to cover the gap; (2) whenever a Scheduling Coordinator submits a RUC Availability Bid for RCU for less than the quantity of the Economic Bid for Energy, as specified in Section 30.5.2.8, in which case the Generated Bid quantity is the lower of the RUC Award eligibility under Section 31.5.5.3 or the Energy Bid range of the Energy Bid Curve and the Generated Bid price is the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid; (3) as specified in Section 40.6.8 for Resource Adequacy Resources; (4) as specified in Section

31.5.1.5 for RUC Availability Bids for RCU for exports and Eligible Intermittent Resources; (5) as specified in Section 41.5.1 for RMR Resources; and (6) if an RMR Resource fails to submit a RUC Availability Bid for RCU as specified in Section 31.5.1.2, in which case the quantity of the Generated Bid is at the required quantity and the price of the generated bid is at the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid.

Throughout the Bid evaluation process, the Scheduling Coordinator shall have the ability to view the Bid and may choose to cancel the Bid, modify and re-submit the Bid, or leave the modified, conditionally modified or valid, conditionally valid Bid as is to be processed in the designated CAISO Market. These validation rules apply to Bids submitted on behalf of Use Limited Resources. The purpose of the validation rules is not to increase the amount of capacity that a Use Limited Resource has offered into the CAISO Markets.

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**Section 31**

**31. Day-Ahead Market**

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**31.5 Residual Unit Commitment**

The CAISO shall perform the RUC process after the IFM. As further specified in this Section 31.5, RUC procures RUC Capacity, which includes Reliability Capacity Up and Reliability Capacity Down, to address mismatches between the CAISO Forecast of BAA Demand and the physical capacity committed in the IFM.

RUC Capacity is selected by a SCUC optimization that uses the same Base Market Model used in the IFM adjusted as described in Section 27.5.1 and 27.5.6 to help ensure the deliverability of Energy from the RUC Capacity. That optimization procures RUC Capacity by Node and creates separate RUC Prices

for RCU and RCD by Node. In the case of Multi-Stage Generating Resources, the RUC will optimize Transition Costs in addition to the Start-Up and Minimum Load Costs. If a Scheduling Coordinator submits a Self-Schedule or a Submission to Self-Provide Ancillary Services for a given MSG Configuration in a given Trading Hour, the RUC will consider the Start-Up Cost, Minimum Load Cost, and Transition Cost associated with any Economic Bids for other MSG Configurations as incremental costs between the other MSG Configurations and the self-scheduled MSG Configuration. In such cases, incremental costs are the additional costs incurred to transition or operate in an MSG Configuration in addition to the costs associated with the self-scheduled MSG Configuration.

### 31.5.1 RUC Participation

#### 31.5.1.1 Capacity Eligible for RUC Participation

Scheduling Coordinators may make capacity available for participation in RUC by submitting a RUC Availability Bid, provided the Scheduling Coordinator has also submitted an Energy Bid (other than a Virtual Bid) for such capacity into the IFM. As part of the Bid validation procedures specified in Section 30.7.3, the CAISO disregards RUC Availability Bids from capacity that is not accompanied in the IFM by an Energy Bid that is not a Virtual Bid. Virtual Bids are not eligible to participate in RUC. Non-Participating Load and Reliability Demand Response Resources are not eligible to participate in RUC. RUC participation is required for Resource Adequacy Capacity. System Resources with a Resource ID defined in the CAISO Master File are eligible to participate in RUC and will be considered on an hourly basis; that is, RUC will not observe any multi-hour block constraints. A Long Start Unit is eligible to participate in RUC to the extent it has submitted an Energy Bid to the Day-Ahead Market above PMin. In RUC the CAISO may commit a Multi-Stage Generating Resource with a Resource Adequacy must-offer obligation at any MSG Configuration with capacity equal to or greater than the MSG Configuration committed in the Integrated Forward Market. RUC will observe the Energy Limits that may have been submitted in conjunction with Energy Bids to the IFM. Legacy RMR Unit capacity will be considered in RUC in accordance with Section 31.5.1.3. MSS resources may participate in RUC in accordance with Section 31.5.2.3. COG resources are accounted for in RUC, but may not submit or be paid RUC Availability Payments. The ELS Resources committed through the ELC Process conducted two days before the day the RUC process is conducted for the next Trading Day as described in Section 31.7 are

binding.

#### 31.5.1.2 RUC Availability Bids

With the exception of capacity from Eligible Intermittent Resources, Scheduling Coordinators may only submit RUC Availability Bids for capacity (above the Minimum Load as registered in the Master File) for which they are also submitting an Economic Energy Bid (other than a Virtual Bid) to participate in the IFM. A Scheduling Coordinator representing an Eligible Intermittent Resource must submit RUC Availability Bids for RCU at a quantity equal to their forecasted output based on the forecast referenced in Section 4.8.2.1. An RMR Resource must submit a RUC Availability Bid for RCU in an amount that is the lowest of the resource's: (1) 60-minute ramp capability; (2) Upper Economic Limit; or (3) full RMR Capacity.

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### 31.5.3 RUC Procurement Target

Subject to Sections 31.5.3.1 and 31.5.4, the RUC Procurement Target for each Balancing Authority Area participating in the Day-Ahead Market is based on the relationship between the CAISO Forecast of BAA Demand for that BAA and the Supply cleared in the IFM for that Trading Hour (excluding Virtual Supply).

If the CAISO Forecast of BAA Demand exceeds the Supply cleared in the IFM for a Trading Hour (excluding Virtual Supply), then the RUC Procurement Target for that Balancing Authority Area is RCU in the amount of the excess Demand.

If the Supply (excluding Virtual Supply) cleared in the IFM for a Trading Hour exceeds the CAISO Forecast of BAA Demand, then the RUC Procurement Target for that Balancing Authority Area is RCD in the amount of the excess Supply.

If the Supply (excluding Virtual Supply) cleared in the IFM for a Trading Hour equals the CAISO Forecast of BAA Demand, then the RUC Procurement Target for that Balancing Authority Area is zero RCU and zero RCD.

The adjustments listed in Sections 31.5.3.1 to 31.5.3.1.6 will be made to the CAISO Forecast of BAA Demand to account for the conditions as provided therein. The RUC Procurement Target setting procedure is designed to meet the requirements of reliable grid operation without unnecessary over-

procurement of RUC Capacity or over-commitment of resources. Additional detail on the process for setting the RUC Procurement Target is specified in the Business Practice Manuals.

#### 31.5.3.1 CAISO Operator Review & Adjustment

The CAISO Operator reviews the CAISO Forecast of BAA Demand and all calculated adjustments as provided in Sections 31.5.3.1.1 through 31.5.3.1.6. The CAISO Operator shall accept, modify, or reject such adjustments based on Good Utility Practice. If the CAISO Operator determines it must modify the CAISO Forecast of BAA Demand, the CAISO Operator shall log sufficient information as to reason, Operating Hour, and specific modification(s) made to the CAISO Forecast of BAA Demand.

##### 31.5.3.1.1 RUC Net Short Conditions

The CAISO Operator may conform the CAISO Forecast of BAA Demand in the event the CAISO Operator has determined that additional capacity may need to be procured in RUC to meet anticipated Real-Time system conditions. The CAISO Operator will consider factors such as: CAISO Forecast of BAA Demand error; weather pattern that is expected to continue or change within the next Trading Day; generator outage resulting in different Supply availability than was bid into the Day-Ahead Market; fire that threatens transmission lines and/or corridors; the expectation that the amount of Generation committed in the IFM will not be sufficient to meet the anticipated Demand; and Reliability Coordinator next-day analysis of system conditions.

##### 31.5.3.1.2 Demand Response Adjustments.

The CAISO accounts for Demand response that is clearly communicated to the CAISO as certain to be curtailed for the next Trading Day only for the two following types of Demand response: (1) Demand response triggered by a staged System Emergency event; and (2) Demand response that is triggered by a price or an event known in advance.

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### 31.5.5 Selection and Commitment of RUC Capacity

Capacity that is not already scheduled in the IFM may be selected as RUC Capacity to meet a RUC Procurement Target.

#### 31.5.5.1 Nodal Procurement and Deliverability of Reliability Capacity

RUC optimizes procurement of Reliability Capacity such that, in the event the Real-Time Market awards the incremental or decremental Energy Bids corresponding to the Reliability Capacity Awards, the dispatch of Energy from the Reliability Capacity in the market would not result in flows exceeding Transmission Constraints and scheduling limits, including EDAM Transfer limits.

The RUC optimization distributes an EDAM Entity's RUC procurement target to the Demand Locations within each EDAM Entity based on distribution factors derived from historical and/or forecasted information that reflect the relative contributions of Demand to the RUC procurement targets.

#### 31.5.5.2 The RUC Optimization

The RUC optimization will select RUC Capacity and produce nodal RUC Prices by minimizing total Bid cost based on RUC Availability Bids and Start-Up, Minimum Load Bids and Transition Costs. RUC will not consider Start-Up, Minimum Load Bids, or Transition Costs for resources already committed in the IFM. The CAISO will only issue RUC Start-Up Instructions to resources committed in RUC that must receive a Start-Up Instruction in the Day-Ahead in order to be available to meet Real-Time Demand. RUC Schedules will be provided to Scheduling Coordinators even if a RUC Start-Up Instruction is not issued at that time. RUC shall not Shut Down resources scheduled through the IFM but RUC may commit a Multi-Stage Generating Resource to a lower MSG Configuration. If the RUC process cannot find a feasible solution given the resources committed in the IFM, the RUC process will adjust constraints as described in Section 31.5.4 to arrive at a feasible solution that accommodates all the resources committed in the IFM.

#### 31.5.5.3 Limitations on RUC Awards

A RUC Award to a specific resource only can consist of RCU or RCD, and not both. RUC shall not Shut Down resources scheduled through the IFM. RUC shall not provide a RUC Award to a Multi-Stage Generating Resource that would require it to make an infeasible transition from the MSG Configuration applicable to its Day-Ahead Schedule to the MSG Configuration applicable to meeting the requirements of the potential RUC Award.

The RUC optimization applies a constraint such that the sum of awards for Energy, Ancillary Services, Imbalance Reserves, and Reliability Capacity is feasible given the resource's capacity, operating and economic limitations.

The RUC optimization only awards a RUC Award to a storage resource using the Non-Generator Resource model to the extent its modeled State of Charge can support such schedule or award.

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## Section 33

### 33. Extended Day-Ahead Market

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#### 33.2 Access To EDAM

Section 2 will not apply to EDAM Market Participants; rather, the specific provisions of this Section 33.2 will apply to EDAM Market Participants.

The CAISO will provide open and non-discriminatory access to the Day-Ahead Market, including the Extended Day-Ahead Market for Balancing Authorities that also participate in the Energy Imbalance Market in accordance with the CAISO Tariff. Only EIM Entities may be EDAM Entities, while EIM Entities who do not become EDAM Entities will have no obligation to participate in the Extended Day-Ahead Market and may continue to participate solely in the Energy Imbalance Market.

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#### 33.2.5 Implementation Activities.

The CAISO and the prospective EDAM Entity will complete the following implementation activities:

(A) **Execution of Necessary Agreements.** The prospective EDAM Entity has complied with Section 33.2.1, executed any necessary agreements for operating as an EDAM Entity, and helped the CAISO secure necessary agreements with third party prospective EDAM Market Participants.

(B) **Operations Training.** Prior to the start of parallel operations as set forth in Section 33.2.3, all operations staff (including contractors or vendors) identified by the prospective EDAM Entity who will have responsibility for EDAM operations, market transactions and settlements, will have completed identified CAISO training modules.

(C) **Forecasting Capability.** The CAISO and, to the extent the prospective EDAM Entity will use its own forecasts or is otherwise required to provide forecasting information to the CAISO, the prospective EDAM Entity has demonstrated its respective forecasting capability through –

(i) the definition of day-ahead demand forecast boundaries based on the conforming and non-conforming load characteristics, as applicable;

(ii) the documentation of EDAM Entity's choice of day-ahead demand forecast provider and how the demand forecast will be completed;

(iii) the accuracy of the CAISO forecast of demand based on historical actual load data for the defined demand forecast boundaries;

(iv) the identification of weather stations locations used in forecasting, as applicable;

(v) the identification of the source of day-ahead Variable Energy Resource forecasts;

(vi) the accuracy of the day-ahead forecast of Variable Energy Resources;

(vii) the identification of all Hybrid Resources; and

(viii) the provision of CAISO historical data on day-ahead demand and renewable forecast information to fill the needed historical data period to produce the Imbalance Reserve requirements at the net load level.

(D) **Resource Sufficiency Evaluation.** The prospective EDAM Entity Scheduling Coordinator demonstrates its ability to pass the Resource Sufficiency Evaluation for the prospective EDAM Entity's Balancing Authority Area.

(E) **Transmission Availability.** The prospective EDAM Entity confirms initial

registration of the transmission rights of the EDAM Transmission Service Providers in its Balancing Authority Area available for EDAM Transfers or that otherwise may be scheduled in the Day-Ahead Market.

(F) **Operating Procedures.** Prior to the start of parallel operations pursuant to Section 33.2.3, the CAISO and the prospective EDAM Entity have defined, completed, and tested operating procedures for the prospective EDAM Entity and its Scheduling Coordinator's participation in the Extended Day-Ahead Market.

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**33.4 Roles And Responsibilities**

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**33.4.2 EDAM Transmission Service Provider**

An EDAM Transmission Service Provider must execute an EDAM Transmission Service Provider Agreement with the CAISO. An EDAM Transmission Service Provider that is not an EDAM Entity and no longer wishes to make transmission service available for use in the Day-Ahead Market may terminate the EDAM Transmission Service Provider Agreement pursuant to its terms only if such termination is concurrent with the termination of participation in the Day-Ahead Market by the EDAM Entity for the Balancing Authority Area within which the EDAM Transmission Service Provider operates or holds transmission rights.

An EDAM Transmission Service Provider must:

(a) perform the obligations of an EDAM Transmission Service Provider in accordance with the EDAM Transmission Service Provider Agreement, Section 33, and other provisions of the CAISO Tariff that apply to EDAM Transmission Service Providers;

(b) have provisions in effect in the EDAM Transmission Service Provider's tariff, as

necessary or applicable, to enable operation of the Day-Ahead Market, including an obligation for customers of the EDAM Transmission Service Provider to have a Scheduling Coordinator for purposes of interfacing with the CAISO;

(c) use the EDAM Entity Scheduling Coordinator as the Scheduling Coordinator for the EDAM Transmission Service Provider with respect to Settlements of charges for the EDAM Entity Balancing Authority Area and services provided by the EDAM Entity under applicable tariffs and agreements;

(d) provide information about transmission capacity available to the Day-Ahead Market to its EDAM Entity Scheduling Coordinator and the CAISO; and

(e) ensure transmission customers of the EDAM Transmission Service Provider that will submit schedules in the Day-Ahead Market secure representation by a Scheduling Coordinator.

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**33.6 Communications**

Section 6 will apply to EDAM Market Participants and govern communications and information availability regarding EDAM Market Participants in the Day-Ahead Market, except as this Section 33.6 specifically provides.

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**33.6.5 Hybrid Resource Forecast Communications.**

If the EDAM Resource Scheduling Coordinator for a Hybrid Resource elects to use an independent forecasting service, it must make data transfer arrangements with the CAISO for the CAISO to receive the forecast in a format and on a schedule set forth in the Business Practice Manual for the Extended Day-Ahead Market.

**33.6.6 Provision of Market Information to EDAM Entities**

CAISO may make certain market information available to an EDAM Entity to the extent such information relates to the EDAM Entity's Balancing Authority Area operations and is equivalent to information available to the CAISO Balancing Authority. This information will not include individual market bids or prices or other information that could be used to gain an unfair competitive advantage in the CAISO Markets. CAISO, in its function as a market operator, will provide such information in a manner that does not unduly discriminate against or give undue preference to any EDAM Entity, including CAISO as a Balancing Authority and transmission operator.

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**33.10 EDAM Metering and Telemetry**

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**33.10.1 Demand Metering**

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**33.10.2 EDAM Resource Metering**

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**33.11 Settlements And Billing for EDAM Market Participants**

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**33.11.3 Day-Ahead Market Settlement**

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### 33.11.3.5 IFM Bid Cost Recovery

EDAM Resources may receive Bid Cost Recovery for the IFM in accordance with Section 11.8. The CAISO allocates the IFM Bid Cost Uplift to Balancing Authority Areas in the EDAM Area, with the following rules in addition to any provisions in Section 11.8.

For a Balancing Authority Area with net Energy export transfer, the CAISO transfers a portion of the Balancing Authority Area's IFM Bid Cost Uplift amount to Balancing Authority Areas receiving net Energy import transfers. For purposes of the foregoing, a Balancing Authority Area has net import transfers if the sum of the Balancing Authority Area's net Energy transfer and its net Imbalance Reserve transfer is in the import direction. If such sum is in the export direction, the Balancing Authority Area is deemed to have a net Energy export transfer.

The Balancing Authority Area IFM Bid Cost Uplift transfer adjustment amount will equal the product of the Balancing Authority Area hourly IFM Bid Cost Uplift amount and the ratio of the Balancing Authority Area's Day-Ahead net Energy export transfers and net Imbalance Reserve Up export transfers divided by Balancing Authority Area's Day-Ahead Schedules for Load and export Energy, Day-Ahead net Energy export transfers, net Imbalance Reserve Up export transfers and virtual demand, if applicable. The CAISO allocates the IFM Balancing Authority Area IFM Bid Cost Uplift transfer adjustment amount to Balancing Authority Areas with net transfers in the import direction. For each EDAM Entity Balancing Authority Area, the CAISO allocates the adjusted Balancing Authority Area IFM BCR amounts to the EDAM Entity for allocation under the applicable tariff and, for the CAISO Balancing Authority Area, pursuant to Section 11.8.6.

### 33.11.3.6 RUC Bid Cost Recovery

EDAM Resources may receive Bid Cost Recovery for RUC in accordance with Sections 11.8.3. For each Trading Hour, the CAISO calculates the RUC Bid Cost Uplift for each EDAM Entity and the CAISO Balancing Authority Area. The CAISO allocates the RUC Bid Cost Uplift to each EDAM Entity Balancing Authority Area according the methodology specified in Section 11.8.6.5

with the following adjustments.

For a Balancing Authority Area with net Reliability Capacity export transfer, the CAISO transfers a portion of the Balancing Authority Area's RUC Bid Cost Uplift amount to Balancing Authority Areas receiving net Reliability Capacity transfers. For purposes of the foregoing, a Balancing Authority Area receives net Reliability Capacity transfers if the sum of the Balancing Authority Area's net Reliability Capacity transfers is in the import direction. If such sum is in the export direction, the Balancing Authority Area is deemed to have a net Reliability Capacity export transfer.

The Balancing Authority Area RUC Bid Cost Uplift transfer adjustment amount will equal the product of the Balancing Authority Area hourly RUC Bid Cost Uplift amount and the ratio of the Balancing Authority Area's net Reliability Capacity export transfers divided by Balancing Authority Area's Reliability Capacity Schedules. The CAISO allocates the Balancing Authority Area RUC Bid Cost Uplift transfer adjustment amount to Balancing Authority Areas with net transfers in the import direction. For each EDAM Entity Balancing Authority Area, the CAISO allocates the adjusted Balancing Authority Area RUC BCR amounts to the EDAM Entity for allocation under its tariff and, for the CAISO Balancing Authority Area, pursuant to Section 11.8.6.

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**33.16 EDAM Legacy Contracts**

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**33.16.5 Settlement**

EDAM Transfer revenue will be settled with the Scheduling Coordinator for an EDAM Legacy Contract rights holder under Section 33.11.1. Congestion revenue associated with an EDAM Legacy Contract will be settled with the Scheduling Coordinator for an EDAM Legacy Contract rights holder under Section 33.11.3.8. Settlement of charges associated with EDAM Legacy

Contract rights that are allocated by the CAISO to the EDAM Balancing Authority Area and assigned to the EDAM Entity Scheduling Coordinator may also be subject to further allocation by the EDAM Entity according to the applicable transmission service provider's tariff and any applicable agreement among the transmission owners regarding allocation of charges associated with the EDAM Legacy Contract.

**33.17 EDAM Transmission Ownership Rights**

**33.17.1 Administration**

Section 17 will apply to EDAM Market Participants as referenced in this Section 33.17. The CAISO will administer EDAM Transmission Ownership Rights in accordance with Section 17 as required to implement this Section 33.17. With respect to applicable provisions of Section 17:

(a) references to Transmission Ownership Rights will be read as references to EDAM Transmission Ownership Rights;

(b) references to a Participating TO will be read as references to an EDAM Entity;

(c) any applicable EDAM Transmission Service Providers in an EDAM Entity Balancing Authority Area must satisfy the requirements of Section 17 and this Section 33.17;

(d) references to the CAISO Controlled Grid will be read as references to EDAM Transmission Service Provider facilities; and

(e) references to the CAISO Balancing Authority or CAISO Balancing Authority Area will be read as references to an EDAM Entity Balancing Authority or EDAM Entity Balancing Authority Area, respectively.

**33.17.2 Registration**

The EDAM Entity for the Balancing Authority Area associated with the EDAM Transmission Ownership Rights will coordinate with the EDAM Transmission Ownership Rights holder to provide information and instructions as required by Section 17.1 and the procedures and timelines in the Business Practice Manual for the Extended Day-Ahead Market.

**33.17.3 Availability**

An EDAM Transmission Ownership Rights holder may Self-Schedule all the capacity associated with its ownership interest and elect not to make any such capacity available for EDAM Transfers or other use by

the market, or may exclude its EDAM Transmission Ownership Rights from the requirement to Self-Schedule to the extent that its EDAM Transmission Ownership Rights support a Pseudo-Tie export from the EDAM Balancing Authority Area. Alternatively, an EDAM Transmission Ownership Rights holder may release a portion of the capacity for EDAM Transfers in accordance with Section 33.18.2.2.2 and, if the EDAM Transmission Ownership Rights holder is also a transmission service provider, the CAISO will afford the transmission customers of that EDAM Transmission Ownership Rights holder similar treatment. An EDAM Transmission Ownership Rights holder or customer must be represented by a Scheduling Coordinator, which may be the EDAM Entity Scheduling Coordinator. The EDAM Transmission Ownership Rights holder must coordinate release of its rights with the EDAM Entity associated with the EDAM Transmission Ownership Rights, and communicate the available transmission capacity to the CAISO in accordance with the procedures and timelines in the Business Practice Manual for the Extended Day-Ahead Market. Alternatively, an EDAM Transmission Ownership Rights holder may coordinate with the EDAM Entity to include all of its transmission ownership rights in the associated EDAM Transmission Service Information, in which case the transmission ownership rights would be made available pursuant to Section 33.18, Section 29.17, or both.

**33.17.4 Scheduling**

A Scheduling Coordinator for an EDAM Transmission Ownership Rights holder must submit Self-Schedules consistent with the requirements of Section 17.3 and not Economic Bids associated with EDAM Transmission Ownership Rights. Validation of Self-Schedules associated with EDAM Transmission Ownership Rights will follow the procedures in Section 17.3, and such Self-Schedules will receive the priority established in Section 17.2 and the settlement treatment established in Section 17.3.3 according to the results of the validation rules and the registered characteristics of the rights.

**33.17.5 Settlement**

EDAM Transfer revenue will be settled with the Scheduling Coordinator for the EDAM Transmission Ownership Rights under Section 33.11.1. Congestion revenue associated with an EDAM Transmission Ownership Right will be settled with the Scheduling Coordinator for the EDAM Transmission Ownership Rights under Section 33.11.3.8. Settlement of charges associated with EDAM Transmission Ownership Rights that are allocated by the CAISO to the EDAM Balancing Authority Area and assigned to the EDAM

Entity Scheduling Coordinator may also be subject to further allocation by the EDAM Entity according to the applicable transmission service provider's tariff and any applicable agreement among the transmission owners regarding allocation of charges associated with the EDAM Transmission Ownership Rights, including an alternative arrangement with the EDAM Entity as permitted under Section 33.17.3.

**33.17.6 EDAM Transmission Service on EDAM Transmission Ownership Rights**

If a transmission service provider located primarily in one Balancing Authority Area (BAA1), as determined in accordance with the Business Practice Manual, provides service under its tariff on a transmission ownership interest it has in another Balancing Authority Area (BAA2) and BAA2 participates in EDAM, then that transmission ownership interest will be treated as an EDAM Transmission Ownership Right in BAA2 and the transmission service provider in BAA1 will not be required to execute an EDAM Transmission Service Provider Agreement solely for its transmission facilities in BAA2. Transmission service provided on an EDAM Transmission Ownership Right in BAA2 established pursuant to this CAISO Tariff may also be subject to the applicable transmission service provider's tariff and any applicable agreement among the transmission owners regarding transmission service associated with the EDAM Transmission Ownership Rights, including an alternative arrangement with the EDAM Entity as permitted under Section 33.17.3.

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**33.21 Supplemental Services – DACA Services Charge**

(a) **Day-Ahead Contingency Analysis Services Charge.** The CAISO will recover from EDAM Entities that elect in writing to receive day-ahead contingency analysis services the annual charges for the ongoing software license fee, which will be passed through directly to the EDAM Entities, and charges set forth in the CAISO's most recently published report regarding the GMC and other rates, which will include –

(1) a start-up charge amortized over an initial three-year minimum commitment period; and

(2) the annual charge for CAISO support of the day-ahead contingency analysis services.

(b) **Invoicing for Day-Ahead Contingency Analysis Services.** If the EDAM Entity elects to receive

day-ahead contingency analysis services, the EDAM Entity agrees to pay for three years of services regardless of whether it takes day-ahead contingency analysis services for the entire three-year term, and it will be invoiced one-third of that amount annually during the initial three-year term. Thereafter, the EDAM Entity will be invoiced annually for day-ahead contingency analysis services as described in the Business Practice Manual for EDAM.

(c) **Payment for Day-Ahead Contingency Analysis Services.** Payment for day-ahead contingency analysis services will be due within 21 Business Days of the invoice date.

(d) **Annual Election of Day-Ahead Contingency Analysis Services.** Each year, the EDAM Entity will notify the CAISO in writing, according to the timelines and procedures in the Business Practice Manual for EDAM, as to which day-ahead contingency analysis services it is electing to take for the following year. If the EDAM Entity does not provide such notice to the CAISO, the CAISO will continue to provide the EDAM Entity with the same day-ahead contingency analysis services it is providing to the EDAM Entity during the current year.

(e) **Termination of Day-Ahead Contingency Analysis Services**. An EDAM Entity that has elected to receive day-ahead contingency analysis services will continue to be invoiced for the services annually during the initial three-year term and each year thereafter until the services have been terminated in accordance with the Business Practice Manual for EDAM.

**33.22 Miscellaneous**

Section 22 and the additional miscellaneous provisions of this Section 33.22 will apply to the EDAM.

To the extent that the CAISO would incur any tax liability as a result of the participation of EDAM Market Participants in the Day-Ahead Market, for example as market operator or as central counterparty to EDAM transactions, the CAISO will pass those taxes on to the EDAM Entity Scheduling Coordinator for the EDAM Entity Balancing Authority Area where the transactions triggered the tax liability.

Neither the CAISO nor the EDAM Entity is a “Purchasing Selling Entity” for purposes of E-Tags or EDAM Transfers, nor will either be listed as a “Purchasing Selling Entity” for purposes of E-Tags or EDAM Transfers.

Title to Energy in the Day-Ahead Market passes directly from the entity that holds title when the Energy enters the CAISO Controlled Grid or the transmission system of an EDAM Transmission Service Provider,

whichever is first following Dispatch, to the entity that removes the Energy from the CAISO Controlled Grid or the transmission system of a EDAM Transmission Service Provider, whichever last precedes delivery to Load.

**33.23 Transmission Service Requirements for EDAM Resources**

This Section 33.23 applies only to EDAM Market Participants. Transmission service requirements on the CAISO Controlled Grid will continue in accordance with Section 23 and other provisions of the CAISO Tariff applicable to transmission service on the CAISO Controlled Grid.

An EDAM Resource Scheduling Coordinator must obtain transmission service from an EDAM Transmission Service Provider, which may be satisfied through the following options:

(a) The EDAM Resource is a designated network resource under the terms of an EDAM Transmission Service Provider tariff;

(b) The EDAM Resource reserves firm point-to-point transmission service of any duration under the terms of an EDAM Transmission Service Provider tariff, or

(c) The EDAM Resource is associated with an EDAM Legacy Contract or an EDAM Transmission Ownership Right.

If option (a), (b), or (c) above are not satisfied, the CAISO will inform the EDAM Entity associated with the EDAM Transmission Service Provider so that the EDAM Transmission Service Provider may assess a transmission charge based on the transmission rate for the lowest duration of firm transmission service offered under its tariff, which may be a daily firm or hourly firm transmission service. Where a resource is unable to satisfy option (a), (b), or (c) above, the EDAM Transmission Service Provider tariff may provide for an adjustment of the firm transmission service charge as appropriate. If the EDAM Transmission Service Provider offers daily firm point-to-point transmission service as the lowest granularity of firm transmission service, the transmission service charge would be evaluated based on the single highest-hour Real-Time Dispatch of the resource across the day for the amount in excess of reserved transmission service. If the EDAM Transmission Service Provider offers hourly firm point-to-point transmission service as the lowest granularity of firm transmission service, the transmission service charge would be evaluated based on each individual hourly Real-Time Dispatch of the resource for the day. If the Real-Time Dispatch for any hour across the day is above the transmission reservation, the

CAISO will inform the EDAM Entity associated with the EDAM Transmission Service Provider and the EDAM Transmission Service Provider will assess the hourly transmission charge as described above. This Section 33.23 establishes a common methodology for a Scheduling Coordinator to secure transmission service from an EDAM Transmission Service Provider. The specific transmission service requirements and any associated transmission service charges or penalties will be determined in accordance with the EDAM Transmission Service Provider tariff.

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**33.27 CAISO Markets And Processes**

The provisions of Section 27 that apply to the Day-Ahead Market will apply to EDAM Market Participants, except as provided in or inconsistent with this Section 33.27 or other provisions of Section 33. For purposes of applying this Section 33.27, the term CAISO Balancing Authority Area as used in Section 27 means the Market Area unless the context requires otherwise.

**33.27.1 Transitional Process**

For a period of six months following the EDAM Entity Implementation Date of a new EDAM Entity, the provisions of Section 27.4.3.2 and the second sentence of Section 27.4.3.4 will not apply to constraints that are within the Balancing Authority Area of the new EDAM Entity or affect EDAM Transfers between the Balancing Authority Area of the new EDAM Entity. For those intervals that experience infeasibilities described in those provisions, the CAISO will instead determine prices consistent with the provisions of Section 27, Section 31, and Appendix C, that would apply in the absence of Section 27.4.3.2 and the second sentence of Section 27.4.3.4 constraints.

In addition, for a period of six months following the EDAM Entity Implementation Date of a new EDAM Entity, when the transmission and/or power balance constraints as specified in Section 27.4.3.2 and the second sentence of Section 27.4.3.4 are relaxed, the CAISO will set the Imbalance Reserve parameter for pricing purposes, for the new EDAM Entity Balancing Authority Area, at an amount between and including $0 and $0.01. Sixty days prior to the expiration of the transition period, the CAISO will post on the CAISO Website an assessment of whether an extension of the transition period, for up to an additional six months, is needed for the applicable

EDAM Entity. The CAISO will post an update to such assessment prior to the expiration of the transition period should there be any changes to its posted conclusions. Any extensions of the initial six-month transition period must be approved by FERC.

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**33.27.3 Generation Aggregation Points**

As described in Appendix C, the CAISO uses two types of Generation Aggregation Points in operation and Settlement of the Day-Ahead Market: Default Generation Aggregation Points and Custom Generation Aggregation Points.

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**33.30 Bids And Self-Schedule Submission**

Scheduling Coordinators for EDAM Resources, EDAM Entities, Load Serving Entities, and other Day-Ahead Market Participants in the EDAM Area must submit Bids, including Self-Schedules, pursuant to this Section 33.30 as supplemented by Section 30.

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**33.30.8 Bids from External Resources**

Resources located outside of the EDAM Area may participate in the Day-Ahead Market subject to certain requirements that depend on whether (a) the resource submits a Bid at an EDAM External Intertie or an EDAM Internal Intertie, (b) the intertie is with the CAISO Balancing Authority Area or an EDAM Entity Balancing Authority Area, and (c) the resource's location is specific or non-specific. The EDAM Entity Scheduling Coordinator responsible for the interchange associated with these transactions must identify the supporting resource in an E-Tag submitted in

accordance with Section 29.4(c)(4).

**33.30.8.1 EDAM External Interties**

A Scheduling Coordinator for a resource located outside of the EDAM Area may submit a Bid at an EDAM External Intertie with an EDAM Entity if the resource is pseudo-tied into the EDAM Entity Balancing Authority Area, is dynamically scheduled into the EDAM Entity Balancing Authority Area, or submits a Self-Schedule into the EDAM Entity Balancing Authority Area. An EDAM Entity will facilitate scheduling of export transactions from its Balancing Authority Area to EDAM External Interties pursuant to Section 33.18 and the EDAM Transmission Service Provider tariff or, in the case of the CAISO Balancing Authority Area, this CAISO Tariff. A Scheduling Coordinator for a resource located outside of the EDAM Area may submit a Bid at an EDAM External Intertie with the CAISO Balancing Authority Area in accordance with the CAISO Tariff. Economic Bids at EDAM External Interties with the CAISO Balancing Authority Area must be capable of delivery under Section 33.30.8.2 to count towards the EDAM RSE.

**33.30.8.2 Delivered Firm Energy Contracts**

Bids from delivered firm Energy contracts may participate in the Day-Ahead Market. Such firm Energy contracts include but are not limited to arrangements pursuant to Service Schedule C of the Western Systems Power Pool Agreement, CAISO resource adequacy imports, and similar forward contracted Supply. All source-specific forward contracted supply will, if possible, be modeled in the EDAM Area and, when the source cannot be identified, modeling assumptions will be made regarding the source based on the best information available. Bids at an EDAM Intertie with the CAISO Balancing Authority Area will be submitted by the Scheduling Coordinator associated with a forward contract with a Load Serving Entity within the CAISO Balancing Authority Area.

**33.30.8.3 Non-Source Specific E-Tag Requirements.**

All Energy scheduled from non-resource-specific forward supply contracts under Section 33.30.8.2 must have a submitted E-Tag within three hours following publication of the Day-Ahead Market results. The CAISO will publish an EDAM Entity Balancing Authority

Area's quantity of import Supply that does not have a Day-Ahead E-Tag for situational awareness. An EDAM Entity Scheduling Coordinator or a Scheduling Coordinator within the CAISO Balancing Authority Area, as applicable, will have until 5 hours before the start of the Operating Hour to submit E-Tags and/or replace the capacity with other firm schedules or physical resources for schedules that lack a valid Day-Ahead E-Tag within the timeframe. If the Scheduling Coordinator does not E-Tag the outstanding import schedules, including import EDAM Transfers, and fails to resupply by submitting additional incremental Energy Bids from internal supply EDAM Resources above the resource's Day-Ahead Schedule not encumbered by Day-Ahead capacity awards to cover the E-Tag insufficiency prior to the deadline, the CAISO will remove the EDAM Entity Balancing Authority Area or the CAISO Balancing Authority Area, as applicable, from the group of Balancing Authority Areas that comprise the EDAM Upward Pool in accordance with Section 33.31.1.4.

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**33.32 Greenhouse Gas (GHG)**

**33.32.1 GHG Compliance Cost Recovery**

EDAM Resource Scheduling Coordinators and Scheduling Coordinators for resources within the CAISO Balancing Authority Area will have an opportunity to recover costs of compliance with GHG regulations adopted by a state jurisdiction that has priced GHG emissions as part of a state GHG reporting and reduction program. The provisions of Section 33.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027.

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### 33.32.5 GHG Net Export Constraint

The CAISO will apply an hourly GHG net export constraint in the Integrated Forward Market for EDAM Entity Balancing Authority Areas that do not overlap with a GHG Regulation Area. This constraint will limit the aggregate attribution of EDAM Resources within a specific EDAM Entity Balancing Authority Area such that the aggregate attribution does not exceed the net exports from that EDAM Entity Balancing Authority Area. This constraint will also limit the aggregate attribution of resources within a specific GHG Regulation Area to serve Demand in another GHG Regulation Area such that the attribution may not exceed the net exports from these resources' native Balancing Authority Areas. This constraint will not restrict the Integrated Forward Market from attributing capacity located outside of a specific GHG Regulation Area obligated to serve Demand within that GHG Regulation Area that is registered with the CAISO in accordance with the applicable Business Practice Manual. The CAISO will not enforce this constraint for any Balancing Authority Area in the EDAM Area and in any Trading Hour in which the CAISO Balancing Authority Area or an EDAM Entity Balancing Authority Area with Demand in a GHG Regulation Area is deficient in the upward direction in the EDAM Resource Sufficiency Evaluation.

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## Section 34

### 34.2 The Hour-Ahead Scheduling Process

### 34.2.1 The HASP Optimization

The Hour-Ahead Scheduling Process is a Real-Time Market process and a special run of the RTUC through which the CAISO accepts or rejects the following Bids submitted by Scheduling Coordinators at Scheduling Points: (1) Self-Schedule Hourly Blocks for Energy and Ancillary Services, (2) VER Self-Schedules for Energy, (3) Economic Hourly Block Bids for Energy and Ancillary Services, and (4) Economic Hourly Block Bids with Intra-Hour Option for Energy and providing an hourly schedule that can be changed at most once in the Trading Hour. The CAISO also produces advisory Energy schedules and

Ancillary Services awards. Through the HASP, the CAISO may also issue binding unit commitment instructions for any resource participating in the RTM. After the Market Close for the RTM for the relevant Trading Hour, the RTM Bids have been validated, and the RTM Bids have been mitigated and the MPM process has been performed, the CAISO then conducts the HASP optimization. The CAISO does not accept Bids for CAISO Demand for any of the Real-Time Market processes. Therefore, CAISO clears Supply Bids against the CAISO Forecast of CAISO Demand plus submitted Export Bids, to the extent the Export Bids are selected in the MPM process. The HASP optimization also factors in forecasted unscheduled flow at the Interties, as do all the Real-Time Market processes. The HASP optimization does not produce Settlement prices for Energy or Ancillary Services and the CAISO settles all Bids accepted through the HASP based on FMM Schedules and Awards and FMM LMPs and ASMPs. Intertie Schedules cleared in HASP at an EDAM Transfer location or an EIM Transfer location will not be optimized economically in the FMM and RTD, but may be subject to intra-hour or other adjustments pursuant to Section 34.

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### 34.4 Fifteen Minute Market

The CAISO conducts the Fifteen Minute Market using the second interval of each RTUC run horizon as follows: (1) at approximately 7.5 minutes prior to the first Trading Hour, for T-45 minutes to T+60 minutes where the binding interval is T-30 to T-15; (2) at approximately 7.5 minutes into the current hour for T-30 minutes to T+60 minutes where the binding interval is T-15 to T; (3) at approximately 22.5 minutes into the current hour for T-15 minutes to T+60 minutes for the binding interval T to T+15; and (4) at approximately 37.5 minutes into the current hour for T to T+60 minutes for the binding interval T+15 to T+30, where T is the beginning of the next Trading Hour. In these intervals the CAISO conducts the FMM to (1) determine financially binding FMM Schedules and corresponding Locational Marginal Prices for all Pricing Nodes, including all Scheduling Points; (2) determine financially and operationally binding Ancillary Services Awards and corresponding ASMPs, procure required additional Ancillary Services and calculate ASMP used for settling procured Ancillary Service capacity for the next fifteen-minute Real-Time

Ancillary Service interval for all Pricing Nodes, including Scheduling Points; (3) determine LAP Locational Marginal Prices that are the basis for settling Demand; and (4) determine FMM Uncertainty Awards. For all Intertie Schedules at an EDAM Transfer location or EIM Transfer location, the FMM will use MWh quantities cleared in HASP subject to any intra-hour or other adjustments made pursuant to Section 34. In any FMM interval that falls within a time period in which a Multi-Stage Generating Resource is transitioning from one MSG Configuration to another MSG Configuration, the CAISO: (1) will not award any incremental Ancillary Services; (2) will disqualify any Day-Ahead Ancillary Services Awards; (3) will disqualify Day-Ahead qualified Submissions to Self-Provide Ancillary Services Award, and (4) will disqualify Submissions to Self-Provide Ancillary Services in RTM. Each particular FMM market optimization produces binding settlement prices for Energy, Flexible Ramping Product, and Ancillary Services for the first FMM interval in the FMM horizon but the optimization considers the advisory results from subsequent market intervals within the FMM horizon. The CAISO settles Hourly Block Schedules from Proxy Demand Resources, Reliability Demand Response Resources, Hourly Intertie Schedules, and Hourly Ancillary Services Awards accepted in the HASP as FMM Schedules and FMM Ancillary Services Awards in accordance with Section 11.5 and 11.10.1.2, respectively. In the event that a FMM run fails, the CAISO reverts to Day-Ahead Market Ancillary Services Awards and RUC Schedules results corresponding to the same interval, or the corresponding interval from the previous RTUC. The FMM will clear Supply against the CAISO Forecast of CAISO Demand and exports. The FMM issues Energy Schedules and Ancillary Services Awards by twenty-two and a half minutes prior to the binding fifteen-minute interval.

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## Section 35

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### 35.3.2 Processing and Publication Issues

The CAISO may make changes to published prices after the expiration of the timelines specified in Section 35.2 to remedy a price correction processing or publication issue, which consist of the types of issues further defined in this Section 35.3.2. For cases where the CAISO must remedy a price correction processing or publication issue arising from the separation or isolation from the Market Area of an EDAM Entity Balancing Authority Area or EIM Entity Balancing Authority Area, the CAISO must make any such changes within thirty (30) Business Days of the affected Trading Day. In all other cases, the CAISO must make any such changes within twenty (20) Business Days of the affected Trading Day. After the expiration of the applicable deadline, in the event of a discrepancy between prices posted on the CAISO's OASIS and prices provided to Scheduling Coordinators through other means, the CAISO will use the price posted on OASIS for Settlement purposes unless as specified in Section 35.3.1. The CAISO will only remedy processing and publication pursuant to this section for cases in which the CAISO has actually identified and logged in its systems the need for a price correction for specific CAISO Markets intervals within the timeframe specified in Section 35.2, but cannot complete the price correction and post the corrected prices within that timeframe for the specific reasons described below. To the extent the CAISO is aware of a processing or publication issue prior to the expiration of the timeframe specified in 35.2, the CAISO will issue a public notification of the affected intervals, and the time at which it expects to remedy the issue, as soon as practicable. To the extent the CAISO only becomes aware of the issue after the expiration of the timeframe specified in Section 35.2, the CAISO will issue a public notification with this same information, as soon as practicable. For purposes of the requirements in this Section 35.3, processing or publication issues shall consist of:

a) **Volumetric processing issue:** The CAISO cannot complete the corrections and post the corrected prices within the timeframes specified in Section 35.2 because the price correction affects a large number of market intervals.

b) **Hardware or software issues:** A software or hardware issue that impeded the CAISO from processing price corrections or publishing the corrected prices by the end of the timeframes specified in Section 35.2.

c) **Business process issues:** A limitation, failure or error in implementing an established and identifiable business process that causes the publication of an incorrect price that is

either corrected erroneously, or left uncorrected within the timeframes specified in Section 35.2.

d) **Complex manual corrections:** The CAISO has identified and logged into its systems within the timeframe specified in Section 35.2 the need for price corrections that require specifically tailored methodologies to implement the correction because of the complexity of the issue, which in some cases may span across the CAISO Markets, and implementing this price corrections will require the publication of corrected prices beyond the timeframe specified in Section 35.2.

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**Section 36**

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**36.9.1 Showing of Legitimate Need**

An OBAALSE must make a showing to the CAISO of legitimate need to enable the CAISO to verify the CRR Sources it wants to nominate. All CRR nominations by OBAALSEs in all CRR years must be source verified based on the showing of legitimate need. The CAISO's verification of legitimate need will be based on demonstration by the OBAALSE of an executed Energy contract from a Generating Unit(s) or System Resource that covers the time period of the CRRs nominated, or ownership of such Generating Unit(s) or System Resource. For such CRR Sources the showing of legitimate need must be made for each CRR term for which the OBAALSE wants to nominate CRRs in a timely manner prior to the start of the relevant annual or monthly CRR Allocation process. For CRR Sources that will be verified based on generating resources located outside the CAISO Balancing Authority Area, a Scheduling Point must be nominated as the corresponding CRR Source. Generating resources located outside of the CAISO Balancing Authority Area to be used by the OBAALSE to verify a Scheduling Point as a CRR Source must not be located within the OBAALSE's own Balancing Authority Area. The Verified CRR Source

Quantity and Adjusted Verified CRR Source Quantity corresponding to any CRR Source nominated by an OBAALSE will be calculated in accordance with Section 36.8.3.4, with the modification that for an OBAALSE these quantities will be calculated for each CRR Allocation process in which the Qualified OBAALSE wants to participate, consistent with the requirement for ongoing source verification based on a forward showing in conjunction with the OBAALSE's annual showing of legitimate need. For a CRR Source that is a Scheduling Point, pursuant to the legitimate need showing requirement, an OBAALSE must demonstrate that it has procured the appropriate transmission service from the transmission provider outside the CAISO Balancing Authority Area to the Scheduling Point that the OBAALSE intends to nominate as a CRR Source for the term of the CRR being nominated. Such demonstrations shall be provided by the OBAALSE to the CAISO through the submission of a written sworn declaration by an executive employee authorized to represent the OBAALSE and attest to the accuracy of the data demonstration. As necessary, the CAISO may request, and such OBAALSE must produce in a timely manner, documents in support of such declaration.

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## Section 40

### 40. Resource Adequacy Demonstration for all SCs in the CAISO BAA

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### 40.6 Requirements for SCs and Resources for LSEs

This Section 40.6 does not apply to Resource Adequacy Resources of Load-following MSSs. Scheduling Coordinators supplying Resource Adequacy Capacity shall make the Resource Adequacy Capacity listed in the Scheduling Coordinator's monthly Supply Plans under Section 40.4.7 available to the CAISO each hour of each day of the reporting month in accordance with this Section 40.6 and Section 9.3.1.3.

#### 40.6.1 Day-Ahead Availability

Except as otherwise provided in Sections 40.6.1.1 and 40.6.4, Scheduling Coordinators supplying Resource Adequacy Capacity shall make such Resource Adequacy Capacity, available Day-Ahead to the CAISO as follows:

(1) Resource Adequacy Resources physically capable of operating must submit: (a) Economic Bids for Energy and/or Self-Schedules for all their Resource Adequacy Capacity and (b) Economic Bids for Ancillary Services and/or a Submission to Self-Provide Ancillary Services in the IFM for all of their Resource Adequacy Capacity that is certified to provide Ancillary Services. For Resource Adequacy Capacity that is certified to provide Ancillary Services and is not covered by a Submission to Self-Provide Ancillary Services, the resource must submit Economic Bids for each Ancillary Service for which the resource is certified. For Resource Adequacy Capacity subject to this requirement for which no Economic Energy Bid or Self-Schedule has been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8. For Resource Adequacy Capacity subject to this requirement for which no Economic Bids for Ancillary Services or Submissions to Self-Provide Ancillary Services have been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8 for each Ancillary Service the resource is certified to provide.

(2) Resource Adequacy Resources must be available except for limitations specified in the Master File, legal or regulatory prohibitions or as otherwise required by this CAISO Tariff or by Good Utility Practice.

(3) Through the IFM co-optimization process, the CAISO will utilize available Resource Adequacy Capacity to provide Energy, Imbalance Reserves, or Ancillary Services in the most efficient manner to clear the Energy market, manage congestion and procure required Ancillary Services. In so doing, the IFM will honor submitted Energy Self-Schedules of Resource Adequacy Capacity unless the CAISO is unable to satisfy one hundred percent (100%) of the Ancillary Services requirements. In such cases, the CAISO may curtail all or a portion of a submitted Energy Self-Schedule to allow Ancillary Service-certified Resource Adequacy Capacity to be used to meet the Ancillary Service

requirements. The CAISO will not curtail for the purpose of meeting Ancillary Service requirements a Self-Schedule of a resource internal to a Metered Subsystem that was submitted by the Scheduling Coordinator for that Metered Subsystem. If the IFM reduces the Energy Self-Schedule of Resource Adequacy Capacity to provide an Ancillary Service, the Ancillary Service Marginal Price for that Ancillary Service will be calculated in accordance with Section 27.1.2 using the Ancillary Service Bids submitted by the Scheduling Coordinator for the Resource Adequacy Resource or inserted by the CAISO pursuant to this Section 40.6.1, and using the resource's Generated Energy Bid to determine the Resource Adequacy Resource's opportunity cost of Energy. If the Scheduling Coordinator for the Resource Adequacy Resource believes that the opportunity cost of Energy based on the Resource Adequacy Resource's Generated Energy Bid is insufficient to compensate for the resource's actual opportunity cost, the Scheduling Coordinator may submit evidence justifying the increased amount to the CAISO and to the FERC no later than seven (7) days after the end of the month in which the submitted Energy Self-Schedule was reduced by the CAISO to provide an Ancillary Service.

The CAISO will treat such information as confidential and will apply the procedures in Section 20.4 of this CAISO Tariff with regard to requests for disclosure of such information. The CAISO shall pay any higher opportunity costs approved by FERC.

(4) Resource Adequacy Resources must submit RUC Availability Bids for RCU for the amount of their Resource Adequacy Capacity that is eligible for a RUC Award under Section 31.5.5.3 and is within the Energy Bid range of the Energy Bid Curve.

(5) Resource Adequacy Resources eligible to provide Imbalance Reserves must submit Bids for IRU and IRD for all RA Capacity that meets its obligation pursuant to 40.6.1(1)(a) by submitting an Economic Bid.

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**40.6.5 Requirements for System Resources Providing Resource Adequacy Capacity**

#### 40.6.5.1 Eligibility of System Resources to Provide Resource Adequacy Capacity

System Resources, other than Dynamic Resource-Specific System Resources, providing Resource Adequacy Capacity must be shown on Resource Adequacy Plans and Supply Plans with a Resource ID defined by both a single Scheduling Point and specific Intertie. Dynamic Resource-Specific System Resources providing Resource Adequacy Capacity or Flexible RA Capacity must be shown with a Resource ID defined by both a single CGAP and specific Intertie.

The CAISO will reject a Supply Plan submitted for a System Resource if there is insufficient import capability, as determined by Section 40.4.6.2, to support deliverability of the RA Capacity or Flexible RA Capacity at the Intertie associated with the Resource ID of the System Resource.

For the avoidance of doubt, this Section 40.6.5 does not apply to Resource Adequacy Capacity or Flexible RA Capacity from a Generating Unit that is Pseudo-Tied into the CAISO Balancing Authority Area.

#### 40.6.5.2 Reassigning Resource Adequacy Obligations for Capacity Sourced from an EDAM Balancing Authority Area

Resource Adequacy Capacity or Flexible RA Capacity that is sourced from an EDAM Entity Balancing Authority Area will be unavailable for purposes of Section 40.9.3 for an entire Trading Hour to the extent its Scheduling Coordinator does not reassign its Resource Adequacy obligations for that Trading Hour by the Day-Ahead Market reassignment deadline specified in the BPM and using the procedures specified in the BPM for reassignments. Such reassignment made by the Day-Ahead Market reassignment deadline must be to a physical resource located in the source EDAM Entity Balancing Authority Area or a System Resource at the boundary of the EDAM Entity Balancing Authority Area.

#### 40.6.5.3 Accepting Reassignment of Resource Adequacy Obligations

The Scheduling Coordinator for a resource accepting reassignment of Resource Adequacy Capacity or Flexible RA Capacity obligations must accept the reassignment by the deadline specified in the BPM and using the procedures specified in the BPM. The CAISO does not recognize a reassignment for a resource that fails to follow either the applicable deadline or the defined procedures.

A resource accepting reassignment must have a valid Resource ID at the time it accepts the reassigned capacity. The quantity of capacity reassigned to a physical resource cannot exceed that resource's PMax.

For the quantity of reassigned capacity and period of reassignment, a resource with a recognized reassignment of Resource Adequacy Capacity or Flexible RA Capacity holds the same availability obligations, application of Generated Bids, and treatment under RAAIM the resource would hold if it were RA Substitute Capacity.

A resource accepting reassignment that receives an Energy schedule in the CAISO Markets must submit an E-Tag reflecting the CAISO Balancing Authority Area as the sink Balancing Authority Area for delivery of the awarded Energy.

#### 40.6.5.4 RA Capacity from System Resources that can Bid in the Day-Ahead Market

For System Resources permitted to bid into the Day-Ahead Market, in the IFM, the multi-hour block constraints of a System Resource, other than a System Resource capable of submitting a Dynamic Schedule or a Resource-Specific System Resource, are honored in the optimization. Such a resource that is also a Resource Adequacy Resource must be capable of hourly scheduling by the CAISO in RUC if it is not fully scheduled in the IFM. If such a Resource Adequacy Resource is scheduled in the RUC, the CAISO will schedule the resource in the RTM for each hour of the resource's RUC schedule without regard to the multi-hour block constraint that was submitted to the IFM. For an existing System Resource that provides Resource Adequacy Capacity through a call-option that expires prior to the close of the IFM, such a System Resource listed on a Resource Adequacy Plan must be reported to the CAISO for consideration in the Extremely Long-Start Commitment Process.

System Resources permitted to bid into the Day-Ahead Market that are not Use-Limited Resources are subject to the requirements of Sections 40.6.1 and 40.6.2. System Resources permitted to bid into the Day-Ahead Market that are Use-Limited Resources are subject to the availability requirements and other provisions relevant to Use-Limited Resources that provide RA Capacity.

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### 40.6.8 Use of Generated Bids

(a) **Day-Ahead Market.** Prior to completion of the Day-Ahead Market, the CAISO will determine if Resource Adequacy Capacity subject to the requirements of Section 40.6.1 and for which the CAISO has not received notification of an Outage has not been reflected in a Bid and will insert a Generated Bid for such capacity into the CAISO Day-Ahead Market.

(b) **Real-Time Market.** Prior to running the Real-Time Market, the CAISO will determine if Resource Adequacy Capacity subject to the requirements of Section 40.6.2 and for which the CAISO has not received notification of an Outage has not been reflected in a Bid and will insert a Generated Bid for such capacity into the Real-Time Market.

(c) **Partial Bids for RA Capacity.** If a Scheduling Coordinator for an RA Resource submits a partial bid for the resource's RA Capacity, the CAISO will insert a Generated Bid only for the remaining RA Capacity. In addition, the CAISO will determine if all dispatchable Resource Adequacy Capacity from Short Start Units, not otherwise selected in the IFM or RUC, is reflected in a Bid into the Real-Time Market and will insert a Generated Bid for any remaining dispatchable Resource Adequacy Capacity for which the CAISO has not received notification of an Outage.

(d) **Exemptions.** Notwithstanding any of the provisions of Section 40.6.8, for the following resource types providing Resource Adequacy Capacity, the CAISO only inserts a Bid in the Day-Ahead Market or Real-Time Market where the generally applicable bidding rules in Section 30 call for bid insertion: Use-Limited Resource, Non-Generator Resource, Variable Energy Resource, Hydro electric Generating Unit (including Run-of-River resources), Proxy Demand Resource, Reliability Demand Response Resource, Participating Load, including Pumping Load, Combined Heat and Power Resource, Conditionally Available Resource, Non-Dispatchable Resource, resources providing Regulatory Must-Take Generation, and System Resource providing RA Capacity sourced

from an EDAM Balancing Authority Area.

(e) **NRS-RA Resources.** The CAISO will submit a Generated Bid in the Day-Ahead Market for a Non-Resource-Specific System Resource not otherwise exempt under Section 40.6.8(d) in each RAAIM assessment hour, to the extent that the resource provides Resource Adequacy Capacity subject to the requirements of Section 40.6.1 and does not submit an outage request or Bid for the entire amount of that Resource Adequacy Capacity. Aside from where the generally applicable bidding rules in Section 30 call for Bid insertion, the CAISO will not submit a Generated Bid in the Real-Time Market for a Non-Resource-Specific System Resource that fails to meet its bidding obligations under Section 40.6.2. A Bid inserted for the Real-Time Market pursuant to the generally applicable bidding rules in Section 30 may not necessarily cover the full Real-Time Market obligation under Section 40.6.2 and the resource may thus remain exposed to Non-Availability Charges.

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## Appendix A

**- Custom Generation Aggregation Point (CGAP)**

A pricing location modeled outside of the CAISO Balancing Authority Area that corresponds to the physical location of a single Dynamic Resource-Specific System Resource.

**- Default Generation Aggregation Point (DGAP)**

The aggregation of Supply PNodes in a single Balancing Authority Area, with Generation Distribution Factors that are proportional to the maximum capacity of the Supply resources at the Supply PNodes in

that Balancing Authority Area.

**- EDAM RSE Failure Multiplier**

A tiered component of the EDAM RSE On-Peak Upward Failure Insufficiency Surcharge and the EDAM RSE Off-Peak Upward Failure Insufficiency Surcharge. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is *de minimis* (a tier 1 EDAM RSE failure), such threshold determined as the higher of 10 MW or one percent of the Balancing Authority Area's upward imbalance reserve requirement for that hour, the EDAM RSE Failure Multiplier is zero. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is less than or equal to fifty percent of the Balancing Authority Area's upward Imbalance Reserve requirement (a tier 2 EDAM RSE failure), the EDAM RSE Failure Multiplier is 1.25. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is greater than fifty percent of the Balancing Authority Area's upward Imbalance Reserve requirement (a tier 3 EDAM RSE failure), the EDAM RSE Failure Multiplier is 2. With respect to tier 2 or tier 3 EDAM RSE failure in the upward direction, the EDAM RSE Failure Multiplier is subject to an adder consisting of the EDAM RSE Failure Scaling Factor.

**- Generation Aggregation Point (GAP)**

A CGAP or DGAP.

**- [Not Used]**

**- IFM Marginal Losses Surplus**

For each Settlement Period of the IFM, the IFM Marginal Losses Surplus will equal: the applicable hourly Locational Marginal Price less (1) the Net Hourly Energy Charge; (2) the total IFM Congestion Charges which do not include IFM Congestion Credits collected by the CAISO as specified in Section 11.2.1.5; and (3) the total hourly marginal GHG cost charges, if applicable.

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## Appendix C

## Locational Marginal Price

### A. Locational Marginal Price for Energy

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### A.8 Intertie Scheduling Point Price Calculation

The CAISO calculates LMPs for intertie resources at Scheduling Points, which are represented in the FNM as PNodes or aggregations of PNodes external to the Market Area (*i.e.*, at the boundary of a Balancing Authority Area inside the Market Area with a Balancing Authority Area outside the Market Area), through the same process that is used to calculate LMPs for PNodes within the Market Area. In some cases, facilities that are part of the CAISO Controlled Grid but are external to the CAISO Balancing Authority Area connect some intertie Scheduling Points to the CAISO Balancing Authority Area, and in these cases, the Scheduling Points are within external Balancing Authority Areas. In these cases, the Scheduling Points are represented in the FNM at the relevant Locations and used to schedule imports and exports to/from the CAISO Balancing Authority Area. The MCC of the LMP at a Scheduling Point includes contributions from binding intertie constraints and intertie scheduling limits that constrain import/export Schedules at the relevant Scheduling Point.

In most cases, System Resources are registered at a Scheduling Point to a Balancing Authority Area in the Market Area to model Energy or capacity imports/exports from/to another Balancing Authority Area . When the Balancing Authority Area in the Market Area is not the CAISO Balancing Authority Area and the System Resource is not a Resource Adequacy Resource, the CAISO distributes the import/export Energy Schedule or capacity award of the System Resource to the associated GAP and the MCL and MCC of the LMP of the System Resource reflect the Marginal Losses and Congestion at the relevant GAP.

When the Balancing Authority Area in the Market Area is the CAISO Balancing Authority Area or if Balancing Authority Area in the Market Area is not the CAISO Balancing Authority Area but the System Resource is a Resource Adequacy Resource, the CAISO distributes the import/export Energy Schedule

or capacity award of the System Resource to the relevant Scheduling Point and the MCL and MCC of the LMP of the System Resource reflects the Marginal Losses and Congestion at the relevant Scheduling Point.

In certain cases, System Resources are registered at a Scheduling Point to a Balancing Authority Area in the Market Area to model Energy imports/exports from/to another Balancing Authority Area inside the Market Area. This occurs because of differences in the Market Area between the Day-Ahead Market and the Real-Time Market when a Balancing Authority Area is outside the EDAM Area in the Day-Ahead Market, but inside the EIM Area in the Real-Time Market. In this case, the day-ahead Energy schedule of the relevant System Resource is distributed in the Real-Time Market to the Scheduling Point, for a CAISO Balancing Authority Area intertie, or the relevant DGAP of the source/sink Balancing Authority Area that is in the EIM Area, but cancelled with an opposite base Energy schedule of an EIM Mirror System Resource at the same Scheduling Point with the same distribution. The EIM Mirror System Resource belongs to the source/sink Balancing Authority Area and its base Energy schedule matches the day-ahead Energy schedule of the System Resource it mirrors. The EIM Mirror System Resource that mirrors a System Resource has an export base schedule that matches the day-ahead import schedule of its mirrored System Resource, or a base import schedule that matches the day-ahead export schedule of its mirrored System Resource. The LMPs of the EIM Mirror System Resource and the System Resource it mirrors are different in general because the MEC, MCL, and MCC components differ since the two resources belong to different Balancing Authority Areas in the Market Area.

### A.8.1 Intertie Scheduling Point Price Calculation for IBAAs

#### A.8.1.1 Scheduling Point Prices

As described in Section 27.5.3, the CAISO's FNM includes a full model of the network topology of each IBAA. The CAISO will specify Resource IDs that associate Intertie Scheduling Point Bids and Schedules with supporting injection and withdrawal locations on the FNM. These Resource IDs may be specified by the CAISO based on the information available to it, or developed pursuant to a Market Efficiency Enhancement Agreement. Once these Resource IDs are established, the CAISO will determine Intertie Scheduling Point LMPs based on the injection and withdrawal locations associated with each Intertie Scheduling Point Bid and Schedule by the appropriate Resource ID. In calculating these LMPs the

CAISO follows the provisions specified in Section 27.5.3 regarding the treatment of Transmission Constraints and losses on the IBAA network facilities. Unless otherwise required pursuant to an effective MEEA, the default pricing for all imports from the IBAA(s) to the CAISO Balancing Authority Area will be based on the SMUD/TID IBAA Import LMP and all exports to the IBAA(s) from the CAISO Balancing Authority Area will be based on the SMUD/TID IBAA Export LMP. The SMUD/TID IBAA Import LMP will be calculated based on modeling of supply resources that assumes all supply is from the Captain Jack substation as defined by WECC. The SMUD/TID IBAA Export LMP will be calculated based on the Sacramento Municipal Utility District hub that reflects Intertie distribution factors developed from a seasonal power flow base case study of the WECC region using an equivalencing technique that requires the Sacramento Municipal Utility District hub to be equivalenced to only the buses that comprise the aggregated set of load resources in the IBAA, with all generation also being retained at its buses within the IBAA. The resulting load distribution within each aggregated set of load resources within the IBAA defines the Intertie distribution factors for exports from the CAISO Balancing Authority Area.

#### A.8.1.2 Applicable Marginal Losses Adjustment

For import Schedules to the CAISO Balancing Authority Area at the southern terminus of the California-Oregon Transmission Project at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority and the Western Area Power Administration system, the CAISO will replace the Marginal Cost of Losses at the otherwise applicable source for such Schedules with the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system, provided that the Scheduling Coordinators certify as discussed further below that the Schedules originate from transactions that use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition, as described further below, the Scheduling Coordinator must certify that the Schedules are subject to: (a) charges for losses by the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) charges for losses by the Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. The CAISO will establish Resource IDs that are to be used only to submit Bids, including Self-Schedules, for the purpose of

establishing Schedules that are eligible for this loss adjustment.

Prior to obtaining such Resource IDs, the relevant Scheduling Coordinator shall certify that it will only use this established Resource ID for Bids, including Self-Schedules, that originate from transactions that use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition, the Scheduling Coordinator must certify that the Schedules are subject to: (a) charges for losses by the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Further, by actually using such Resource ID, the Scheduling Coordinator represents that such Bids, including Self-Schedules, that originate from transactions that use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. Schedules and Dispatches settled under such Resource IDs shall be subject to an LMP which has accounted for the Marginal Cost of Losses as if there were an actual physical generation facility at the Tracy Scheduling Point or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system as opposed to the Marginal Cost of Losses under the IBAA LMPs specified in Section I.1.1 of this Appendix. The CAISO may request information on a monthly basis from such Scheduling Coordinators to verify these certifications. Any such request shall be limited to transactions that use the designated Resource IDs during the six month prior period to the date of the request. The CAISO will calculate a re-adjustment of the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system to reflect the otherwise applicable source for such Schedules for any Settlement Interval in which the CAISO has determined that the Scheduling Coordinator's payments did not reflect transactions that meet the above specified certification requirements. Any amounts owed to the CAISO for such Marginal Cost of Losses re-adjustments will be recovered by the CAISO from the affected Scheduling Coordinator by netting the amounts owed from payments due in subsequent Settlements Statements until the outstanding amounts are fully recovered.

For export Schedules from the CAISO Balancing Authority Area at the southern terminus of the

California-Oregon Transmission Project at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system, the CAISO will replace the Marginal Cost of Losses at the otherwise applicable sink for such Schedules with the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system, provided that the Scheduling Coordinator certifies, as discussed below, where the export Schedules use: (a) the California-Oregon Transmission Project; or (b) any transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition, the Scheduling Coordinator must certify that the affected Schedules are charged losses by: (a) the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. The CAISO will establish Resource IDs that are to be used only to submit Bids, including Self-Schedules, for the purpose of establishing Schedules that are eligible for this loss adjustment. Prior to obtaining such Resource IDs, the relevant Scheduling Coordinator shall certify that it will only use this established Resource ID for Bids, including Self-Schedules, where the export Schedules use: (a) the California-Oregon Transmission Project; or (b) any transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition the Scheduling Coordinator must certify that the affected Schedules are charged losses by: (a) the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Further, by actually using such Resource ID, the Scheduling Coordinator represents that such Bids, including Self-Schedules, are used for the above specified conditions.

Schedules and Dispatches settled under such Resource IDs shall be subject to an LMP which has accounted for the Marginal Cost of Losses as if there were an actual physical generation facility at the Tracy Scheduling Point or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system as opposed to the Marginal Cost of Losses under the IBAA LMPs specified in Section I.1.1 of this Appendix. The CAISO may request information on a monthly basis from such Scheduling Coordinators to verify that schedules for such

Resource IDs meet the above specified conditions. Any such request shall be limited to transactions that use the designated Resource IDs during the six month prior period to the date of the request.

The CAISO will calculate a re-adjustment of the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system to reflect the otherwise applicable sink for such Schedules for any Settlement Interval in which the CAISO has determined that the Scheduling Coordinator's payments did not reflect transactions that met the above specified conditions. Any amounts owed to the CAISO for such Marginal Cost of Losses re-adjustments will be recovered by the CAISO from the affected Scheduling Coordinator by netting the amounts owed from payments due in subsequent Settlements Statements until the outstanding amounts are fully recovered.

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**Attachment B – Redlined Tariff Sheets**

**Tariff Amendment – Support Implementation of DAME/EDAM**

**California Independent System Operator Corporation**

**February 6, 2026**

## Section 11

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### 11.2 Settlement of Day-Ahead Market Transactions

All transactions in the IFM and RUC as specified in the Day-Ahead Schedule, AS Awards and RUC Awards, respectively, are financially binding and will be settled based on the Day-Ahead LMP, ASMP or RUC Price for the relevant Location for the specific resource or transaction identified for the Bid. The CAISO will settle the costs of Demand, Energy, Imbalance Reserves, Reliability Capacity, or Ancillary Services as separate Settlement charges and payments for each Settlement Period as appropriate.

#### 11.2.1 IFM Settlements

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##### 11.2.1.8 Charges for Unavailable Imbalance Reserves

As provided in this Section 11.2.1.8, the CAISO charges resources with Imbalance Reserves Awards when some portion of the Imbalance Reserves Award is unavailable to the CAISO. Charges assessed pursuant to this Section 11.2.1.8 for unavailable IRU and IRD awards are subtracted from the separate allocations of IRU and IRD costs, respectively, pursuant to Section 11.2.1.9.

###### 11.2.1.8.1 Charges for Unavailable IRU awards

A resource's unavailable IRU quantity is the amount, if any, by which the resource's Day-Ahead Schedule for Supply plus Ancillary Services Awards other than for Regulation Down plus the IRU award ~~minus the Five-Minute Imbalance Reserve Quantity~~ exceeds the resource's Upper Economic Limit as adjusted by applicable Outages in the FMM. Provided, however, the unavailable IRU quantity is capped at the IRU award minus the Five-Minute Imbalance Reserve Quantity. The CAISO charges a resource with an unavailable IRU quantity the product of the unavailable quantity and the higher of the FMM Flexible Ramp Up Price or the resource's Locational IRU Price.

###### 11.2.1.8.2 Charges for Unavailable IRD awards

A resource's unavailable IRD quantity is the amount, if any, by which the resource's Lower Economic

Limit as adjusted by applicable Outages in the FMM exceeds the resource's Day-Ahead Schedule for Supply minus the Ancillary Services Awards for Regulation Down minus the IRD award. Provided, however, the unavailable IRD quantity is capped at the IRD award minus the Five-Minute Imbalance Reserve Quantity.~~plus the Five-Minute Imbalance Reserve Quantity.~~ The CAISO charges a resource with an unavailable IRD quantity the product of the unavailable quantity and the higher of the FMM Flexible Ramp Down price or the resource's Locational IRD Price.

**11.2.1.8.3 Priority of Charges When a Resource is Unavailable for both Imbalance Reserves and Reliability Capacity**

For Settlement Periods in which a resource receives both a RUC Award and Imbalance Reserves Award and is unavailable in the RTM, or only bids a portion of its combined award in the RTM, the CAISO first applies charges per Section 11.2.2.2 to the quantity of unavailable Reliability Capacity and then applies charges per this Section 11.2.1.8 to the remaining unavailable capacity. If a resource has an Ancillary Services Award, RUC Award, and Imbalance Reserves Award in the same Settlement Period and is unavailable in the RTM, then the CAISO first determines any unavailable quantities pursuant to this Section 11.2.1.8.3 and then applies the rescission rules in Section 11.10.9.

**11.2.1.9 Allocation of Imbalance Reserves Costs** The CAISO allocates the separate costs of IRU and IRD through distinct two-tiered allocations. For IRU, the costs allocated include the direct costs of procuring IRU, as reflected by the summation of the product of each Imbalance Reserves Award for IRU and its Locational IRU Price, and the congestion revenue calculated per Section 31.3.1.6.4 from transmission constraints binding in the up deployment scenario for Imbalance Reserves. For IRD, the costs allocated include both the direct costs, as reflected by the summation of the product of each Imbalance Reserves Award for IRD and its Locational IRD Price, of procuring IRD and the congestion revenue calculated per Section 31.3.1.6.4 from transmission constraints binding in the down deployment scenario for imbalance reserves.

A Scheduling Coordinator's allocation of IRU costs in tier 1 is the product of its IRU tier 1 cost allocation quantity, as specified in Section 11.2.1.9.1, and its IRU tier 1 cost allocation price, as specified in Section 11.2.1.9.3. A Scheduling Coordinator's allocation of IRD costs in tier 1 is the product of its IRD tier 1 cost allocation quantity, as specified in Section 11.2.1.9.2, and its IRD tier 1 cost allocation price, as specified

in Section 11.2.1.9.4.

The CAISO allocates the costs of Imbalance Reserves procurement not recovered through the IRU or IRD tier 1 cost allocations to Scheduling Coordinators in Tier 2 in proportion to their metered Demand in the interval for which the CAISO procured the Imbalance Reserves.

The CAISO excludes from tier 1 and tier 2 allocations for both IRU and IRD the valid and balanced portion of ETC and TOR self-schedules based on the market (IFM or RTM) in which the Scheduling Coordinator reflected the ETC or TOR self-schedules. The CAISO does not exclude from the Imbalance Reserves cost allocations any quantities above the valid and balanced portion of ETC or TOR self-schedules.~~For ETC and TOR self-schedules, the CAISO treats quantities above the valid and balanced portion as metered Demand subject to cost allocation in Tier 2.~~

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**11.2.4 CRR Settlements**

The CAISO will pay or charge CRR Holders as further specified in this Section 11.2.4 and its subsections.

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**11.2.4.1.2 Calculation of Hourly CRR Congestion Fund**

The CAISO calculates an Hourly CRR Congestion Fund for every Transmission Constraint in the CAISO BAA that is congested in the IFM in a Settlement Period. The Hourly CRR Congestion Fund specific to a particular binding Transmission Constraint in a given Settlement Period is the sum of the: (a) portion of the IFM Congestion Charge in that Settlement Period attributable to congestion on the Transmission Constraint to which the Hourly CRR Congestion Fund corresponds; (b) charges specific to the Transmission Constraint calculated pursuant to Section 11.2.4.4.1; and (c) CRR revenue adjustments the CAISO may make pursuant to Sections 11.2.4.6 or 11.2.4.7 that are associated with the Transmission Constraint. Part (a) does not include funds needed to make a Congestion difference allocation to an EDAM Entity Balancing Authority Area as specified in Section 33.11.1.2.1. The Hourly CRR Congestion Fund for a Transmission Constraint in an EDAM Entity Balancing Authority Area is set to zero dollars ($0).

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### 11.5.4 Imbalance Energy Pricing; Non-Zero Offset Amount Allocation

#### 11.5.4.1 EIM Transfers and Offset Allocations

EIM Transfer revenue will be collected when one Balancing Authority Area in the EIM Area provides Energy to another Balancing Authority Area in the EIM Area and the associated EIM Transfer System Resource prices differ. Congestion revenue will be collected when a Transmission Constraint or intertie scheduling limit binds at different locations of the transmission system and the LMP varies across a Balancing Authority Area in the EIM Area and across FMM and RTD LMPs from source to sink within and across the EIM Area. The CAISO will collect neutrality amounts to recover differences between Real-Time Market payments made and Real-Time Market payments received within Balancing Authority Areas in the EIM Area. The CAISO will allocate EIM Transfer revenue, Real-Time Congestion revenue, and offsets to an EIM Entity Balancing Authority Area or the CAISO Balancing Authority Area as provided below.

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##### 11.5.4.1.5 EIM Transfer Revenue.

(a) **Calculation.** The CAISO will calculate EIM Transfer revenue when the net EIM Transfer scheduling limit is reached in the Real-Time Market as the separation of the Marginal Energy Cost of the binding Balancing Authority Area in the EIM Area from the Marginal Energy Cost of an adjacent Balancing Authority Area in the EIM Area that is attributed to an EIM Transfer System Resource.

(b) **Allocation.** The CAISO will allocate EIM Transfer revenue by dividing the revenue equally to the Balancing Authorities on each side of the EIM Transfer~~EDAM Internal Intertie~~ as defined by the Balancing Authority Area boundary at that intertie, except when the CAISO has been notified during the implementation of the Real-Time Market within an EIM Entity Balancing Authority Area of an agreement between both EIM Entities on either side of a EIM Transfer that a different allocation for some portion of the transfer

revenue is required to give effect to a pre-existing commercial arrangement, which will then be sub-allocated–

(1) for the CAISO Balancing Authority Area in accordance with the CAISO Tariff in the CAISO Balancing Authority Area, including allocation to Scheduling Coordinators for Existing Contract rights and Transmission Ownership Rights holders consistent with the terms of the agreements concerning use of the transmission facilities supporting the EIM Transfer;

(2) for an EIM Entity Balancing Authority Area that does not participate in the Day-Ahead Market in accordance with the associated EIM Transmission Service Provider tariff; and

(3) for an EIM Entity Balancing Authority Area that participates in the Day-Ahead Market depending on whether the transmission across an EIM Intertie is made available by: (a) an EDAM Entity pursuant to Section 33.18.2, 2.1 or Section 33.18.2.2.3, in which case the CAISO will allocate the EIM Transfer revenue to the EIM Entity Scheduling Coordinator for further allocation by the EIM Transmission Service Provider in accordance with its tariff, (b) an EDAM Transmission Service Provider customer pursuant to Section 33.18.2.2, in which case the CAISO will allocate the EIM Transfer revenue directly to the Scheduling Coordinator for the EDAM Transmission Service Provider customer, or (c) an EDAM Legacy Contact or EDAM Transmission Ownership Right pursuant to Section 33.18.2.2.2, in which case the CAISO will allocate the EDAM Transfer revenue to the Scheduling Coordinator for the EDAM Legacy Contact or EDAM Transmission Ownership Right holder, respectively.

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**11.8.6.5 Allocation of RUC Compensation Costs**

#### 11.8.6.5.1 Calculation of RUC Compensation Costs

For each Trading Hour of the RUC, the CAISO shall calculate the RUC Compensation Costs separately for RCU and RCD as the sum of the RUC Availability Payments for either RCU or RCD. The RUC Compensation Costs for RCU additionally include the hourly Net RUC Bid Cost Uplift.

#### 11.8.6.5.2 Calculation of the Hourly Net RUC Bid Cost Uplift

For each Trading Hour of the RUC, the hourly Net RUC Bid Cost Uplift is determined as the sum over the Settlement Intervals in that Trading Hour of the product of any positive Net RUC Bid Cost Uplift remaining in the Settlement Interval after the sequential netting in Section 11.8.6.2 and the application of the uplift ratio as determined in Section 11.8.6.3. Scheduling Coordinators for MSS Operators that are non-Load following and under gross Settlement receive the allocation of hourly Net RUC Bid Cost Uplift like all other Scheduling Coordinators.

#### 11.8.6.5.3 Allocation of the RUC Compensation Costs

The CAISO allocates the sum of the RUC Compensation Costs as specified below. A Scheduling Coordinator's allocation of RCU costs in tier 1 is the product of the RCU tier 1 cost allocation quantity, as specified in Section 11.8.6.5.3.1, and the RCU tier 1 cost allocation price, as specified in Section 11.8.6.5.3.3.

A Scheduling Coordinator's allocation of RCD costs in tier 1 is the product of the RCD tier 1 cost allocation quantity, as specified in Section 11.8.6.5.3.2, and the RCD tier 1 cost allocation price, as specified in 11.8.6.5.3.4.

The CAISO allocates the costs of Reliability Capacity procurement not recovered through the RCU or RCD tier 1 cost allocations to Scheduling Coordinators in proportion to their metered Demand in the Trading Hour for which the CAISO procured the Reliability Capacity~~Imbalance Reserves~~.

##### 11.8.6.5.3.1 RCU Tier 1 Cost Allocation Quantity

A Scheduling Coordinator's total RCU tier 1 cost allocation quantity is the sum of the tier 1 quantities, specified as follows.

For a Scheduling Coordinator with net Virtual Supply Awards in a Trading Hour, the RCU tier 1 cost allocation quantity associated with its Virtual Supply is the higher of: (a) zero; or (b) the Scheduling Coordinator's net Virtual Awards, if the Balancing Authority Area in which that Scheduling Coordinator is

located has net Virtual Supply.

For a Scheduling Coordinator with under-scheduled Load in a Trading Hour, the RCU tier 1 cost allocation quantity associated with its under-scheduled Load is the net negative metered Demand, excluding net negative Demand associated with balanced ETC/TOR rights and negative deviation for Participating Load resulting from a market dispatch.

#### 11.8.6.5.3.2 RCD Tier 1 Cost Allocation Quantity

A Scheduling Coordinator's total RCD tier 1 cost allocation quantity is the sum of the tier 1 quantities, specified as follows.

For a Scheduling Coordinator with net Virtual Demand Awards in a Trading Hour, the RCD tier 1 cost allocation quantity associated with its Virtual Demand is the lower of: (a) zero; or (b) the Scheduling Coordinator's net Virtual Awards, if the Balancing Authority Area in which that Scheduling Coordinator is located has net Virtual Demand.

For a Scheduling Coordinator with over-scheduled Load in a Trading Hour, the RCD tier 1 cost allocation associated with its over-scheduled Load is the net positive metered Demand, excluding net positive demand associated with balanced ETC/TOR rights and positive deviation for Participating Load resulting from a market dispatch.

#### 11.8.6.5.3.3 RCU Tier 1 Cost Allocation Price

The RCU tier 1 cost allocation price for a Trading Hour is the lower of: (a) the RUC Compensation Costs for RCU, as adjusted by payment rescissions applied per Section 11.2.2.2, divided by the total MWs of RCU awards; and (b) the RUC Compensation Costs for RCU to meet Measured Demand divided by the sum of each Scheduling Coordinator's RCU tier 1 cost allocation quantity in that Trading Hour.

#### 11.8.6.5.3.4 RCD Tier 1 Cost Allocation Price

The RCD tier 1 cost allocation price for a Trading Hour is the lower of: (a) the RUC Compensation Costs for RCD, as adjusted by payment rescissions applied per Section 11.2.2.2, divided by the total MWs of RCD awards; and (b) the RUC Compensation Costs for RCD to meet Measured Demand divided by the sum of each Scheduling Coordinator's RCD tier 1 cost allocation quantity in that Trading Hour

#### 11.8.6.5.3.5 Reliability Capacity Cost Allocation to MSSs

The CAISO allocates costs of Reliability Capacity to a MSS the same as any other Scheduling

Coordinator irrespective of the MSS's election, per Section 4.9.13, of net Settlements or gross Settlements.

The CAISO does not allocate costs of Reliability Capacity from either tier 1 or tier 2 to a MSS that has elected, per Section 4.9.13, to Load follow with its generating resources.

**11.8.6.5.3.6 Reliability Capacity Cost Allocation to Holders of ETCs or TORs**

The CAISO excludes from tier 1 and tier 2 allocations for both RCU and RCD the valid and balanced portion of ETC and TOR self-schedules based on the market (IFM or RTM) in which the Scheduling Coordinator reflected the ETC or TOR self-schedules. The CAISO does not exclude from the Reliability Capacity cost allocations any quantities above the valid and balanced portion of ETC or TOR self-schedules.

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**11.22.8 Scheduling Coordinator ID Charge**

The Scheduling Coordinator ID Charge for each Scheduling Coordinator is $1,500.00 per month, per Scheduling Coordinator ID Code for any Trading Month in which the Scheduling Coordinator has market activity. The Scheduling Coordinator ID Charge is subject to adjustment as described in Appendix F, Schedule 1, Part A. The CAISO will credit amounts recovered through the Scheduling Coordinator ID Charges against the revenue requirement for Market Services Charges as described in Appendix F, Schedule 1, Part A. This Scheduling Coordinator ID Charge will not be assessed to a Scheduling Coordinator ID Code issued for the sole purpose of representing an EDAM Resource or a wheeling through transaction located in an EDAM Balancing Authority Area that sources from or sinks to the EIM Balancing Authority Area where the EIM Entity Scheduling Coordinator is affiliated with the EDAM Resource or wheeling through transaction.

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**Section 29**

## 29. Energy Imbalance Market

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### 29.17 EIM Transmission System

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(g) **EIM Transfer Schedule Cost.**

(1) **In General.** The CAISO's Security Constrained Economic Dispatch in the Fifteen Minute Market and Real-Time Dispatch shall use an EIM Transfer schedule cost associated with EIM Transfers at each EIM Internal Intertie to determine the optimal scheduling path for EIM Transfers, which in all intervals shall be less than $0.01.

(2) **Objectives.** The CAISO shall use the lowest EIM Transfer schedule cost determined based upon the objectives of –

(A) maximizing the use of the transmission capacity made available for EIM Transfers in both the Fifteen-Minute Market and Real-Time Dispatch;

(B) minimizing the number of E-Tags required to comply with the WECC scheduling practices; and

(C) minimizing the impact of outages or curtailments on the E-Tags used to account for EIM Transfers based on historical outage and curtailment data for each EIM Internal Intertie.

(3) **EIM Transfer Schedule Cost Publication.** The CAISO will publish the EIM Transfer schedule cost associated with each EIM Internal Intertie ~~in the Business Practice Manual for the Energy Imbalance Market~~.

(4) **EIM Transfer Schedule Cost Adjustment.** The CAISO may adjust the EIM Transfer schedule costs to maintain the path priorities established by the criteria

in Section 29.17(g)(2) when an EIM Entity Balancing Authority Area is added or subtracted from the EIM Area, as seasonal transmission system ratings change, or the transmission system topology changes.

(5) **Locational Marginal Price.** The CAISO will reflect the EIM Transfer schedule cost in the Marginal Cost of Congestion.

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**29.32 Greenhouse Gas Regulation and GHG Bid Adders.**

**(a) GHG Bid Adders.**

**(1) In General.** EDAM Resource Scheduling Coordinators, EIM Participating Resource Scheduling Coordinators, and Scheduling Coordinators for resources within the CAISO Balancing Authority Area will have an opportunity to recover costs of compliance with GHG regulations adopted by a state jurisdiction that has priced GHG emissions as part of a state GHG reporting and reduction program. The provisions of Section 29.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027.

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## Section 30

**30.1 Bids, Including Self-Schedules**

Scheduling Coordinators shall submit Bids to participate in the CAISO Markets, as well as any Self-Schedules, ETC Self-Schedules, TOR Self-Schedules, or Self-Provided Ancillary Services. Bidding rules for each type of resource are contained in this Section 30 and additional specifications regarding bidding practices are contained in the Business Practice Manuals posted on the CAISO Website. Bids will consist of various components described in this Section 30 through which the Scheduling Coordinator provides information regarding the parameters and conditions pursuant to which the Bid may be

optimized by the CAISO Markets.

### 30.1.1 Day-Ahead Market

Bids submitted in the DAM apply to the twenty-four (24) hours of the next Trading Day (23 or 25 hours on the Daylight Savings transition days) and are used in both the IFM and RUC. Bids ~~for the Regulation Up, Regulation Down, Spinning Reserve, and Non-Spinning Reserve service in the Day-Ahead Market~~ must be received by Market Close for the Day-Ahead Market. The Bids shall include information for each of the twenty-four (24) Settlement Periods of the Trading Day. Failure to provide the information within the stated time frame shall result in the Bids being declared invalid by the CAISO. Scheduling Coordinators may submit Bids for the DAM as early as seven (7) days ahead of the targeted Trading Day.

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## 30.5 Bidding Rules

### 30.5.2 Supply Bids

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#### 30.5.2.4 Supply Bids for System Resources

In addition to the common elements listed in Section 30.5.2.1, Supply Bids for Resource-Specific System Resources shall also contain Start-Up Bids and Minimum Load Bids. Resource-Specific System Resources are subject to the Proxy Cost methodology or the Registered Cost methodology for Default Start-Up Bids and Default Minimum Load Bids as provided in Section 30.4, and Transaction ID as created by the CAISO. Other System Resources are not eligible to recover Start-Up Costs and Minimum Load Costs. Resource-Specific System Resources are eligible to participate in the Day-Ahead Market on an equivalent basis as Generating Units and are not obligated to participate in RUC or the RTM if the resource did not receive a Day-Ahead Schedule unless the resource is a Resource Adequacy Resource. A Scheduling Coordinator for a Non-Resource-Specific System Resource that is a Resource Adequacy Resource or that supports a renewable portfolio standard transaction and that has met the registration

requirements set forth in the CAISO's Business Practice Manual may submit a Bid at an CAISO BAA EDAM Transfer location, if the Scheduling Coordinator does not the know the source of Non-Resource-Specific System Resource at time of Day-Ahead Market Bid submission or the source is otherwise outside of the EDAM Area. If the Resource-Specific System Resource is a Resource Adequacy Resource, the Scheduling Coordinator for the resource is obligated to make it available to the CAISO Market as prescribed by Section 40.6. Dynamic Resource-Specific System Resources are also eligible to participate in the RTM on an equivalent basis as Generating Units. The quantity (in MWh) of Energy categorized as Interruptible Imports (non-firm imports) can only be submitted through Self-Schedules in the Day-Ahead Market and cannot be incrementally increased in the RTM. Bids submitted to the Day-Ahead Market for ELS Resources will be applicable for two days after they have been submitted and cannot be changed the day after they have been submitted. Bids for System Resources that exceed the Soft Energy Bid Cap are subject to the rules in Sections 30.7.12, as applicable.

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**30.5.2.8 RUC Availability Bids**

Scheduling Coordinators may submit RUC Availability Bids to seek a RUC Award. Scheduling Coordinators submit separate RUC Availability Bids for RCU and RCD. For Multi-Stage Generating Resources, the RUC Availability Bids shall be submitted at the MSG Configuration. The RUC Availability Bid is a MW quantity in $/MW per hour. The quantity of a RUC Availability Bid for RCU or RCD cannot exceed the lower of the following two values: (1) the resource's 60-minute ramp capability; or (2) the Upper Economic Limit. In the case of Non-Generator Resources, however, the quantity of a RUC Availability Bid for RCU or RCD cannot exceed the lower of: (1) the resource's 60-minute ramp capability; or (2) the difference between the Upper Economic Limit and the Lower Economic Limit. The value for the $/MW per hour component of the Bid must be between 0 and 250.

Resources offering Economic Bids for Energy to the IFM ~~Bids, other than Virtual Bids, to the IFM~~ must submit a RUC Availability Bid for RCU at a quantity no less than the quantity of the Economic Bid for Energy ~~Bid~~.

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**30.5.8.2 Real-Time Market.**

Scheduling Coordinators may submit ~~Demand Bids,~~ Export Bids~~, Virtual Bids,~~ and Bids for Non-Resource-Specific System Resources above the Soft Energy Bid Cap, not to exceed the Hard Energy Bid Cap, for any Trading Hour of the Real-Time Market in which

(a) The conditions in Section 30.5.8.1 applied to the same Trading Hour of the Day-Ahead Market; or

(b)

(1) ____The CAISO has accepted a Bid for the applicable Trading Hour of the Real-Time Market with an Energy Bid price that exceeds the Soft Energy Bid Cap pursuant to Section 30.7.12, not including Bids from Reliability Demand Response Resources, or

(2) ____the Maximum Import Bid Price exceeds the Soft Energy Bid Cap

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**30.7 Bid Validation**

The CAISO shall validate submitted Bids pursuant to the procedures set forth in this Section 30.7 and the rules set forth in the Business Practice Manuals.

**30.7.1 Scheduling Coordinator Access**

Each Scheduling Coordinator will be provided access to the CAISO's secure communication system to submit, modify and cancel Bids prior to the close of both the DAM and RTM, as specified in Section 30.5.1. The CAISO shall provide information regarding submitted Bids including, but not be limited to, the following: (i) notification of acceptance; (ii) notification of validation; (iii) notification of rejection; (iv) notification of status; (v) notification of submission error(s); and (vi) default modification or generation of

Bids, including as further provided below, if any, on behalf of Scheduling Coordinators.

**30.7.2 Timing of CAISO Validation**

Once a Bid is submitted to the CAISO Markets, the Bid is available for validation, which is conducted in multiple steps. Clean Bids will be generated after Market Close.

**30.7.3 Day-Ahead Market Validation**

**30.7.3.1 Validation Prior to Market Close and Master File Update**

The CAISO conducts Bid validation in three steps:

**Step 1:** The CAISO will validate all Bids after submission of the Bid for content validation which determines that the Bid adheres to the structural rules required of all Bids as further described in the Business Practices Manuals. If the Bid fails any of the content level rules the CAISO shall assign it a rejected status and the Scheduling Coordinator must correct and resubmit the Bid.

**Step 2:** After the Bids are successfully validated for content, but prior to the Market Close of the DAM, the Bids will continue through the second level of validation rules to verify that the Bid adheres to the applicable CAISO Market rules and if applicable, limits based on Master File data. If the Bid fails any level two validation rules, the CAISO shall assign the Bid as invalid and the Scheduling Coordinator must either correct or resubmit the Bid.

**Step 3:** If the Bid successfully passes validation in Step 2, it will continue through the third level of validation where the Bid will be analyzed based on its contents to identify any missing Bid components that must be present for the Bid to be valid consistent with the market rules contained in Article III of this CAISO Tariff and as reflected in the Business Practice Manuals. At this stage the Bid will either be automatically modified for correctness and assigned a status of conditionally modified or modified, or if it can be accepted as is, the Bid will be assigned a status of conditionally valid, or valid. A Bid will be automatically modified and assigned a status of modified or conditionally modified Bid, whenever the CAISO inserts or modifies a Bid component. The CAISO will insert or modify a Bid component ~~whenever~~ (1) whenever a Self-Schedule quantity is less than the lowest quantity specified as an Economic Bid for either an Energy Bid or Demand Bid, in which case the CAISO extends the Self-Schedule to cover the gap; (2) whenever a Scheduling Coordinator submits a RUC Availability Bid for RCU for less than the quantity of the

Economic Bid for Energy, as specified in Section 30.5.2.8, in which case the Generated Bid quantity is the lower of the RUC Award eligibility under Section 31.5.5.3 or the Energy Bid range of the Energy Bid Curve and the Generated Bid price is the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid; ~~and~~ (3~~2~~) as specified in Section 40.6.8 for ~~a~~ Resource Adequacy Resources; ~~that is not a Use-Limited Resource, the CAISO will submit Generated Bids for Reliability Capacity as specified in Section 40.6.8.~~

~~To the extent the Scheduling Coordinator for an Eligible Intermittent Resource fails to submit a Bid for RCU up to the quantity of its forecasted output based on the forecast referenced in Section 34.1.6 the CAISO generates a bid for RCU up to the forecasted output. The price of the generated bid is at the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid.~~

~~To the extent an RMR Resource fails to submit a Bid for RCU up to the quantity required in Section 31.5.1.2 the CAISO generates a bid for RCU up to the required quantity. The~~ (4) as specified in Section 31.5.1.5 for RUC Availability Bids for RCU for exports and Eligible Intermittent Resources; (5) as specified in Section 41.5.1 for RMR Resources; and (6) if an RMR Resource fails to submit a RUC Availability Bid for RCU as specified in Section 31.5.1.2, in which case the quantity of the Generated Bid is at the required quantity and the price of the generated bid is at the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid.

Throughout the Bid evaluation process, the Scheduling Coordinator shall have the ability to view the Bid and may choose to cancel the Bid, modify and re-submit the Bid, or leave the modified, conditionally modified or valid, conditionally valid Bid as is to be processed in the designated CAISO Market. These validation rules apply to Bids submitted on behalf of Use Limited Resources. The purpose of the validation rules is not to increase the amount of capacity that a Use Limited Resource has offered into the CAISO Markets.

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## Section 31

## 31. Day-Ahead Market

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### 31.5 Residual Unit Commitment

The CAISO shall perform the RUC process after the IFM. As further specified in this Section 31.5, RUC procures RUC Capacity, which includes Reliability Capacity Up and Reliability Capacity Down, to address mismatches between the CAISO Forecast of BAA Demand and the physical capacity committed in the IFM.

RUC Capacity is selected by a SCUC optimization that uses the same Base Market Model used in the IFM adjusted as described in Section 27.5.1 and 27.5.6 to help ensure the deliverability of Energy from the RUC Capacity. That optimization procures RUC Capacity by Node and creates separate RUC Prices for RCU and RCD by Node. In the case of Multi-Stage Generating Resources, the RUC will optimize Transition Costs in addition to the Start-Up and Minimum Load Costs. If a Scheduling Coordinator submits a Self-Schedule or a Submission to Self-Provide Ancillary Services for a given MSG Configuration in a given Trading Hour, the RUC will consider the Start-Up Cost, Minimum Load Cost, and Transition Cost associated with any Economic Bids for other MSG Configurations as incremental costs between the other MSG Configurations and the self-scheduled MSG Configuration. In such cases, incremental costs are the additional costs incurred to transition or operate in an MSG Configuration in addition to the costs associated with the self-scheduled MSG Configuration.

#### 31.5.1 RUC Participation

##### 31.5.1.1 Capacity Eligible for RUC Participation

Scheduling Coordinators may make capacity available for participation in RUC by submitting a RUC Availability Bid, provided the Scheduling Coordinator has also submitted an Energy Bid (other than a Virtual Bid) for such capacity into the IFM. As part of the Bid validation procedures specified in Section 30.7.3, the CAISO disregards RUC Availability Bids from capacity that is not accompanied in the IFM by

an Energy Bid that is not a Virtual Bid. Virtual Bids are not eligible to participate in RUC. Non-Participating Load and Reliability Demand Response Resources are not eligible to participate in RUC. RUC participation is required for Resource Adequacy Capacity. System Resources with a Resource ID defined in the CAISO Master File are eligible to participate in RUC and will be considered on an hourly basis; that is, RUC will not observe any multi-hour block constraints. A Long Start Unit is eligible to participate in RUC to the extent it has submitted an Energy Bid to the Day-Ahead Market above PMin. In RUC the CAISO may commit a Multi-Stage Generating Resource with a Resource Adequacy must-offer obligation at any MSG Configuration with capacity equal to or greater than the MSG Configuration committed in the Integrated Forward Market. RUC will observe the Energy Limits that may have been submitted in conjunction with Energy Bids to the IFM. Legacy RMR Unit capacity will be considered in RUC in accordance with Section 31.5.1.3. MSS resources may participate in RUC in accordance with Section 31.5.2.3. COG resources are accounted for in RUC, but may not submit or be paid RUC Availability Payments. The ELS Resources committed through the ELC Process conducted two days before the day the RUC process is conducted for the next Trading Day as described in Section 31.7 are binding.

**31.5.1.2 RUC Availability Bids**

With the exception of capacity from Eligible Intermittent Resources, Scheduling Coordinators may only submit RUC Availability Bids for capacity (above the Minimum Load as registered in the Master File) for which they are also submitting an Economic Energy Bid (other than a Virtual Bid) to participate in the IFM. A Scheduling Coordinator representing an Eligible Intermittent Resource must submit RUC Availability Bids for RCU at a quantity equal to their forecasted output based on the forecast referenced in Section ~~34.1.6~~4.8.2.1. An RMR Resource must submit a RUC Availability Bid for RCU in an amount that is the lowest of the resource's: (1) 60-minute ramp capability; (2) Upper Economic Limit; or (3) full RMR Capacity~~for their full RMR Capacity~~.

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**31.5.3 RUC Procurement Target**

Subject to Sections 31.5.3.1 and 31.5.4, the RUC Procurement Target for each Balancing Authority Area participating in the Day-Ahead Market is based on the relationship between the CAISO Forecast of BAA Demand for that BAA and the Supply cleared in the IFM for that Trading Hour (excluding Virtual Supply).

If the CAISO Forecast of BAA Demand exceeds the Supply cleared in the IFM for a Trading Hour (excluding Virtual Supply), then the RUC Procurement Target for that Balancing Authority Area is RCU in the amount of the excess Demand.

If the Supply (excluding Virtual Supply) cleared in the IFM for a Trading Hour exceeds the CAISO Forecast of BAA Demand, then the RUC Procurement Target for that Balancing Authority Area is RCD in the amount of the excess Supply.

If the Supply (excluding Virtual Supply) cleared in the IFM for a Trading Hour equals the CAISO Forecast of BAA Demand, then the RUC Procurement Target for that Balancing Authority Area is zero RCU and zero RCD.

The adjustments listed in Sections 31.5.3.1 to 31.5.3.1.6 will be made to the CAISO Forecast of BAA Demand to account for the conditions as provided therein. The RUC Procurement Target setting procedure is designed to meet the requirements of reliable grid operation without unnecessary over-procurement of RUC Capacity or over-commitment of resources. Additional detail on the process for setting the RUC Procurement Target is specified in the Business Practice Manuals.

#### 31.5.3.1 CAISO Operator Review & Adjustment

The CAISO Operator reviews the CAISO Forecast of BAA Demand and all calculated adjustments as provided in Sections 31.5.3.1.1 through 31.5.3.1.6. The CAISO Operator shall accept, modify, or reject such adjustments based on Good Utility Practice. If the CAISO Operator determines it must modify the CAISO Forecast of BAA Demand, the CAISO Operator shall log sufficient information as to reason, Operating Hour, and specific modification(s) made to the CAISO Forecast of BAA Demand.

##### 31.5.3.1.1 RUC Net Short Conditions

The CAISO Operator may conform the CAISO Forecast of BAA Demand in the event the CAISO Operator has determined that additional capacity may need to be procured in RUC to meet anticipated Real-Time system conditions. The CAISO Operator will consider factors such as: CAISO Forecast of BAA Demand error; weather pattern that is expected to continue or change within the next Trading Day; generator

outage resulting in different Supply availability than was bid into the Day-Ahead Market; fire that threatens transmission lines and/or corridors; the expectation that the amount of Generation committed in the IFM will not be sufficient to meet the anticipated Demand; and Reliability Coordinator next-day analysis of system conditions.

**31.5.3.1.2 Demand Response Adjustments.**

The CAISO accounts~~shall account~~ for Demand response that is clearly communicated to the CAISO as certain to be curtailed for the next Trading Day only for the two following types of Demand response: (1) Demand response triggered by a staged System Emergency event; and (2) Demand response that is triggered by a price or an event known in advance. ~~If an LSE informs the CAISO of anticipated Demand response prior to Market Close of the DAM, the CAISO Forecast of BAA Demand used as the RUC procurement target will be reduced accordingly.~~

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**31.5.5 Selection and Commitment of RUC Capacity**

Capacity that is not already scheduled in the IFM may be selected as RUC Capacity to meet a RUC Procurement Target.

**31.5.5.1 Nodal Procurement and Deliverability of Reliability Capacity**

RUC optimizes procurement of Reliability Capacity such that, in the event the Real-Time Market awards the incremental or decremental Energy Bids corresponding to the Reliability Capacity Awards, the dispatch of Energy from the Reliability Capacity in the market would not result in flows exceeding Transmission Constraints and scheduling limits, including EDAM Transfer limits.

The RUC optimization distributes an EDAM Entity's RUC procurement target to the Demand Locations within each EDAM Entity based on distribution factors derived from historical and/or forecasted information that reflect the relative contributions of Demand to the RUC procurement targets.

**31.5.5.2 The RUC Optimization**

The RUC optimization will select RUC Capacity and produce nodal RUC Prices by minimizing total Bid cost based on RUC Availability Bids and Start-Up, Minimum Load Bids and Transition Costs. RUC will not consider Start-Up, Minimum Load Bids, or Transition Costs for resources already committed in the

IFM. The CAISO will only issue RUC Start-Up Instructions to resources committed in RUC that must receive a Start-Up Instruction in the Day-Ahead in order to be available to meet Real-Time Demand. RUC Schedules will be provided to Scheduling Coordinators even if a RUC Start-Up Instruction is not issued at that time. RUC shall not Shut Down resources scheduled through the IFM but RUC may commit a Multi-Stage Generating Resource to a lower MSG Configuration. If the RUC process cannot find a feasible solution given the resources committed in the IFM, the RUC process will adjust constraints as described in Section 31.5.4 to arrive at a feasible solution that accommodates all the resources committed in the IFM.

**31.5.5.3 Limitations on RUC Awards**

~~A RUC Award is limited to a resource's 60-minute ramp capability.~~ A RUC Award to a specific resource only can consist of RCU or RCD, and not both. RUC shall not Shut Down resources scheduled through the IFM. RUC shall not provide a RUC Award to a Multi-Stage Generating Resource that would require it to make an infeasible transition from the MSG Configuration applicable to its Day-Ahead Schedule to the MSG Configuration applicable to meeting the requirements of the potential RUC Award.

The RUC optimization applies a ~~capacity~~ constraint such that the sum of awards for Energy, ~~upward~~ Ancillary Services, Imbalance Reserves~~IRU~~, and Reliability Capacity~~RCU~~ is feasible given the resource's capacity, operating and economic limitations~~does not exceed the resource's Upper Economic Limit or, in the case of an Eligible Intermittent Resource, the forecasted output based on the forecast referenced in Section 4.8.2.1~~.

The RUC optimization only awards a RUC Award to a storage resource using the Non-Generator Resource model to the extent its modeled State of Charge can support such schedule or award.

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## Section 33

**33. Extended Day-Ahead Market**

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**33.2 Access To EDAM**

Section 2 will not apply to EDAM Market Participants; rather, the specific provisions of this Section 33.2 will apply to EDAM Market Participants.

The CAISO will provide open and non-discriminatory access to the Day-Ahead Market, including the Extended Day-Ahead Market for Balancing Authorities that also participate in the Energy Imbalance Market in accordance with the CAISO Tariff. Only EIM Entities may be EDAM Entities, while EIM Entities who do not become EDAM Entities will have no obligation to participate in the Extended Day-Ahead Market and may continue to participate solely in the Energy Imbalance Market.

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**33.2.5 Implementation Activities.**

The CAISO and the prospective EDAM Entity will complete the following implementation activities:

(A) **Execution of Necessary Agreements.** The prospective EDAM Entity has complied with Section 33.2.1, executed any necessary agreements for operating as an EDAM Entity, and helped the CAISO secure necessary agreements with third party prospective EDAM Market Participants.

(B) **Operations Training.** Prior to the start of parallel operations as set forth in Section 33.2.3, all operations staff (including contractors or vendors) identified by the prospective EDAM Entity who will have responsibility for EDAM operations, market transactions and settlements, will have completed identified CAISO training modules.

(C) **Forecasting Capability.** The CAISO and, to the extent the prospective EDAM Entity will use its own forecasts or is otherwise required to provide forecasting information to the CAISO, the prospective EDAM Entity has demonstrated its respective forecasting capability through –

(i) the definition of day-ahead demand forecast boundaries based on the conforming and non-conforming load characteristics, as applicable;

(ii) the documentation of EDAM Entity's choice of day-ahead demand forecast provider and how the demand forecast will be completed;

(iii) the accuracy of the CAISO forecast of demand based on historical actual load data for the defined demand forecast boundaries;

(iv) the identification of weather stations locations used in forecasting, as applicable;

(v) the identification of the source of day-ahead Variable Energy Resource forecasts;

(vi) the accuracy of the day-ahead forecast of Variable Energy Resources;

(vii) the identification of all Hybrid Resources; and

(viii) the provision of CAISO historical data on day-ahead demand and renewable forecast information to fill the needed historical data period to produce the Imbalance Reserve requirements at the net load level.

(D) **Resource Sufficiency Evaluation.** The prospective EDAM Entity Scheduling Coordinator demonstrates its ability to pass the Resource Sufficiency Evaluation for the prospective EDAM Entity's Balancing Authority Area.

(E) **Transmission Availability.** The prospective EDAM Entity confirms initial registration of the transmission rights of the EDAM Transmission Service Providers in its Balancing Authority Area available for EDAM Transfers or that otherwise may be scheduled in the Day-Ahead Market.

(F) **Operating Procedures.** Prior to the start of parallel operations pursuant to Section 33.2.3, the CAISO and the prospective EDAM Entity have defined, completed, and tested operating procedures for the prospective EDAM Entity and its Scheduling Coordinator's participation in the Extended Day-Ahead~~Energy Imbalance~~ Market.

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### 33.4 Roles And Responsibilities

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#### 33.4.2 EDAM Transmission Service Provider

An EDAM Transmission Service Provider must execute an EDAM Transmission Service Provider Agreement with the CAISO. An EDAM Transmission Service Provider that is not an EDAM Entity and no longer wishes to make transmission service available for use in the Day-Ahead Market may terminate the EDAM Transmission Service Provider Agreement pursuant to its terms only if such termination is concurrent with the termination of participation in the Day-Ahead Market by the EDAM Entity for the Balancing Authority Area within which the EDAM Transmission Service Provider operates or holds transmission rights.

An EDAM Transmission Service Provider must:

(a) perform the obligations of an EDAM Transmission Service Provider in accordance with the EDAM Transmission Service Provider Agreement, Section 33, and other provisions of the CAISO Tariff that apply to EDAM Transmission Service Providers;

(b) have provisions in effect in the EDAM Transmission Service Provider's tariff, as necessary or applicable, to enable operation of the Day-Ahead Market, including an obligation for customers of the EDAM Transmission Service Provider to have a Scheduling Coordinator for purposes of interfacing with the CAISO;

(c) use the EDAM Entity Scheduling Coordinator as the ~~sole~~ Scheduling Coordinator for the EDAM Transmission Service Provider with respect to Settlements of charges for the EDAM Entity Balancing Authority Area and services provided by the EDAM Entity under applicable tariffs and agreements;

(d) provide information about transmission capacity available to the Day-Ahead

Market to its EDAM Entity Scheduling Coordinator and the CAISO; and

(e) ____ensure transmission customers of the EDAM Transmission Service Provider that will submit schedules in the Day-Ahead Market secure representation by a Scheduling Coordinator.

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**33.6 Communications**

Section 6 will apply to EDAM Market Participants and govern communications and information availability regarding EDAM Market Participants in the Day-Ahead Market, except as this Section 33.6 specifically provides.

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**33.6.5 Hybrid Resource Forecast Communications.**

If the EDAM Resource Scheduling Coordinator for a Hybrid Resource elects to use an independent forecasting service, it must make data transfer arrangements with the CAISO for the CAISO to receive the forecast in a format and on a schedule set forth in the Business Practice Manual for the Extended Day-Ahead Market.

**33.6.6 Provision of Market Information to EDAM Entities**

CAISO may make certain market information available to an EDAM Entity to the extent such information relates to the EDAM Entity's Balancing Authority Area operations and is equivalent to information available to the CAISO Balancing Authority. This information will not include individual market bids or prices or other information that could be used to gain an unfair competitive advantage in the CAISO Markets. CAISO, in its function as a market operator, will provide such information in a manner that does not unduly discriminate against or give undue preference to any EDAM Entity, including CAISO as a Balancing Authority and transmission operator.

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### 33.10 EDAM Metering and Telemetry

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### 33.10.1 Demand Metering

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### 33.10.2 EDAM Resource Metering

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### 33.11 Settlements And Billing for EDAM Market Participants

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### 33.11.3 Day-Ahead Market Settlement

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#### 33.11.3.5 IFM Bid Cost Recovery

EDAM Resources may receive Bid Cost Recovery for the IFM in accordance with Section 11.8.

The CAISO allocates the IFM Bid Cost Uplift to Balancing Authority Areas in the EDAM Area, with the following rules in addition to any provisions in Section 11.8.

For a Balancing Authority Area with net Energy export transfer, the CAISO transfers a portion of the Balancing Authority Area's IFM Bid Cost Uplift amount to Balancing Authority Areas receiving

net Energy import transfers. For purposes of the foregoing, a Balancing Authority Area has net import transfers if the sum of the Balancing Authority Area's net Energy transfer and its net Imbalance Reserve transfer is in the import direction. If such sum is in the export direction, the Balancing Authority Area is deemed to have a net Energy export transfer.

The Balancing Authority Area IFM Bid Cost Uplift transfer adjustment amount will equal the product of the Balancing Authority Area hourly IFM Bid Cost Uplift amount and the ratio of the Balancing Authority Area's Day-Ahead net Energy export transfers and net Imbalance Reserve Up export transfers divided by Balancing Authority Area's Day-Ahead Schedules for Load and export Energy, Day-Ahead net Energy export transfers, net Imbalance Reserve Up export transfers and virtual demand, if applicable. The CAISO allocates the IFM Balancing Authority Area IFM Bid Cost Uplift transfer adjustment amount to Balancing Authority Areas with net transfers in the import direction. For each EDAM Entity Balancing Authority Area, the CAISO allocates the adjusted Balancing Authority Area IFM BCR amounts to the EDAM Entity for allocation under the applicable tariff and, for the CAISO Balancing Authority Area, pursuant to Section 11.8.6.

**33.11.3.6 RUC Bid Cost Recovery**

EDAM Resources may receive Bid Cost Recovery for RUC in accordance with Sections 11.8.3. For each Trading Hour, the CAISO calculates the RUC Bid Cost Uplift for each EDAM Entity and the CAISO Balancing Authority Area. The CAISO allocates the RUC Bid Cost Uplift to each EDAM Entity Balancing Authority Area according the methodology specified in Section 11.8.6.5 with the following adjustments.

For a Balancing Authority Area with net Reliability Capacity export transfer, the CAISO transfers a portion of the Balancing Authority Area's RUC Bid Cost Uplift amount to Balancing Authority Areas receiving net Reliability Capacity transfers. For purposes of the foregoing, a Balancing Authority Area receives net Reliability Capacity transfers if the sum of the Balancing Authority Area's net Reliability Capacity transfers is in the import direction. If such sum is in the export direction, the Balancing Authority Area is deemed to have a net Reliability Capacity export transfer.

The Balancing Authority Area RUC Bid Cost Uplift transfer adjustment amount will equal the product of the Balancing Authority Area hourly RUC Bid Cost Uplift amount and the ratio of the Balancing Authority Area's net Reliability Capacity export transfers divided by Balancing Authority Area's Reliability Capacity Schedules. The CAISO allocates the ~~IFM~~ Balancing Authority Area ~~IFM~~ RUC Bid Cost Uplift transfer adjustment amount to Balancing Authority Areas with net transfers in the import direction. For each EDAM Entity Balancing Authority Area, the CAISO allocates the adjusted Balancing Authority Area ~~IFM~~ RUC BCR amounts to the EDAM Entity for allocation under its tariff and, for the CAISO Balancing Authority Area, pursuant to Section 11.8.6.

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**33.16 EDAM Legacy Contracts**

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**33.16.5 Settlement**

EDAM Transfer revenue will be settled with the Scheduling Coordinator for an EDAM Legacy Contract rights holder under Section 33.11.1. Congestion revenue associated with an EDAM Legacy Contract will be settled with the Scheduling Coordinator for an EDAM Legacy Contract rights holder under Section 33.11.3.8. Settlement of charges associated with EDAM Legacy Contract rights that are allocated by the CAISO to the EDAM Balancing Authority Area and assigned to the EDAM Entity Scheduling Coordinator may also be subject to further allocation by the EDAM Entity according to the applicable transmission service provider's tariff and any applicable agreement among the transmission owners regarding allocation of charges associated with the EDAM Legacy Contract.

**33.17 EDAM Transmission Ownership Rights**

**33.17.1 Administration**

Section 17 will apply to EDAM Market Participants as referenced in this Section 33.17. The CAISO will

administer EDAM Transmission Ownership Rights in accordance with Section 17 as required to implement this Section 33.17. With respect to applicable provisions of Section 17:

(a) references to Transmission Ownership Rights will be read as references to EDAM Transmission Ownership Rights;

(b) references to a Participating TO will be read as references to an EDAM Entity;

(c) any applicable EDAM Transmission Service Providers in an EDAM Entity Balancing Authority Area must satisfy the requirements of Section 17 and this Section 33.17;

(d) references to the CAISO Controlled Grid will be read as references to EDAM Transmission Service Provider facilities; and

(e) references to the CAISO Balancing Authority or CAISO Balancing Authority Area will be read as references to an EDAM Entity Balancing Authority or EDAM Entity Balancing Authority Area, respectively.

**33.17.2 Registration**

The EDAM Entity for the Balancing Authority Area associated with the EDAM Transmission Ownership Rights will coordinate with the EDAM Transmission Ownership Rights holder to provide information and instructions as required by Section 17.1 and the procedures and timelines in the Business Practice Manual for the Extended Day-Ahead Market.

**33.17.3 Availability**

An EDAM Transmission Ownership Rights holder may Self-Schedule all the capacity associated with its ownership interest and elect not to make any such capacity available for EDAM Transfers or other use by the market, or may exclude its EDAM Transmission Ownership Rights from the requirement to Self-Schedule to the extent that its EDAM Transmission Ownership Rights support a Pseudo-Tie export from the EDAM Balancing Authority Area. Alternatively, an EDAM Transmission Ownership Rights holder may release a portion of the capacity for EDAM Transfers in accordance with Section 33.18.2.2.2 and, if the EDAM Transmission Ownership Rights holder is also a transmission service provider, the CAISO will afford the~~its~~ transmission customers of that EDAM Transmission Ownership Rights holder similar treatment. An EDAM Transmission Ownership Rights holder or customer must be represented by a Scheduling Coordinator, which may be the EDAM Entity Scheduling Coordinator. The EDAM

Transmission Ownership Rights holder must coordinate release of its rights with the EDAM Entity associated with the EDAM Transmission Ownership Rights, and communicate the available transmission capacity to the CAISO in accordance with the procedures and timelines in the Business Practice Manual for the Extended Day-Ahead Market. Alternatively, an EDAM Transmission Ownership Rights holder may coordinate with the EDAM Entity to include all of its transmission ownership rights in the associated EDAM Transmission Service Information, in which case the transmission ownership rights would be made available pursuant to Section 33.18, Section 29.17, or both.

**33.17.4 Scheduling**

A Scheduling Coordinator for an EDAM Transmission Ownership Rights holder must submit Self-Schedules consistent with the requirements of Section 17.3 and not Economic Bids associated with EDAM Transmission Ownership Rights. Validation of Self-Schedules associated with EDAM Transmission Ownership Rights will follow the procedures in Section 17.3, and such Self-Schedules will receive the priority established in Section 17.2 and the settlement treatment established in Section 17.3.3 according to the results of the validation rules and the registered characteristics of the rights.

**33.17.5 Settlement**

EDAM Transfer revenue will be settled with the Scheduling Coordinator for the EDAM Transmission Ownership Rights under Section 33.11.1. Congestion revenue associated with an EDAM Transmission Ownership Right will be settled with the Scheduling Coordinator for the EDAM Transmission Ownership Rights under Section 33.11.3.8. Settlement of charges associated with EDAM Transmission Ownership Rights that are allocated by the CAISO to the EDAM Balancing Authority Area and assigned to the EDAM Entity Scheduling Coordinator may also be subject to further allocation by the EDAM Entity according to the applicable transmission service provider's tariff and any applicable agreement among the transmission owners regarding allocation of charges associated with the EDAM Transmission Ownership Rights, including an alternative arrangement with the EDAM Entity as permitted under Section 33.17.3.

**33.17.6 EDAM Transmission Service on EDAM Transmission Ownership Rights**

If a transmission service provider located primarily in one Balancing Authority Area (BAA1), as determined in accordance with the Business Practice Manual, provides service under its tariff on a transmission ownership interest it has in another Balancing Authority Area (BAA2) and BAA2 participates

in EDAM, then that transmission ownership interest will be treated as an EDAM Transmission Ownership Right in BAA2 and the transmission service provider in BAA1 will not be required to execute an EDAM Transmission Service Provider Agreement solely for its transmission facilities in BAA2. Transmission service provided on an EDAM Transmission Ownership Right in BAA2 established pursuant to this CAISO Tariff may also be subject to the applicable transmission service provider's tariff and any applicable agreement among the transmission owners regarding transmission service associated with the EDAM Transmission Ownership Rights, including an alternative arrangement with the EDAM Entity as permitted under Section 33.17.3.

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**33.21 ~~[Not Used]~~Supplemental Services – DACA Services Charge**

(a) **Day-Ahead Contingency Analysis Services Charge.** The CAISO will recover from EDAM Entities that elect in writing to receive day-ahead contingency analysis services the annual charges for the ongoing software license fee, which will be passed through directly to the EDAM Entities, and charges set forth in the CAISO's most recently published report regarding the GMC and other rates, which will include –

(1) a start-up charge amortized over an initial three-year minimum commitment period; and

(2) the annual charge for CAISO support of the day-ahead contingency analysis services.

(b) **Invoicing for Day-Ahead Contingency Analysis Services.** If the EDAM Entity elects to receive day-ahead contingency analysis services, the EDAM Entity agrees to pay for three years of services regardless of whether it takes day-ahead contingency analysis services for the entire three-year term, and it will be invoiced one-third of that amount annually during the initial three-year term. Thereafter, the EDAM Entity will be invoiced annually for day-ahead contingency analysis services as described in the Business Practice Manual for EDAM.

(c) **Payment for Day-Ahead Contingency Analysis Services.** Payment for day-ahead contingency analysis services will be due within 21 Business Days of the invoice date.

(d) **Annual Election of Day-Ahead Contingency Analysis Services.** Each year, the EDAM Entity will notify the CAISO in writing, according to the timelines and procedures in the Business Practice Manual for EDAM, as to which day-ahead contingency analysis services it is electing to take for the following year. If the EDAM Entity does not provide such notice to the CAISO, the CAISO will continue to provide the EDAM Entity with the same day-ahead contingency analysis services it is providing to the EDAM Entity during the current year.

(e) **Termination of Day-Ahead Contingency Analysis Services**. An EDAM Entity that has elected to receive day-ahead contingency analysis services will continue to be invoiced for the services annually during the initial three-year term and each year thereafter until the services have been terminated in accordance with the Business Practice Manual for EDAM.

**33.22 Miscellaneous**

Section 22 and the additional miscellaneous provisions of this Section 33.22 will apply to the EDAM.

To the extent that the CAISO would incur any tax liability as a result of the participation of EDAM Market Participants in the Day-Ahead Market, for example as market operator or as central counterparty to EDAM transactions, the CAISO will pass those taxes on to the EDAM Entity Scheduling Coordinator for the EDAM Entity Balancing Authority Area where the transactions triggered the tax liability.

Neither the CAISO nor the EDAM Entity is a "Purchasing Selling Entity" for purposes of E-Tags or EDAM Transfers, nor will either be listed as a "Purchasing Selling Entity" for purposes of E-Tags or EDAM Transfers.

Title to Energy in the Day-Ahead Market passes directly from the entity that holds title when the Energy enters the CAISO Controlled Grid or the transmission system of an EDAM Transmission Service Provider, whichever is first following Dispatch, to the entity that removes the Energy from the CAISO Controlled Grid or the transmission system of a EDAM Transmission Service Provider, whichever last precedes delivery to Load.

**33.23 Transmission Service Requirements for EDAM Resources**

This Section 33.23 applies only to EDAM Market Participants. Transmission service requirements on the CAISO Controlled Grid will continue in accordance with Section 23 and other provisions of the CAISO

Tariff applicable to transmission service on the CAISO Controlled Grid.

An EDAM Resource Scheduling Coordinator must obtain transmission service from an EDAM Transmission Service Provider, which may be satisfied through the following options:

(a) The EDAM Resource is a designated network resource under the terms of an EDAM Transmission Service Provider tariff;

(b) The EDAM Resource reserves firm point-to-point transmission service of any duration under the terms of an EDAM Transmission Service Provider tariff, or

(c) The EDAM Resource is associated with an EDAM Legacy Contract or an EDAM Transmission Ownership Right.

If option~~s~~ (a), (b), or (c) above are not satisfied, the CAISO will ~~notify~~ inform the EDAM Entity associated with the EDAM Transmission Service Provider so that the EDAM Transmission Service Provider may assess~~es~~ a transmission charge based on the transmission rate for the lowest duration of firm transmission service offered under its tariff, which may be a daily firm or hourly firm transmission service. Where a resource is unable to satisfy option (a), (b), or (c) above, the EDAM Transmission Service Provider tariff may provide for an adjustment of the firm transmission service charge as appropriate. If the EDAM Transmission Service Provider offers daily firm point-to-point transmission service as the lowest granularity of firm transmission service, the transmission service charge would be evaluated based on the single highest-hour Real-Time Dispatch of the resource across the day for the amount in excess of reserved transmission service. If the EDAM Transmission Service Provider offers hourly firm point-to-point transmission service as the lowest granularity of firm transmission service, the transmission service charge would be evaluated based on each individual hourly Real-Time Dispatch of the resource for the day. If the Real-Time Dispatch for any hour across the day is above the transmission reservation, the CAISO will ~~notify~~ inform the EDAM Entity associated with the EDAM Transmission Service Provider and the EDAM Transmission Service Provider will assess the hourly transmission charge as described above. This Section 33.23 establishes a common methodology for a Scheduling Coordinator to secure transmission service from an EDAM Transmission Service Provider. The specific transmission service requirements and any associated transmission service charges or penalties will be determined in accordance with the EDAM Transmission Service Provider tariff.

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**33.27 CAISO Markets And Processes**

The provisions of Section 27 that apply to the Day-Ahead Market will apply to EDAM Market Participants, except as provided in or inconsistent with this Section 33.27 or other provisions of Section 33. For purposes of applying this Section 33.27, the term CAISO Balancing Authority Area as used in Section 27 means the Market Area unless the context requires otherwise.

**33.27.1 Transitional Process**

For a period of six months following the EDAM Entity Implementation Date of a new EDAM Entity, the provisions of Section 27.4.3.2 and the second sentence of Section 27.4.3.4 will not apply to constraints that are within the Balancing Authority Area of the new EDAM Entity or affect EDAM Transfers between the Balancing Authority Area of the new EDAM Entity. For those intervals that experience infeasibilities described in those provisions, the CAISO will instead determine prices consistent with the provisions of Section 27, Section 31, and Appendix C, that would apply in the absence of Section 27.4.3.2 and the second sentence of Section 27.4.3.4 constraints.

In addition, for a period of six months following the EDAM Entity Implementation Date of a new EDAM Entity, when the transmission and/or power balance constraints as specified in Section 27.4.3.2 and the second sentence of Section 27.4.3.4 are relaxed, the CAISO will set the Imbalance Reserve~~Flexible Ramping Product~~ parameter for pricing purposes, for the new EDAM Entity Balancing Authority Area, at an amount between and including $0 and $0.01. Sixty days prior to the expiration of the transition period, the CAISO will post on the CAISO Website an assessment of whether an extension of the transition period, for up to an additional six months, is needed for the applicable EDAM Entity. The CAISO will post an update to such assessment prior to the expiration of the transition period should there be any changes to its posted conclusions. Any extensions of the initial six-month transition period must be approved by FERC.

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### 33.27.3 ~~Default~~ Generation Aggregation Points

As described in Appendix C, the CAISO uses two types of Generation Aggregation Points in operation and Settlement of the Day-Ahead Market: Default Generation Aggregation Points and Custom Generation Aggregation Points.~~Each Balancing Authority Area in the EDAM Area will associate directly with PNodes of Balancing Authority Areas in WECC outside the EDAM Area through two non-overlapping default generation aggregations as described in Appendix C:~~

~~(1) a North DGAP, which includes the WECC northwest Balancing Authority Areas; and~~

~~(2) a South DGAP, which includes the WECC southwest Balancing Authority Areas' PNodes, except Mexico.~~

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### 33.30 Bids And Self-Schedule Submission

Scheduling Coordinators for EDAM Resources, EDAM Entities, Load Serving Entities, and other Day-Ahead Market Participants in the EDAM Area must submit Bids, including Self-Schedules, pursuant to this Section 33.30 as supplemented by Section 30.

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#### 33.30.8 Bids from External Resources

Resources located outside of the EDAM Area may participate in the Day-Ahead Market subject to certain requirements that depend on whether (a) the resource submits a Bid at an EDAM External Intertie or an EDAM Internal Intertie, (b) the intertie is with the CAISO Balancing Authority Area or an EDAM Entity Balancing Authority Area, and (c) the resource's location is specific or non-specific. The EDAM Entity Scheduling Coordinator responsible for the interchange associated with these transactions must identify the supporting resource in an E-Tag submitted in

accordance with Section 29.4(c)(4).

**33.30.8.1 EDAM External Interties**

A Scheduling Coordinator for a resource located outside of the EDAM Area may submit a Bid at an EDAM External Intertie with an EDAM Entity if the resource is pseudo-tied into the EDAM Entity Balancing Authority Area, is dynamically scheduled into the EDAM Entity Balancing Authority Area, or submits a Self-Schedule into the EDAM Entity Balancing Authority Area. An EDAM Entity will facilitate scheduling of export transactions from its Balancing Authority Area to EDAM External Interties pursuant to Section 33.18 and the EDAM Transmission Service Provider tariff or, in the case of the CAISO Balancing Authority Area, this CAISO Tariff. A Scheduling Coordinator for a resource located outside of the EDAM Area may submit a Bid at an EDAM External Intertie with the CAISO Balancing Authority Area in accordance with the CAISO Tariff. Economic Bids at EDAM External Interties with the CAISO Balancing Authority Area must be capable of delivery under Section 33.30.8.2 to count towards the EDAM RSE.

**33.30.8.2 Delivered Firm Energy Contracts**

Bids from delivered firm Energy contracts may participate in the Day-Ahead Market. Such firm Energy contracts include but are not limited to arrangements pursuant to Service Schedule C of the Western Systems Power Pool Agreement, CAISO resource adequacy imports, and similar forward contracted Supply. All source-specific forward contracted supply will, if possible, be modeled in the EDAM Area and, when the source cannot be identified, modeling assumptions will be made regarding the source based on the best information available. Bids at an EDAM Intertie with the CAISO Balancing Authority Area will be submitted by the Scheduling Coordinator associated with a forward contract with a Load Serving Entity within the CAISO Balancing Authority Area.

**33.30.8.3 Non-Source Specific E-Tag Requirements.**

All Energy scheduled from non-resource-specific forward supply contracts under Section 33.30.8.2 must have a submitted E-Tag within three hours following publication of the Day-Ahead Market results. The CAISO will publish an EDAM Entity Balancing Authority

Area's quantity of import Supply that does not have a Day-Ahead E-Tag for situational awareness. An EDAM Entity Scheduling Coordinator or a Scheduling Coordinator within the CAISO Balancing Authority Area, as applicable, will have until 5 hours before the start of the Operating Hour to submit E-Tags and/or replace the capacity with other firm schedules or physical resources for schedules that lack a valid Day-Ahead E-Tag within the timeframe. If the ~~EDAM Entity~~ Scheduling Coordinator does not E-Tag the outstanding import schedules, including import EDAM Transfers, and fails to resupply by submitting additional incremental Energy Bids from internal supply EDAM Resources above the resource's Day-Ahead Schedule not encumbered by Day-Ahead capacity awards to cover the E-Tag insufficiency prior to the deadline, the CAISO will remove the EDAM Entity Balancing Authority Area or the CAISO Balancing Authority Area, as applicable, from the group of Balancing Authority Areas that comprise the EDAM Upward Pool in accordance with Section 33.31.1.4.

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**33.32 Greenhouse Gas (GHG)**

**33.32.1 GHG Compliance Cost Recovery**

EDAM Resource Scheduling Coordinators and Scheduling Coordinators for resources within the CAISO Balancing Authority Area will have an opportunity to recover costs of compliance with GHG regulations adopted by a state jurisdiction that has priced GHG emissions as part of a state GHG reporting and reduction program. The provisions of Section 33.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027.

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### 33.32.5 GHG Net Export Constraint

The CAISO will apply an hourly GHG net export constraint in the Integrated Forward Market for EDAM Entity Balancing Authority Areas that do not overlap with a GHG Regulation Area. This constraint will limit the aggregate attribution of EDAM Resources within a specific EDAM Entity Balancing Authority Area such that the aggregate attribution does not exceed the net exports from that EDAM Entity Balancing Authority Area. This constraint will also limit the aggregate attribution of resources within a specific GHG Regulation Area to serve Demand in another GHG Regulation Area such that the attribution may not exceed the net exports from these resources' native Balancing Authority Areas. This constraint will not restrict the Integrated Forward Market from attributing capacity located outside of a specific GHG Regulation Area obligated to serve Demand within that GHG Regulation Area that is registered with the CAISO. In accordance with the applicable Business Practice Manual, the CAISO will not enforce this constraint for any Balancing Authority Area in the EDAM Area and in any Trading Hour in which the CAISO Balancing Authority Area or an EDAM Entity Balancing Authority Area with Demand in a GHG Regulation Area is deficient in the upward direction in the EDAM Resource Sufficiency Evaluation.

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## Section 34

### 34.2 The Hour-Ahead Scheduling Process

### 34.2.1 The HASP Optimization

The Hour-Ahead Scheduling Process is a Real-Time Market process and a special run of the RTUC through which the CAISO accepts or rejects the following Bids submitted by Scheduling Coordinators at Scheduling Points: (1) Self-Schedule Hourly Blocks for Energy and Ancillary Services, (2) VER Self-Schedules for Energy, (3) Economic Hourly Block Bids for Energy and Ancillary Services, and (4) Economic Hourly Block Bids with Intra-Hour Option for Energy and providing an hourly schedule that can be changed at most once in the Trading Hour. The CAISO also produces advisory Energy schedules and

Ancillary Services awards. Through the HASP, the CAISO may also issue binding unit commitment instructions for any resource participating in the RTM. After the Market Close for the RTM for the relevant Trading Hour, the RTM Bids have been validated, and the RTM Bids have been mitigated and the MPM process has been performed, the CAISO then conducts the HASP optimization. The CAISO does not accept Bids for CAISO Demand for any of the Real-Time Market processes. Therefore, CAISO clears Supply Bids against the CAISO Forecast of CAISO Demand plus submitted Export Bids, to the extent the Export Bids are selected in the MPM process. The HASP optimization also factors in forecasted unscheduled flow at the Interties, as do all the Real-Time Market processes. The HASP optimization does not produce Settlement prices for Energy or Ancillary Services and the CAISO settles all Bids accepted through the HASP based on FMM Schedules and Awards and FMM LMPs and ASMPs. Intertie Schedules cleared in HASP at an EDAM Transfer location or an EIM Transfer location will not be optimized economically in the FMM and RTD, but may be subject to intra-hour or other adjustments pursuant to Section 34.

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### 34.4 Fifteen Minute Market

The CAISO conducts the Fifteen Minute Market using the second interval of each RTUC run horizon as follows: (1) at approximately 7.5 minutes prior to the first Trading Hour, for T-45 minutes to T+60 minutes where the binding interval is T-30 to T-15; (2) at approximately 7.5 minutes into the current hour for T-30 minutes to T+60 minutes where the binding interval is T-15 to T; (3) at approximately 22.5 minutes into the current hour for T-15 minutes to T+60 minutes for the binding interval T to T+15; and (4) at approximately 37.5 minutes into the current hour for T to T+60 minutes for the binding interval T+15 to T+30, where T is the beginning of the next Trading Hour. In these intervals the CAISO conducts the FMM to (1) determine financially binding FMM Schedules and corresponding Locational Marginal Prices for all Pricing Nodes, including all Scheduling Points; (2) determine financially and operationally binding Ancillary Services Awards and corresponding ASMPs, procure required additional Ancillary Services and calculate ASMP used for settling procured Ancillary Service capacity for the next fifteen-minute Real-Time

Ancillary Service interval for all Pricing Nodes, including Scheduling Points; (3) determine LAP Locational Marginal Prices that are the basis for settling Demand; and (4) determine FMM Uncertainty Awards. For all Intertie Schedules at an EDAM Transfer location or EIM Transfer location, the FMM will use MWh quantities cleared in HASP subject to any intra-hour or other adjustments made pursuant to Section 34. In any FMM interval that falls within a time period in which a Multi-Stage Generating Resource is transitioning from one MSG Configuration to another MSG Configuration, the CAISO: (1) will not award any incremental Ancillary Services; (2) will disqualify any Day-Ahead Ancillary Services Awards; (3) will disqualify Day-Ahead qualified Submissions to Self-Provide Ancillary Services Award, and (4) will disqualify Submissions to Self-Provide Ancillary Services in RTM. Each particular FMM market optimization produces binding settlement prices for Energy, Flexible Ramping Product, and Ancillary Services for the first FMM interval in the FMM horizon but the optimization considers the advisory results from subsequent market intervals within the FMM horizon. The CAISO settles Hourly Block Schedules from Proxy Demand Resources, Reliability Demand Response Resources, Hourly Intertie Schedules, and Hourly Ancillary Services Awards accepted in the HASP as FMM Schedules and FMM Ancillary Services Awards in accordance with Section 11.5 and 11.10.1.2, respectively. In the event that a FMM run fails, the CAISO reverts to Day-Ahead Market Ancillary Services Awards and RUC Schedules results corresponding to the same interval, or the corresponding interval from the previous RTUC. The FMM will clear Supply against the CAISO Forecast of CAISO Demand and exports. The FMM issues Energy Schedules and Ancillary Services Awards by twenty-two and a half minutes prior to the binding fifteen-minute interval.

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## Section 35

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### 35.3.2 Processing and Publication Issues

The CAISO may make changes to published prices after the expiration of the timelines specified in Section 35.2 to remedy a price correction processing or publication issue, which consist of the types of issues further defined in this Section 35.3.2. For cases where the CAISO must remedy a price correction processing or publication issue arising from the separation or isolation from the Market Area of an EDAM Entity Balancing Authority Area or EIM Entity Balancing Authority Area, the CAISO must make any such changes within thirty (30) Business Days of the affected Trading Day. In all other cases, the CAISO must~~The CAISO shall~~ make any such changes within twenty (20) Business Days of the affected Trading Day. After the expiration of the applicable deadline ~~twenty (20) Business Days~~, in the event of a discrepancy between prices posted on the CAISO's OASIS and prices provided to Scheduling Coordinators through other means, the CAISO will use the price posted on OASIS for Settlement purposes unless as specified in Section 35.3.1. The CAISO will only remedy processing and publication pursuant to this section for cases in which the CAISO has actually identified and logged in its systems the need for a price correction for specific CAISO Markets intervals within the timeframe specified in Section 35.2, but cannot complete the price correction and post the corrected prices within that timeframe for the specific reasons described below. To the extent the CAISO is aware of a processing or publication issue prior to the expiration of the timeframe specified in 35.2, the CAISO will issue a public notification of the affected intervals, and the time at which it expects to remedy the issue, as soon as practicable. To the extent the CAISO only becomes aware of the issue after the expiration of the timeframe specified in Section 35.2, the CAISO will issue a public notification with this same information, as soon as practicable. For purposes of the requirements in this Section 35.3, processing or publication issues shall consist of:

a) **Volumetric processing issue:** The CAISO cannot complete the corrections and post the corrected prices within the timeframes specified in Section 35.2 because the price correction affects a large number of market intervals.

b) **Hardware or software issues:** A software or hardware issue that impeded the CAISO from processing price corrections or publishing the corrected prices by the end of the timeframes specified in Section 35.2.

c) **Business process issues:** A limitation, failure or error in implementing an established and identifiable business process that causes the publication of an incorrect price that is

either corrected erroneously, or left uncorrected within the timeframes specified in Section 35.2.

d) **Complex manual corrections:** The CAISO has identified and logged into its systems within the timeframe specified in Section 35.2 the need for price corrections that require specifically tailored methodologies to implement the correction because of the complexity of the issue, which in some cases may span across the CAISO Markets, and implementing this price corrections will require the publication of corrected prices beyond the timeframe specified in Section 35.2.

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**Section 36**

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**36.9.1 Showing of Legitimate Need**

An OBAALSE must make a showing to the CAISO of legitimate need to enable the CAISO to verify the CRR Sources it wants to nominate. All CRR nominations by OBAALSEs in all CRR years must be source verified based on the showing of legitimate need. The CAISO's verification of legitimate need will be based on demonstration by the OBAALSE of an executed Energy contract from a Generating Unit(s) or System Resource that covers the time period of the CRRs nominated, or ownership of such Generating Unit(s) or System Resource. For such CRR Sources the showing of legitimate need must be made for each CRR term for which the OBAALSE wants to nominate CRRs in a timely manner prior to the start of the relevant annual or monthly CRR Allocation process. For CRR Sources that will be verified based on generating resources located outside the CAISO Balancing Authority Area, a Scheduling Point must be nominated as the corresponding CRR Source. Generating resources located outside of the CAISO Balancing Authority Area to be used by the OBAALSE to verify a Scheduling Point as a CRR Source must not be located within the OBAALSE's own Balancing Authority Area. The Verified CRR Source

Quantity and Adjusted Verified CRR Source Quantity corresponding to any CRR Source nominated by an OBAALSE will be calculated in accordance with Section 36.8.3.4, with the modification that for an OBAALSE these quantities will be calculated for each CRR Allocation process in which the Qualified OBAALSE wants to participate, consistent with the requirement for ongoing source verification based on a forward showing in conjunction with the OBAALSE's annual showing of legitimate need. For a CRR Source that is a Scheduling Point, pursuant to the legitimate need showing requirement, an OBAALSE must demonstrate that it has procured the appropriate transmission service from the transmission provider outside the CAISO Balancing Authority Area to the Scheduling Point that the OBAALSE intends to nominate as a CRR Source for the term of the CRR being nominated. Such demonstrations shall be provided by the OBAALSE to the CAISO through the submission of a written sworn declaration by an executive employee authorized to represent the OBAALSE and attest to the accuracy of the data demonstration. As necessary, the CAISO may request, and such OBAALSE must produce in a timely manner, documents in support of such declaration.

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## Section 40

### 40. Resource Adequacy Demonstration for all SCs in the CAISO BAA

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### 40.6 Requirements for SCs and Resources for LSEs

This Section 40.6 does not apply to Resource Adequacy Resources of Load-following MSSs. Scheduling Coordinators supplying Resource Adequacy Capacity shall make the Resource Adequacy Capacity listed in the Scheduling Coordinator's monthly Supply Plans under Section 40.4.7 available to the CAISO each hour of each day of the reporting month in accordance with this Section 40.6 and Section 9.3.1.3.

#### 40.6.1 Day-Ahead Availability

Except as otherwise provided in Sections 40.6.1.1 and 40.6.4, Scheduling Coordinators supplying Resource Adequacy Capacity shall make such Resource Adequacy Capacity, available Day-Ahead to the CAISO as follows:

(1) Resource Adequacy Resources physically capable of operating must submit: (a) Economic Bids for Energy and/or Self-Schedules for all their Resource Adequacy Capacity and (b) Economic Bids for Ancillary Services and/or a Submission to Self-Provide Ancillary Services in the IFM for all of their Resource Adequacy Capacity that is certified to provide Ancillary Services. For Resource Adequacy Capacity that is certified to provide Ancillary Services and is not covered by a Submission to Self-Provide Ancillary Services, the resource must submit Economic Bids for each Ancillary Service for which the resource is certified. For Resource Adequacy Capacity subject to this requirement for which no Economic Energy Bid or Self-Schedule has been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8. For Resource Adequacy Capacity subject to this requirement for which no Economic Bids for Ancillary Services or Submissions to Self-Provide Ancillary Services have been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8 for each Ancillary Service the resource is certified to provide.

(2) Resource Adequacy Resources must be available except for limitations specified in the Master File, legal or regulatory prohibitions or as otherwise required by this CAISO Tariff or by Good Utility Practice.

(3) Through the IFM co-optimization process, the CAISO will utilize available Resource Adequacy Capacity to provide Energy, Imbalance Reserves, or Ancillary Services in the most efficient manner to clear the Energy market, manage congestion and procure required Ancillary Services. In so doing, the IFM will honor submitted Energy Self-Schedules of Resource Adequacy Capacity unless the CAISO is unable to satisfy one hundred percent (100%) of the Ancillary Services requirements. In such cases, the CAISO may curtail all or a portion of a submitted Energy Self-Schedule to allow Ancillary Service-certified Resource Adequacy Capacity to be used to meet the Ancillary Service

requirements. The CAISO will not curtail for the purpose of meeting Ancillary Service requirements a Self-Schedule of a resource internal to a Metered Subsystem that was submitted by the Scheduling Coordinator for that Metered Subsystem. If the IFM reduces the Energy Self-Schedule of Resource Adequacy Capacity to provide an Ancillary Service, the Ancillary Service Marginal Price for that Ancillary Service will be calculated in accordance with Section 27.1.2 using the Ancillary Service Bids submitted by the Scheduling Coordinator for the Resource Adequacy Resource or inserted by the CAISO pursuant to this Section 40.6.1, and using the resource's Generated Energy Bid to determine the Resource Adequacy Resource's opportunity cost of Energy. If the Scheduling Coordinator for the Resource Adequacy Resource believes that the opportunity cost of Energy based on the Resource Adequacy Resource's Generated Energy Bid is insufficient to compensate for the resource's actual opportunity cost, the Scheduling Coordinator may submit evidence justifying the increased amount to the CAISO and to the FERC no later than seven (7) days after the end of the month in which the submitted Energy Self-Schedule was reduced by the CAISO to provide an Ancillary Service.

The CAISO will treat such information as confidential and will apply the procedures in Section 20.4 of this CAISO Tariff with regard to requests for disclosure of such information. The CAISO shall pay any higher opportunity costs approved by FERC.

(4) Resource Adequacy Resources must submit RUC Availability Bids for RCU for the amount of their Resource Adequacy Capacity that is eligible for a RUC Award under Section 31.5.5.3 and is within the Energy Bid range of the Energy Bid Curve~~for their Resource Adequacy Capacity~~.

(5) Resource Adequacy Resources eligible to provide Imbalance Reserves must submit Bids for IRU and IRD for all RA Capacity that meets its obligation pursuant to 40.6.1(1)(a) by submitting an Economic Bid.

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### 40.6.5 ~~Additional Availability~~ Requirements for System Resources Providing Resource Adequacy Capacity

~~In the IFM, the multi-hour block constraints of a System Resource, other than a System Resource capable of submitting a Dynamic Schedule or a Resource-Specific System Resource, are honored in the optimization. Such a resource that is also a Resource Adequacy Resource must be capable of hourly scheduling by the CAISO in RUC if it is not fully scheduled in the IFM. If such a Resource Adequacy Resource is scheduled in the RUC, the CAISO will schedule the resource in the RTM for each hour of the resource's RUC schedule without regard to the multi-hour block constraint that was submitted to the IFM. For an existing System Resource that provides Resource Adequacy Capacity through a call option that expires prior to the close of the IFM, such a System Resource listed on a Resource Adequacy Plan must be reported to the CAISO for consideration in the Extremely Long-Start Commitment Process.~~

#### 40.6.5.1 Eligibility of System Resources to Provide Resource Adequacy Capacity~~Additional Availability Requirements for Dynamic and Non-Dynamic Resource-Specific System Resources~~

System Resources, other than Dynamic Resource-Specific System Resources, providing Resource Adequacy Capacity must be shown on Resource Adequacy Plans and Supply Plans with a Resource ID defined by both a single Scheduling Point and specific Intertie. Dynamic Resource-Specific System Resources providing Resource Adequacy Capacity or Flexible RA Capacity must be shown with a Resource ID defined by both a single CGAP and specific Intertie.

The CAISO will reject a Supply Plan submitted for a System Resource if there is insufficient import capability, as determined by Section 40.4.6.2, to support deliverability of the RA Capacity or Flexible RA Capacity at the Intertie associated with the Resource ID of the System Resource.

For the avoidance of doubt, this Section 40.6.5 does not apply to Resource Adequacy Capacity or Flexible RA Capacity from a Generating Unit that is Pseudo-Tied into the CAISO Balancing Authority Area.

~~A Dynamic or Non-Dynamic Resource-Specific System Resource that supplies Resource Adequacy Capacity, and is not otherwise a Use-Limited Resource, will be subject to the requirements of Sections 40.6.1 and 40.6.2.~~

**40.6.5.2 Reassigning Resource Adequacy Obligations for Capacity Sourced from an EDAM Balancing Authority Area~~Dynamic Non-Resource Specific System Resources~~**

Resource Adequacy Capacity or Flexible RA Capacity that is sourced from an EDAM Entity Balancing Authority Area will be unavailable for purposes of Section 40.9.3 for an entire Trading Hour to the extent its Scheduling Coordinator does not reassign its Resource Adequacy obligations for that Trading Hour by the Day-Ahead Market reassignment deadline specified in the BPM and using the procedures specified in the BPM for reassignments. Such reassignment made by the Day-Ahead Market reassignment deadline must be to a physical resource located in the source EDAM Entity Balancing Authority Area or a System Resource at the boundary of the EDAM Entity Balancing Authority Area.~~A Dynamic non-Resource-Specific System Resource that provides Resource Adequacy Capacity will be subject to the provisions of 40.6.1 and 40.6.2.~~

**40.6.5.3 Accepting Reassignment of Resource Adequacy Obligations**

The Scheduling Coordinator for a resource accepting reassignment of Resource Adequacy Capacity or Flexible RA Capacity obligations must accept the reassignment by the deadline specified in the BPM and using the procedures specified in the BPM. The CAISO does not recognize a reassignment for a resource that fails to follow either the applicable deadline or the defined procedures.

A resource accepting reassignment must have a valid Resource ID at the time it accepts the reassigned capacity. The quantity of capacity reassigned to a physical resource cannot exceed that resource's PMax.

For the quantity of reassigned capacity and period of reassignment, a resource with a recognized reassignment of Resource Adequacy Capacity or Flexible RA Capacity holds the same availability obligations, application of Generated Bids, and treatment under RAAIM the resource would hold if it were RA Substitute Capacity.

A resource accepting reassignment that receives an Energy schedule in the CAISO Markets must submit an E-Tag reflecting the CAISO Balancing Authority Area as the sink Balancing Authority Area for delivery of the awarded Energy.

**40.6.5.4 RA Capacity from System Resources that can Bid in the Day-Ahead Market**

For System Resources permitted to bid into the Day-Ahead Market, in the IFM, the multi-hour block constraints of a System Resource, other than a System Resource capable of submitting a Dynamic Schedule or a Resource-Specific System Resource, are honored in the optimization. Such a resource that is also a Resource Adequacy Resource must be capable of hourly scheduling by the CAISO in RUC if it is not fully scheduled in the IFM. If such a Resource Adequacy Resource is scheduled in the RUC, the CAISO will schedule the resource in the RTM for each hour of the resource's RUC schedule without regard to the multi-hour block constraint that was submitted to the IFM. For an existing System Resource that provides Resource Adequacy Capacity through a call-option that expires prior to the close of the IFM, such a System Resource listed on a Resource Adequacy Plan must be reported to the CAISO for consideration in the Extremely Long-Start Commitment Process.

System Resources permitted to bid into the Day-Ahead Market that are not Use-Limited Resources are subject to the requirements of Sections 40.6.1 and 40.6.2. System Resources permitted to bid into the Day-Ahead Market that are Use-Limited Resources are subject to the availability requirements and other provisions relevant to Use-Limited Resources that provide RA Capacity.

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**40.6.8 Use of Generated Bids**

(a) **Day-Ahead Market.** Prior to completion of the Day-Ahead Market, the CAISO will determine if Resource Adequacy Capacity subject to the requirements of Section 40.6.1 and for which the CAISO has not received notification of an Outage has not been reflected in a Bid and will insert a Generated Bid for such capacity into the CAISO Day-Ahead Market.

(b) **Real-Time Market.** Prior to running the Real-Time Market, the CAISO will determine if Resource Adequacy Capacity subject to the requirements of Section 40.6.2 and for which the CAISO has not received notification of an Outage has not been reflected in a Bid and

will insert a Generated Bid for such capacity into the Real-Time Market.

(c) **Partial Bids for RA Capacity.** If a Scheduling Coordinator for an RA Resource submits a partial bid for the resource's RA Capacity, the CAISO will insert a Generated Bid only for the remaining RA Capacity. In addition, the CAISO will determine if all dispatchable Resource Adequacy Capacity from Short Start Units, not otherwise selected in the IFM or RUC, is reflected in a Bid into the Real-Time Market and will insert a Generated Bid for any remaining dispatchable Resource Adequacy Capacity for which the CAISO has not received notification of an Outage.

(d) **Exemptions.** Notwithstanding any of the provisions of Section 40.6.8, for the following resource types providing Resource Adequacy Capacity, the CAISO only inserts a Bid in the Day-Ahead Market or Real-Time Market where the generally applicable bidding rules in Section 30 call for bid insertion: Use-Limited Resource, Non-Generator Resource, Variable Energy Resource, Hydro electric Generating Unit (including Run-of-River resources), Proxy Demand Resource, Reliability Demand Response Resource, Participating Load, including Pumping Load, Combined Heat and Power Resource, Conditionally Available Resource, Non-Dispatchable Resource, ~~and~~ resources providing Regulatory Must-Take Generation, and System Resource providing RA Capacity sourced from an EDAM Balancing Authority Area.

(e) **NRS-RA Resources.** The CAISO will submit a Generated Bid in the Day-Ahead Market for a Non-Resource-Specific System Resource not otherwise exempt under Section 40.6.8(d) in each RAAIM assessment hour, to the extent that the resource provides Resource Adequacy Capacity subject to the requirements of Section 40.6.1 and does not submit an outage request or Bid for the entire amount of that Resource Adequacy Capacity. Aside from where the generally applicable bidding rules in Section 30 call for Bid insertion, the CAISO will not submit a Generated Bid in the Real-Time Market for a Non-Resource-Specific System Resource that fails to meet its bidding obligations under Section 40.6.2. A Bid inserted for the Real-Time Market pursuant to the generally applicable bidding rules in Section 30 may not necessarily cover the full Real-Time

Market obligation under Section 40.6.2 and the resource may thus remain exposed to Non-Availability Charges.

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**Appendix A**

**- Custom Generation Aggregation Point (CGAP)**

A pricing location modeled outside of the CAISO Balancing Authority Area that corresponds to the physical location of a single Dynamic Resource-Specific System Resource.

**- Default Generation Aggregation Point (DGAP)**

The aggregation of Supply PNodes in a single Balancing Authority Area ~~outside of the Market Area~~, with Generation Distribution Factors that are proportional to the maximum capacity of the Supply resources at the Supply PNodes in that Balancing Authority Area.

**- EDAM RSE Failure Multiplier**

A tiered component of the EDAM RSE On-Peak Upward Failure Insufficiency Surcharge and the EDAM RSE Off-Peak Upward Failure Insufficiency Surcharge. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is *de minimis* (a tier 1 EDAM RSE failure), such threshold determined as the higher of 10 MW or one percent of the Balancing Authority Area's upward imbalance reserve requirement for that hour, the EDAM RSE Failure Multiplier is zero. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is less than or equal to fifty percent of the Balancing Authority Area's upward Imbalance Reserve requirement (a tier 2 EDAM RSE failure), the EDAM RSE Failure Multiplier is 1.25. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency

Quantity is greater than fifty percent of the Balancing Authority Area's upward Imbalance Reserve requirement (a tier 3 EDAM RSE failure), the EDAM RSE Failure Multiplier is 2. With respect to tier 2 or tier 3 EDAM RSE failure in the upward direction, the EDAM RSE Failure Multiplier is subject to an adder consisting of the EDAM RSE Failure Scaling Factor.

**- Generation Aggregation Point (GAP)**

A CGAP or DGAP.

**- ~~Generic Generation Aggregation Point (GGAP)~~[Not Used]**

~~The aggregation of the Default Generation Aggregation Points of Balancing Authority Areas outside the Market Area. The CAISO uses a northwest GGAP for Scheduling Points in the northwestern U.S. and a southwest GGAP for Scheduling Points in the southwestern U.S.~~

**- IFM Marginal Losses Surplus**

For each Settlement Period of the IFM, the IFM Marginal Losses Surplus will equal~~is the difference between~~: the applicable hourly Locational Marginal Price less (1) the Net Hourly Energy Charge; ~~and~~ (2) the total IFM Congestion Charges which do not include IFM Congestion Credits collected by the CAISO as specified in Section 11.2.1.5; and (3) the total hourly marginal GHG cost charges, if applicable.

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**Appendix C**

**Locational Marginal Price**

**A. Locational Marginal Price for Energy**

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**A.8 Intertie Scheduling Point Price Calculation**

The CAISO calculates LMPs for intertie resources at Scheduling Points, which are represented in the FNM as PNodes or aggregations of PNodes external to the Market Area (*i.e.*, at the boundary of a Balancing Authority Area inside the Market Area with a Balancing Authority Area outside the Market Area), through the same process that is used to calculate LMPs for PNodes within the Market Area. In some cases, facilities that are part of the CAISO Controlled Grid but are external to the CAISO Balancing Authority Area connect some intertie Scheduling Points to the CAISO Balancing Authority Area, and in these cases, the Scheduling Points are within external Balancing Authority Areas. In these cases, the Scheduling Points are represented in the FNM at the relevant Locations and used to schedule imports and exports to/from the CAISO Balancing Authority Area. The MCC of the LMP at a Scheduling Point includes contributions from binding intertie constraints and intertie scheduling limits that constrain import/export Schedules at the relevant Scheduling Point. ~~Normally,~~

In most cases, System Resources are registered at a Scheduling Point to a Balancing Authority Area in the Market Area to model Energy or capacity imports/exports from/to another Balancing Authority Area ~~outside the Market Area~~. ~~In this case~~When the Balancing Authority Area in the Market Area is not the CAISO Balancing Authority Area and the System Resource is not a Resource Adequacy Resource, the CAISO distributes the import/export Energy Schedule or capacity award of the System Resource to the associated GAP~~Default Generation Aggregation Point (DGAP) of the Balancing Authority Area outside the Market Area that is the source/sink~~ and the MCL and MCC of the LMP of the System Resource reflect the Marginal Losses and Congestion at the relevant GAP.

When the Balancing Authority Area in the Market Area is the CAISO Balancing Authority Area or if Balancing Authority Area in the Market Area is not the CAISO Balancing Authority Area but the System Resource is a Resource Adequacy Resource, the CAISO distributes the import/export Energy Schedule or capacity award of the System Resource to the relevant Scheduling Point and the MCL and MCC of the LMP of the System Resource reflects the Marginal Losses and Congestion at the relevant Scheduling Point.~~If the source/sink Balancing Authority Area is unknown at the time the CAISO Market runs, the CAISO distributes the import/export Energy Schedule or capacity award of the relevant System Resource to the Generic Generation Aggregation Point (GGAP) for the relevant Scheduling Point, and the MCL and MCC of the LMP of the System Resource reflect the Marginal Losses and Congestion at the relevant~~

~~DGAP or GGAP, respectively.~~

In certain cases, System Resources are registered at a Scheduling Point to a Balancing Authority Area in the Market Area to model Energy imports/exports from/to another Balancing Authority Area inside the Market Area. This occurs because of differences in the Market Area between the Day-Ahead Market and the Real-Time Market when a Balancing Authority Area is outside the EDAM Area in the Day-Ahead Market, but inside the EIM Area in the Real-Time Market. In this case, the day-ahead Energy schedule of the relevant System Resource is distributed in the Real-Time Market to the Scheduling Point, for a CAISO Balancing Authority Area intertie, or the relevant DGAP of the source/sink Balancing Authority Area that is in the EIM Area, but cancelled with an opposite base Energy schedule of an EIM Mirror System Resource at the same Scheduling Point with the same distribution. The EIM Mirror System Resource belongs to the source/sink Balancing Authority Area and its base Energy schedule matches the day-ahead Energy schedule of the System Resource it mirrors. The EIM Mirror System Resource that mirrors a System Resource has an export base schedule that matches the day-ahead import schedule of its mirrored System Resource, or a base import schedule that matches the day-ahead export schedule of its mirrored System Resource. The LMPs of the EIM Mirror System Resource and the System Resource it mirrors are different in general because the MEC, MCL, and MCC components differ since the two resources belong to different Balancing Authority Areas in the Market Area.

### A.8.1 Intertie Scheduling Point Price Calculation for IBAAs

#### A.8.1.1 Scheduling Point Prices

As described in Section 27.5.3, the CAISO's FNM includes a full model of the network topology of each IBAA. The CAISO will specify Resource IDs that associate Intertie Scheduling Point Bids and Schedules with supporting injection and withdrawal locations on the FNM. These Resource IDs may be specified by the CAISO based on the information available to it, or developed pursuant to a Market Efficiency Enhancement Agreement. Once these Resource IDs are established, the CAISO will determine Intertie Scheduling Point LMPs based on the injection and withdrawal locations associated with each Intertie Scheduling Point Bid and Schedule by the appropriate Resource ID. In calculating these LMPs the CAISO follows the provisions specified in Section 27.5.3 regarding the treatment of Transmission Constraints and losses on the IBAA network facilities. Unless otherwise required pursuant to an effective

MEEA, the default pricing for all imports from the IBAA(s) to the CAISO Balancing Authority Area will be based on the SMUD/TID IBAA Import LMP and all exports to the IBAA(s) from the CAISO Balancing Authority Area will be based on the SMUD/TID IBAA Export LMP. The SMUD/TID IBAA Import LMP will be calculated based on modeling of supply resources that assumes all supply is from the Captain Jack substation as defined by WECC. The SMUD/TID IBAA Export LMP will be calculated based on the Sacramento Municipal Utility District hub that reflects Intertie distribution factors developed from a seasonal power flow base case study of the WECC region using an equivalencing technique that requires the Sacramento Municipal Utility District hub to be equivalenced to only the buses that comprise the aggregated set of load resources in the IBAA, with all generation also being retained at its buses within the IBAA. The resulting load distribution within each aggregated set of load resources within the IBAA defines the Intertie distribution factors for exports from the CAISO Balancing Authority Area.

#### A.8.1.2 Applicable Marginal Losses Adjustment

For import Schedules to the CAISO Balancing Authority Area at the southern terminus of the California-Oregon Transmission Project at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority and the Western Area Power Administration system, the CAISO will replace the Marginal Cost of Losses at the otherwise applicable source for such Schedules with the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system, provided that the Scheduling Coordinators certify as discussed further below that the Schedules originate from transactions that use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition, as described further below, the Scheduling Coordinator must certify that the Schedules are subject to: (a) charges for losses by the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) charges for losses by the Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. The CAISO will establish Resource IDs that are to be used only to submit Bids, including Self-Schedules, for the purpose of establishing Schedules that are eligible for this loss adjustment.

Prior to obtaining such Resource IDs, the relevant Scheduling Coordinator shall certify that it will only use

this established Resource ID for Bids, including Self-Schedules, that originate from transactions that use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition, the Scheduling Coordinator must certify that the Schedules are subject to: (a) charges for losses by the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Further, by actually using such Resource ID, the Scheduling Coordinator represents that such Bids, including Self-Schedules, that originate from transactions that use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. ~~In addition, the Scheduling Coordinator must certify that the Schedules are subject to: (a) charges for losses by the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project.~~ Schedules and Dispatches settled under such Resource IDs shall be subject to an LMP which has accounted for the Marginal Cost of Losses as if there were an actual physical generation facility at the Tracy Scheduling Point or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system as opposed to the Marginal Cost of Losses under the IBAA LMPs specified in Section I.1.1 of this Appendix. The CAISO may request information on a monthly basis from such Scheduling Coordinators to verify these certifications. Any such request shall be limited to transactions that use the designated Resource IDs during the six month prior period to the date of the request. The CAISO will calculate a re-adjustment of the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system to reflect the otherwise applicable source for such Schedules for any Settlement Interval in which the CAISO has determined that the Scheduling Coordinator's payments did not reflect transactions that meet the above specified certification requirements. Any amounts owed to the CAISO for such Marginal Cost of Losses re-adjustments will be recovered by the CAISO from the affected Scheduling Coordinator by netting the amounts owed from payments due in subsequent Settlements Statements until the outstanding amounts are fully recovered.

For export Schedules from the CAISO Balancing Authority Area at the southern terminus of the California-Oregon Transmission Project at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system, the CAISO will replace the Marginal Cost of Losses at the otherwise applicable sink for such Schedules with the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system, provided that the Scheduling Coordinator certifies, as discussed below, where the export Schedules use: (a) the California-Oregon Transmission Project; or (b) any transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition, the Scheduling Coordinator must certify that the affected Schedules are charged losses by: (a) the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. The CAISO will establish Resource IDs that are to be used only to submit Bids, including Self-Schedules, for the purpose of establishing Schedules that are eligible for this loss adjustment. Prior to obtaining such Resource IDs, the relevant Scheduling Coordinator shall certify that it will only use this established Resource ID for Bids, including Self-Schedules, where the export Schedules use: (a) the California-Oregon Transmission Project; or (b) any transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. In addition the Scheduling Coordinator must certify that the affected Schedules are charged losses by: (a) the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Further, by actually using such Resource ID, the Scheduling Coordinator represents that such Bids, including Self-Schedules, are used for the above specified conditions.

Schedules and Dispatches settled under such Resource IDs shall be subject to an LMP which has accounted for the Marginal Cost of Losses as if there were an actual physical generation facility at the Tracy Scheduling Point or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system as opposed to the Marginal Cost of Losses under the IBAA LMPs specified in Section I.1.1 of this Appendix. The CAISO may request

information on a monthly basis from such Scheduling Coordinators to verify that schedules for such Resource IDs meet the above specified conditions. Any such request shall be limited to transactions that use the designated Resource IDs during the six month prior period to the date of the request.

The CAISO will calculate a re-adjustment of the Marginal Cost of Losses at the Tracy substation or at the applicable Scheduling Point that connects the CAISO Balancing Authority Area and the Western Area Power Administration system to reflect the otherwise applicable sink for such Schedules for any Settlement Interval in which the CAISO has determined that the Scheduling Coordinator's payments did not reflect transactions that met the above specified conditions. Any amounts owed to the CAISO for such Marginal Cost of Losses re-adjustments will be recovered by the CAISO from the affected Scheduling Coordinator by netting the amounts owed from payments due in subsequent Settlements Statements until the outstanding amounts are fully recovered.

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**Attachment C – Table of Tariff Revisions**

**Tariff Amendment – Support Implementation of DAME/EDAM**

**California Independent System Operator Corporation**

**February 6, 2026**

| Tariff Section | Proposed Revision | Rationale |
|---|---|---|
| **11.2.1.8.1** | **11.2.1.8.1 Charges for Unavailable IRU awards**<br>A resource's unavailable IRU quantity is the amount, if any, by which the resource's Day-Ahead Schedule for Supply plus Ancillary Services Awards other than for Regulation Down plus the IRU award ~~minus the Five-Minute Imbalance Reserve Quantity~~ exceeds the resource's Upper Economic Limit as adjusted by applicable Outages in the FMM. Provided, however, the unavailable IRU quantity is capped at the IRU award minus the Five-Minute Imbalance Reserve Quantity. The CAISO charges a resource with an unavailable IRU quantity the product of the unavailable quantity and the higher of the FMM Flexible Ramp Up Price or the resource's Locational IRU Price. | This revision clarifies how the market will apportion unavailable imbalance reserve up when a resource's imbalance reserve quantity and Ancillary Services awards (other than Regulation Down) exceed the resource's Upper Economic Limit. As initially filed, the tariff did not contain a sufficiently precise statement of how the CAISO would account for unavailable imbalance reserves. The revision will help ensure accurate assessment of unavailable imbalance reserve quantity based on a resource's award of Energy and upward Ancillary Services and the resource's upper economic limit. |
| **11.2.1.8.2** | **11.2.1.8.2 Charges for Unavailable IRD awards**<br>A resource's unavailable IRD quantity is the amount, if any, by which the resource's Lower Economic Limit as adjusted by applicable Outages in the FMM exceeds the resource's Day-Ahead Schedule for Supply minus the Ancillary Services Awards for Regulation Down minus the IRD award. Provided, however, the unavailable IRD quantity is capped at the IRD award minus the Five-Minute Imbalance Reserve Quantity. ~~plus the Five-Minute Imbalance Reserve Quantity.~~ The CAISO charges a resource with an unavailable IRD quantity the product of the unavailable quantity and the higher of the FMM Flexible Ramp Down price or the resource's Locational IRD Price. | This revision clarifies how the market will apportion unavailable imbalance reserve down when a resource's Lower Economic Limit exceeds the resource's imbalance reserve down quantity and Regulation Down awards. As initially filed, the tariff did not contain a sufficiently precise statement of how the CAISO would account for unavailable imbalance reserves. The revision will help ensure accurate assessment of unavailable imbalance reserve quantity based on a resource's award of downward Ancillary Services. |

| Tariff Section | Proposed Revision | Rationale |
|---|---|---|
| **11.2.1.9** | **11.2.1.9 Allocation of Imbalance Reserves Costs**<br>The CAISO allocates the separate costs of IRU and IRD through distinct two-tiered allocations. For IRU, the costs allocated include the direct costs of procuring IRU, as reflected by the summation of the product of each Imbalance Reserves Award for IRU and its Locational IRU Price, and the congestion revenue calculated per Section 31.3.1.6.4 from transmission constraints binding in the up deployment scenario for Imbalance Reserves. For IRD, the costs allocated include both the direct costs, as reflected by the summation of the product of each Imbalance Reserves Award for IRD and its Locational IRD Price, of procuring IRD and the congestion revenue calculated per Section 31.3.1.6.4 from transmission constraints binding in the down deployment scenario for imbalance reserves.<br><br>A Scheduling Coordinator's allocation of IRU costs in tier 1 is the product of its IRU tier 1 cost allocation quantity, as specified in Section 11.2.1.9.1, and its IRU tier 1 cost allocation price, as specified in Section 11.2.1.9.3. A Scheduling Coordinator's allocation of IRD costs in tier 1 is the product of its IRD tier 1 cost allocation quantity, as specified in Section 11.2.1.9.2, and its IRD tier 1 cost allocation price, as specified in Section 11.2.1.9.4.<br>The CAISO allocates the costs of Imbalance Reserves procurement not recovered through the IRU or IRD tier 1 cost allocations to Scheduling Coordinators in Tier 2 in proportion to their metered | This revision provides greater clarity regarding how imbalance reserve costs are allocated to holders of existing transmission contracts or transmission ownership rights. As initially filed, the tariff did not contain a sufficiently precise statement of how the CAISO would account for existing transmission contracts or transmission ownership rights in allocating imbalance reserves costs. The revision ensures that balanced schedules associated with existing transmission contracts or transmission ownership rights do not receive an allocation of these costs, which is consistent with the protection afforded these schedules under existing rules for flexible ramping product costs. |

| Tariff Section | Proposed Revision | Rationale |
|---|---|---|
| | Demand in the interval for which the CAISO procured the Imbalance Reserves.<br><br>~~For ETC and TOR self-schedules, the CAISO treats quantities above the valid and balanced portion as metered Demand subject to cost allocation in Tier 2.~~ The CAISO excludes from tier 1 and tier 2 allocations for both IRU and IRD the valid and balanced portion of ETC and TOR self-schedules based on the market (IFM or RTM) in which the Scheduling Coordinator reflected the ETC or TOR self-schedules. The CAISO does not exclude from the Imbalance Reserves cost allocations any quantities above the valid and balanced portion of ETC or TOR self-schedules. | |
| **11.2.4.1.2** | **11.2.4.1.2 Calculation of Hourly CRR Congestion Fund**<br>The CAISO calculates an Hourly CRR Congestion Fund for every Transmission Constraint in the CAISO BAA that is congested in the IFM in a Settlement Period. The Hourly CRR Congestion Fund specific to a particular binding Transmission Constraint in a given Settlement Period is the sum of the: (a) portion of the IFM Congestion Fund in that Settlement Period attributable to congestion on the Transmission Constraint to which the congestion fund corresponds; (b) charges specific to the Transmission Constraint calculated pursuant to Section 11.2.4.4.1; and (c) CRR credit adjustments the CAISO may make pursuant to Sections 11.2.4.6 or 11.2.4.7 that are associated with the Transmission Constraint. Part | These revisions clarify the CAISO's settlement of CRRs in the EDAM. Congestion revenue on EDAM balancing authority area transmission constraints will be allocated to EDAM balancing authority areas. This congestion revenue will not be available to fund the portion of CRRs that have parallel flow modeled on EDAM balancing authority area constraints. For this reason, the CAISO proposes to clarify it will only calculate an Hourly Congestion Fund for constraints in the CAISO balancing authority area but that the fund for an EDAM balancing authority area constraint automatically will be set to zero dollars. Without this clarification, the tariff might suggest that the CAISO allocates the same congestion revenue to two |

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| | (a) does not include funds needed to make a Congestion difference allocation to an EDAM Entity Balancing Authority Area as specified in Section 33.11.1.2.1. The Hourly CRR Congestion Fund for a Transmission Constraint in an EDAM Entity Balancing Authority Area is set to zero dollars ($0). | places. *See also* Section II.C of the transmittal letter for this filing. |
| **11.5.4.1.5(b), Intro Sentence** | The CAISO will allocate EIM Transfer revenue by dividing the revenue equally to the Balancing Authorities on each side of the EIM Transfer ~~EDAM Internal Intertie~~ as defined by the Balancing Authority Area boundary at that intertie, except when the CAISO has been notified during the implementation of the Real-Time Market within an EIM Entity Balancing Authority Area of an agreement between both EIM Entities on either side of a EIM Transfer that a different allocation for some portion of the transfer revenue is required to give effect to a pre-existing commercial arrangement, which will then be sub-allocated– …. | This revision corrects an inadvertent reference to EDAM Internal intertie that should be a reference to the location of an EIM transfer. |
| **11.8.6.5.3** | The CAISO allocates the sum of the RUC Compensation Costs as specified below. A Scheduling Coordinator's allocation of RCU costs in tier 1 is the product of the RCU tier 1 cost allocation quantity, as specified in Section 11.8.6.5.3.1, and the RCU tier 1 cost allocation price, as specified in Section 11.8.6.5.3.3. A Scheduling Coordinator's allocation of RCD costs in tier 1 is the product of the RCD tier 1 cost allocation quantity, as specified in Section 11.8.6.5.3.2, and the RCD tier 1 cost allocation price, as specified in 11.8.6.5.3.4. The | This revision corrects an inadvertent reference to Imbalance Reserves that should be a reference to Reliability Capacity. |

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| | CAISO allocates the costs of Reliability Capacity procurement not recovered through the RCU or RCD tier 1 cost allocations to Scheduling Coordinators in proportion to their metered Demand in the Trading Hour for which the CAISO procured the ~~Imbalance Reserves~~ Reliability Capacity. | |
| **11.8.6.5.3.6** | **11.8.6.5.3.6 Reliability Capacity Cost Allocation to Holders of ETCs or TORs**<br>The CAISO excludes from tier 1 and tier 2 allocations for both RCU and RCD the valid and balanced portion of ETC and TOR self-schedules based on the market (IFM or RTM) in which the Scheduling Coordinator reflected the ETC or TOR self-schedules. The CAISO does not exclude from the Reliability Capacity cost allocations any quantities above the valid and balanced portion of ETC or TOR self-schedules. | This revision provides greater clarity regarding how reliability capacity costs are allocated to holders of existing transmission contracts or transmission ownership rights. As initially filed, the tariff was not sufficiently precise about how the CAISO would account for existing transmission contracts or transmission ownership rights in the allocation of these costs. |
| **11.22.8** | The Scheduling Coordinator ID Charge for each Scheduling Coordinator is $1,500.00 per month, per Scheduling Coordinator ID Code for any Trading Month in which the Scheduling Coordinator has market activity. The Scheduling Coordinator ID Charge is subject to adjustment as described in Appendix F, Schedule 1, Part A. The CAISO will credit amounts recovered through the Scheduling Coordinator ID Charges against the revenue requirement for Market Services Charges as described in Appendix F, Schedule 1, Part A. This Scheduling Coordinator ID Charge will not be assessed to a Scheduling Coordinator ID Code | This revision clarifies that duplicate scheduling coordinator ID charges in EDAM will not apply to an SCID issued to a scheduling coordinator that is representing EIM non-participating schedules which is importing, exporting, or wheeling-through an EDAM BAA. This is because the EIM Entity scheduling coordinator would represent the non-participating resource in the real-time market, but would need to establish a separate participating scheduling coordinator in the day-ahead timeframe. Such entities already pay a monthly fee for their SCID as an EIM entity scheduling coordinator |

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| | issued for the sole purpose of representing an EDAM Resource or a wheeling through transaction located in an EDAM Balancing Authority<br>Area that sources from or sinks to the EIM Balancing Authority Area where the EIM Entity Scheduling Coordinator is affiliated with the EDAM Resource or wheeling through transaction. | and the need for this specific SCID is triggered by another balancing area joining EDAM, not the affiliated balancing authority area's participation in the WEIM. |
| **29.17(g)** | **CAISO Tariff 29.17(g)**<br>****<br>(2) **Objectives.** The CAISO shall use the lowest EIM Transfer schedule cost determined based upon the objectives of –<br>(A) maximizing the use of the transmission capacity made available for EIM Transfers in both the Fifteen-Minute Market and Real-Time Dispatch;<br>(B) minimizing the number of E-Tags required to comply with the WECC scheduling practices; and<br>(C) minimizing the impact of outages or curtailments on the E-Tags used to account for EIM Transfers based on historical outage and curtailment data for each EIM Internal Intertie.<br><br>(3) EIM Transfer Schedule Cost Publication. The CAISO will publish the EIM Transfer schedule cost associated with each EIM Internal Intertie ~~in the Business Practice Manual for the Energy Imbalance Market~~. | This revision clarifies that the CAISO will publish individual EIM Transfer schedule costs but not through its Business Practice Manuals. The change management process for Business Practice Manuals may not provide a suitable means to modify these costs and make market participants aware of them. |

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| **29.32(a)(1)** | **In General.** EDAM Resource Scheduling Coordinators, EIM Participating Resource Scheduling Coordinators, and Scheduling Coordinators for resources within the CAISO Balancing Authority Area will have an opportunity to recover costs of compliance with GHG regulations adopted by a state jurisdiction that has priced GHG emissions as part of a state GHG reporting and reduction program. The provisions of Section 29.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027. | Based on guidance from the State of Washington Department of Ecology, this change clarifies that the GHG accounting provisions for the GHG Regulation Area in the State of Washington will not take effect until January 1, 2027. *See* guidance from the State of Washington Department of Ecology at the following website: https://apps.ecology.wa.gov/publications/documents/2514065.pdf<br><br>*See also,* Section II.D of the transmittal letter for this filing. |
| **30.1.1** | **30.1.1 Day-Ahead Market**<br>Bids submitted in the DAM apply to the twenty-four (24) hours of the next Trading Day (23 or 25 hours on the Daylight Savings transition days) and are used in both the IFM and RUC. Bids ~~for the Regulation Up, Regulation Down, Spinning Reserve, and Non-Spinning Reserve service in the Day-Ahead Market~~ must be received by Market Close for the Day-Ahead Market. The Bids shall include information for each of the twenty-four (24) Settlement Periods of the Trading Day. Failure to provide the information within the stated time frame shall result in the Bids being declared invalid by the CAISO. Scheduling Coordinators may submit Bids for the DAM as early as seven (7) days ahead of the targeted Trading Day. | This revision deletes language that could suggest the time for bid submission in the day-ahead market does not extend to new imbalance reserve and reliability capacity energy products. Instead of listing individual Ancillary Services, the tariff would now simply refer to Bids generally. |

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| **30.5.2.4** | **30.5.2.4 Supply Bids for System Resources**<br><br>In addition to the common elements listed in Section 30.5.2.1, Supply Bids for Resource-Specific System Resources shall also contain Start-Up Bids and Minimum Load Bids. Resource-Specific System Resources are subject to the Proxy Cost methodology or the Registered Cost methodology for Default Start-Up Bids and Default Minimum Load Bids as provided in Section 30.4, and Transaction ID as created by the CAISO. Other System Resources are not eligible to recover Start-Up Costs and Minimum Load Costs. Resource-Specific System Resources are eligible to participate in the Day-Ahead Market on an equivalent basis as Generating Units and are not obligated to participate in RUC or the RTM if the resource did not receive a Day-Ahead Schedule unless the resource is a Resource Adequacy Resource. A Scheduling Coordinator for a Non-Resource-Specific System Resource that is a Resource Adequacy Resource or that supports a renewable portfolio standard transaction and that has met the registration requirements set forth in the CAISO's Business Practice Manual may submit a Bid at an CAISO BAA EDAM Transfer location, if the Scheduling Coordinator does not the know the source of Non-Resource-Specific System Resource at time of Day-Ahead Market Bid submission or the source is otherwise outside of the EDAM Area. If the Resource-Specific System Resource is a Resource Adequacy Resource, the Scheduling Coordinator for the resource is obligated to make it available to the CAISO Market as prescribed by Section 40.6. Dynamic Resource-Specific System Resources are | This revision proposes to preserve the ability on a transitional basis for non-resource-specific system resources that are resource adequacy resources or that support renewable portfolio standard transactions to bid at CAISO BAA EDAM transfer locations if the source is not known at time of bid submission or is otherwise outside of the EDAM area. This revision helps accommodate existing contractual arrangements in the transition to EDAM. *See also* Section II.A.i of the transmittal letter for this filing. |

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| | also eligible to participate in the RTM on an equivalent basis as Generating Units. The quantity (in MWh) of Energy categorized as Interruptible Imports (non-firm imports) can only be submitted through Self-Schedules in the Day-Ahead Market and cannot be incrementally increased in the RTM. Bids submitted to the Day-Ahead Market for ELS Resources will be applicable for two days after they have been submitted and cannot be changed the day after they have been submitted. Bids for System Resources that exceed the Soft Energy Bid Cap are subject to the rules in Sections 30.7.12, as applicable. | |
| **30.5.2.8, Fourth, Fifth and Last Sentences** | Scheduling Coordinators may submit RUC Availability Bids to seek a RUC Award. Scheduling Coordinators submit separate RUC Availability Bids for RCU and RCD. For Multi-Stage Generating Resources, the RUC Availability Bids shall be submitted at the MSG Configuration. The RUC Availability Bid is a MW quantity in $/MW per hour. The quantity of a RUC Availability Bid for RCU or RCD cannot exceed the lower of the following two values: (1) the resource's 60-minute ramp capability; or (2) the Upper Economic Limit. In the case of Non-Generator Resources, however, the quantity of a RUC Availability Bid for RCU or RCD cannot exceed the lower of: (1) the resource's 60-minute ramp capability; or (2) the difference between the Upper Economic Limit and the Lower Economic Limit. The value for the $/MW per hour component of the Bid must be between 0 and 250. Resources offering Economic Bids for Energy to the IFM ~~Bids, other than~~ | These revisions clarify that the obligation to submit a bid for Reliability Capacity Up only applies when a scheduling coordinator submits an economic bid in the day-ahead market and not a self-schedule. Without these clarifications, the tariff language could suggest that self-scheduling is no longer allowed, which would be inconsistent with the design of the day-ahead market enhancements. |

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| | ~~Virtual Bids, to the IFM~~ must submit a RUC Availability Bid for RCU at a quantity no less than the quantity of the Economic Bid for Energy ~~Bid~~. | |
| **30.5.8.2, First Sentence** | Scheduling Coordinators may submit ~~Demand Bids,~~ Export Bids~~, Virtual Bids,~~ and Bids for Non-Resource-Specific System Resources above the Soft Energy Bid Cap, not to exceed the Hard Energy Bid Cap, for any Trading Hour of the Real-Time Market in which<br>(a) The conditions in Section 30.5.8.1 applied to the same Trading Hour of the Day-Ahead Market; or<br>(b)<br>(1) The CAISO has accepted a Bid for the applicable Trading Hour of the Real-Time Market with an Energy Bid price that exceeds the Soft Energy Bid Cap pursuant to Section 30.7.12, not including Bids from Reliability Demand Response Resources, or<br>(2) the Maximum Import Bid Price exceeds the Soft Energy Bid Cap. | This revision delete the language that suggest scheduling coordinators may submit Demand Bids and Virtual Bids in the real-time market, which they may not do under the CAISO tariff. *See*, definitions of Demand Bid, Virtual Demand Bid, and Virtual Supply Bid set forth in Appendix A to the CAISO tariff, Master Definition Supplement. |
| **30.7.3.1** | **Step 3:** If the Bid successfully passes validation in Step 2, it will continue through the third level of validation where the Bid will be analyzed based on its contents to identify any missing Bid components that must be present for the Bid to be valid consistent with the market rules contained in Article III of this | These revisions (1) clarify that the CAISO will generate a bid for Reliability Capacity Up if a scheduling coordinator does not meet the obligations stated in section 30.5.2.8 related to Reliability Capacity Up; and (2) consolidate into section 30.7.3.1 existing bid generation |

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| | CAISO Tariff and as reflected in the Business Practice Manuals. At this stage the Bid will either be automatically modified for correctness and assigned a status of conditionally modified or modified, or if it can be accepted as is, the Bid will be assigned a status of conditionally valid, or valid. A Bid will be automatically modified and assigned a status of modified or conditionally modified Bid, whenever the CAISO inserts or modifies a Bid component. The CAISO will insert or modify a Bid component ~~whenever~~ (1) whenever a Self-Schedule quantity is less than the lowest quantity specified as an Economic Bid for either an Energy Bid or Demand Bid, in which case the CAISO extends the Self-Schedule to cover the gap; (2) whenever a Scheduling Coordinator submits a RUC Availability Bid for RCU for less than the quantity of the Economic Bid for Energy, as specified in Section 30.5.2.8, in which case the Generated Bid quantity is the lower of the RUC Award eligibility under Section 31.5.5.3 or the Energy Bid range of the Energy Bid Curve and the Generated Bid price is the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid; ~~and~~ (3~~2~~) as specified in Section 40.6.8 for ~~a~~ Resource Adequacy Resources; ~~that is not a Use-Limited Resource, the CAISO will submit Generated Bids for Reliability Capacity as specified in Section 40.6.8.~~<br>~~To the extent the Scheduling Coordinator for an Eligible Intermittent Resource fails to submit a Bid for RCU up to the quantity of its forecasted output based on the forecast referenced in Section 34.1.6 the CAISO generates a bid for RCU up to the forecasted~~ | provisions from elsewhere in the tariff. These latter changes do not modify existing bid generation rules. |

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| | ~~output. The price of the generated bid is at the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid.~~<br>~~To the extent an RMR Resource fails to submit a Bid for RCU up to the quantity required in Section 31.5.1.2 the CAISO generates a bid for RCU up to the required quantity. The~~ (4) as specified in Section 31.5.1.5 for RUC Availability Bids for RCU for exports and Eligible Intermittent Resources; (5) as specified in Section 41.5.1 for RMR Resources; and (6) if an RMR Resource fails to submit a RUC Availability Bid for RCU as specified in Section 31.5.1.2, in which case the quantity of the Generated Bid is at the required quantity and the price of the generated bid is at the price included in the RUC Availability Bid for RCU, or at the Default Availability Bid if the Scheduling Coordinator did not submit any such Bid. Throughout the Bid evaluation process, the Scheduling Coordinator shall have the ability to view the Bid and may choose to cancel the Bid, modify and re-submit the Bid, or leave the modified, conditionally modified or valid, conditionally valid Bid as is to be processed in the designated CAISO Market. These validation rules apply to Bids submitted on behalf of Use Limited Resources. The purpose of the validation rules is not to increase the amount of capacity that a Use Limited Resource has offered into the CAISO Markets. | |
| **31.5.1.2** | **31.5.1.2 RUC Availability Bids**<br>With the exception of capacity from Eligible Intermittent Resources, Scheduling Coordinators may only submit RUC Availability Bids for capacity | This revision clarifies the Reliability Capacity Up bidding requirements for Reliability Must Run (RMR) resources. The initial statement that these units have to submit a Reliability |

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| | (above the Minimum Load as registered in the Master File) for which they are also submitting an Economic Energy Bid (other than a Virtual Bid) to participate in the IFM. A Scheduling Coordinator representing an Eligible Intermittent Resource must submit RUC Availability Bids for RCU at a quantity equal to their forecasted output based on the forecast referenced in Section ~~34.1.6~~4.8.2.1. An RMR Resource must submit a RUC Availability Bid for RCU in an amount that is the lowest of the resource's: (1) 60-minute ramp capability; (2) Upper Economic Limit; or (3) full RMR Capacity~~for their full RMR Capacity~~. | Capacity Up bid for their full RMR capacity did not account for the other relevant limitations on a unit's ability to bid for Reliability Capacity Up. At this time, no resources are operating with RMR designations in the CAISO balancing authority area. |
| **31.5.3.1.2** | **31.5.3.1.2 Demand Response Adjustments.** The CAISO accounts ~~shall account~~ for Demand response that is clearly communicated to the CAISO as certain to be curtailed for the next Trading Day only for the two following types of Demand response: (1) Demand response triggered by a staged System Emergency event; and (2) Demand response that is triggered by a price or an event known in advance. ~~If an LSE informs the CAISO of anticipated Demand response prior to Market Close of the DAM, the CAISO Forecast of CAISO Demand used as the RUC procurement target will be reduced accordingly.~~ | This revision modifies the structure of the first sentence of section 31.5.3.1.2 and deletes language related to the submission of information by Load Serving Entities in the CAISO's balancing authority area related to anticipated demand response. These changes resolve any ambiguity that the CAISO only makes a demand response adjustment in the residual unit commitment process for the CAISO balancing authority area. |
| **31.5.5.3** | **Limitations on RUC Awards** ~~A RUC Award is limited to a resource's 60-minute ramp capability.~~ A RUC Award to a specific resource only can consist of RCU or RCD, and not both. RUC shall not Shut Down resources scheduled through the IFM. RUC shall not provide a RUC Award to a Multi-Stage Generating Resource that would require it to make an infeasible transition from the MSG | These revisions seek to ensure this section applies to both Reliability Capacity Up and Reliability Capacity Down. These revisions also reflect that the sum of energy, ancillary services, reliability capacity, and imbalance reserves is not only limited by a resource's upper economic limit or lower economic limit but all relevant resource parameters and |

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| | Configuration applicable to its Day-Ahead Schedule to the MSG Configuration applicable to meeting the requirements of the potential RUC Award.<br>The RUC optimization applies a ~~capacity~~ constraint such that the sum of awards for Energy, ~~upward~~ Ancillary Services, Imbalance Reserves~~IRU~~, and Reliability Capacity~~RCU~~ is feasible given the resource's capacity, operating and economic limitations ~~does not exceed the resource's Upper Economic Limit or, in the case of an Eligible Intermittent Resource, the forecasted output based on the forecast referenced in Section 4.8.2.1~~.<br>The RUC optimization only awards a RUC Award to a storage resource using the Non-Generator Resource model to the extent its modeled State of Charge can support such schedule or award. | limitations. This change is consistent with the principle that the CAISO's market optimization will generally observe resource constraints. *See e.g.* CAISO tariff section 34.17.1. |
| **33.2.5 (F)** | **Operating Procedures.** Prior to the start of parallel operations pursuant to Section 33.2.3, the CAISO and the prospective EDAM Entity have defined, completed, and tested operating procedures for the prospective EDAM Entity and its Scheduling Coordinator's participation in the Extended Day-Ahead ~~Energy Imbalance~~ Market. | This revision corrects a reference to the Energy Imbalance Market by replacing it with a reference to the Extended Day-Ahead Market. |
| **33.4.2 (c)** | An EDAM Transmission Service Provider must:<br><br>* * * * *<br><br>(c) use the EDAM Entity Scheduling Coordinator as the ~~sole~~ Scheduling Coordinator for the EDAM Transmission Service Provider with respect to Settlements of charges for the EDAM Entity Balancing Authority Area and services provided by | This revision clarifies the role of the EDAM Entity Scheduling Coordinator regarding settlement of charges for the EDAM Entity Balancing Authority Area and services provided by the EDAM Entity under existing tariffs or agreements (*e.g.*, EDAM Entity Open Access Transmission Tariff or legacy contracts). |

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| | the EDAM Entity under applicable tariffs and agreements; | |
| **33.6.6** | **33.6.6 Provision of Market Information to EDAM Entities**<br><br>CAISO may make certain market information available to an EDAM Entity to the extent such information relates to the EDAM Entity's Balancing Authority Area operations and is equivalent to information available to the CAISO Balancing Authority. This information will not include individual market bids or prices or other information that could be used to gain an unfair competitive advantage in the CAISO Markets. CAISO, in its function as a market operator, will provide such information in a manner that does not unduly discriminate against or give undue preference to any EDAM Entity, including CAISO as a Balancing Authority and transmission operator. | EDAM Entities have requested access to certain types of market information within their balancing authority areas to assist in their transmission operations and settlements in the EDAM. This revision addresses this request and establishes a foundation for information sharing to support EDAM balancing authority area transmission operations and market settlements. The CAISO is not proposing to share bids or other proprietary information that could be used to gain an unfair advantage in the market. *See also,* Section II.F of the transmittal letter for this filing. |
| **33.10 (sub-sections)** | 33.10.1<br>33.10.2 | These revisions correct section numbers within FERC's eTariff system. |
| **33.11.3.5** | **33.11.3.5 IFM Bid Cost Recovery**<br>EDAM Resources may receive Bid Cost Recovery for the IFM in accordance with Section 11.8. The CAISO allocates the IFM Bid Cost Uplift to Balancing Authority Areas in the EDAM Area, with the following rules in addition to any provisions in Section 11.8.<br>For a Balancing Authority Area with net Energy export transfer, the CAISO transfers a portion of the Balancing Authority Area's IFM Bid Cost Uplift amount to Balancing Authority Areas receiving net | This revision reflects that the proper denominator of the IFM Bid Cost Uplift transfer adjustment ratio is not meant to include the portion of Day-Ahead Schedules made up of generation and import energy. The proposed changes offset these quantities in the calculation, which will support the correct allocation of costs. |

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| | Energy import transfers. For purposes of the foregoing, a Balancing Authority Area has net import transfers if the sum of the Balancing Authority Area's net Energy transfer and its net Imbalance Reserve transfer is in the import direction. If such sum is in the export direction, the Balancing Authority Area is deemed to have a net Energy export transfer.<br><br>The Balancing Authority Area IFM Bid Cost Uplift transfer adjustment amount will equal the product of the Balancing Authority Area hourly IFM Bid Cost Uplift amount and the ratio of the Balancing Authority Area's Day-Ahead net Energy export transfers and net Imbalance Reserve Up export transfers divided by Balancing Authority Area's Day-Ahead Schedules for Load and export Energy, Day-Ahead net Energy export transfers, net Imbalance Reserve Up export transfers and virtual demand, if applicable. The CAISO allocates the IFM Balancing Authority Area IFM Bid Cost Uplift transfer adjustment amount to Balancing Authority Areas with net transfers in the import direction. For each EDAM Entity Balancing Authority Area, the CAISO allocates the adjusted Balancing Authority Area IFM BCR amounts to the EDAM Entity for allocation under the applicable tariff and, for the CAISO Balancing Authority Area, pursuant to Section 11.8.6. | |

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| **33.11.3.6, Eighth and Ninth Sentences** | The CAISO allocates the ~~IFM~~ Balancing Authority Area ~~IFM~~ RUC Bid Cost Uplift transfer adjustment amount to Balancing Authority Areas with net transfers in the import direction. For each EDAM Entity Balancing Authority Area, the CAISO allocates the adjusted Balancing Authority Area ~~IFM~~RUC BCR amounts to the EDAM Entity for allocation under its tariff and, for the CAISO Balancing Authority Area, pursuant to Section 11.8.6. | These revisions correct an inadvertent reference to IFM in Section 33.11.3.6 that should be a reference to RUC. |
| **33.16.5** | **33.16.5 Settlement**<br><br>EDAM Transfer revenue will be settled with the Scheduling Coordinator for an EDAM Legacy Contract rights holder under Section 33.11.1. Congestion revenue associated with an EDAM Legacy Contract will be settled with the Scheduling Coordinator for an EDAM Legacy Contract rights holder under Section 33.11.3.8. Settlement of charges associated with EDAM Legacy Contract rights that are allocated by the CAISO to the EDAM Balancing Authority Area and assigned to the EDAM Entity Scheduling Coordinator may also be subject to further allocation by the EDAM Entity according to the applicable transmission service provider's tariff and any applicable agreement among the | This revision addresses an issue where legacy contract rights holders within an EDAM Entity Balancing Authority Area may not be subject to the EDAM Entity's tariff for settlement allocation purposes. In those cases, this tariff revision clarifies the CAISO settlements with the EDAM Entity Scheduling Coordinator not related to EDAM transfer revenue and congestion revenue, which are allocated directly to the legacy contract rights holder by the CAISO, may also be allocated to the legacy contract rights holders according to the EDAM transmission service provider tariff. This change will help ensure appropriate cost allocation and adequate recovery of revenues associated with market operations by EDAM Entities. |

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| | transmission owners regarding allocation of charges associated with the EDAM Legacy Contract. | |
| **33.17.1** | *N/A – Formatting Only* | These revisions update the formatting and indentation of the list within this section. |

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| **33.17.3** | **33.17.3 Availability**<br>An EDAM Transmission Ownership Rights holder may Self-Schedule all the capacity associated with its ownership interest and elect not to make any such capacity available for EDAM Transfers or other use by the market, or may exclude its EDAM Transmission Ownership Rights from the requirement to Self-Schedule to the extent that its EDAM Transmission Ownership Rights support a Pseudo-Tie export from the EDAM Balancing Authority Area. Alternatively, an EDAM Transmission Ownership Rights holder may release a portion of the capacity for EDAM Transfers in accordance with Section 33.18.2.2.2 and, if the EDAM Transmission Ownership Rights holder is also a transmission service provider, the CAISO will afford the ~~its~~ transmission customers of that EDAM Transmission Ownership Rights holder similar treatment. An EDAM Transmission Ownership Rights holder or customer must be represented by a Scheduling Coordinator, which may be the EDAM Entity Scheduling Coordinator. The EDAM Transmission Ownership Rights holder must coordinate release of its rights with the EDAM Entity associated with the EDAM Transmission Ownership Rights, and communicate the available transmission capacity to the CAISO in accordance with the procedures and timelines in the Business Practice Manual for the Extended Day-Ahead Market. Alternatively, an EDAM Transmission Ownership Rights holder may coordinate with the EDAM Entity to include all of its transmission ownership rights in the associated EDAM Transmission Service Information, in which case the transmission ownership rights would be made | These revisions recognize that there may be existing arrangements in place to address the availability of transmission ownership rights in the real-time market when a balancing authority area joins EDAM. These revisions also recognize that resources with pseudo-tie exports are not modeled as if they are in the EDAM host balancing authority area and should have be accounted for accordingly. This enhances alignment between transmission ownership rights and EDAM. |

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| | available pursuant to Section 33.18, Section 29.17, or both. | |
| **33.17.5** | **33.17.5 Settlement**<br><br>EDAM Transfer revenue will be settled with the Scheduling Coordinator for the EDAM Transmission Ownership Rights under Section 33.11.1. Congestion revenue associated with an EDAM Transmission Ownership Right will be settled with the Scheduling Coordinator for the EDAM Transmission Ownership Rights under Section 33.11.3.8. Settlement of charges associated with EDAM Transmission Ownership Rights that are allocated by the CAISO to the EDAM Balancing Authority Area and assigned to the EDAM Entity Scheduling Coordinator may also be subject to further allocation by the EDAM Entity according to the applicable transmission service provider's tariff and any applicable agreement among the transmission | The exercise of transmission ownership rights in an EDAM balancing authority area may impact balancing authority area-level charges allocated by the CAISO to the EDAM entity. The EDAM entity may or may not have provisions in an agreement or its tariff to allocate these charges to the owner because the EDAM entity is not the transmission service provider for the third-party ownership rights. This revision clarifies that these balancing authority area level charges, which are not settled directly by the CAISO with the transmission owner, may be settled with the transmission owner by the EDAM entity according to the applicable transmission service provider tariff or an agreement between the owner and the EDAM entity. |

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| | owners regarding allocation of charges associated with the EDAM Transmission Ownership Rights, including an alternative arrangement with the EDAM Entity as permitted under Section 33.17.3. | |
| **33.17.6** | **33.17.6 EDAM Transmission Service on EDAM Transmission Ownership Rights**<br>If a transmission service provider located primarily in one Balancing Authority Area (BAA1), as determined in accordance with the Business Practice Manual, provides service under its tariff on a transmission ownership interest it has in another Balancing Authority Area (BAA2) and BAA2 participates in EDAM, then that transmission ownership interest will be treated as an EDAM Transmission Ownership Right in BAA2 and the transmission service provider in BAA1 will not be required to execute an EDAM Transmission Service Provider Agreement solely for its transmission facilities in BAA2. Transmission service provided on an EDAM Transmission Ownership Right in BAA2 established pursuant to this CAISO Tariff may also be subject to the | In some cases, it may not be clear whether the holder of a transmission ownership right would be considered an EDAM transmission service provider or an EDAM transmission rights holder in the balancing authority area or how service on the ownership rights would be provided. This revision clarifies in specific circumstances that the owner would not be an EDAM transmission service provider and would instead be an EDAM transmission ownership rights holder, which includes an option for alternative arrangements for the transmission to be available in the day-ahead and real-time markets. Further, the proposed language clarifies that the associated transmission service may also be subject to the transmission service tariff of the owner that is located in |

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| | applicable transmission service provider's tariff and any applicable agreement among the transmission owners regarding transmission service associated with the EDAM Transmission Ownership Rights, including an alternative arrangement with the EDAM Entity as permitted under Section 33.17.3. | another balancing area, an agreement among the owners regarding transmission service on the facilities, or an agreement between the owner and the EDAM entity. |
| **33.21** | **33.21 ~~[Not Used]~~Supplemental Services – Day-Ahead Contingency Analysis Services Charge**<br><br>(a) **Day-Ahead Contingency Analysis Services Charge.** The CAISO will recover from EDAM Entities that elect in writing to receive day-ahead contingency analysis services the annual charges for the ongoing software license fee, which will be passed through directly to the EDAM Entities, and charges set forth in the CAISO's most recently published report regarding the GMC and other rates, which will include –<br><br>(1) a start-up charge amortized over an initial three-year minimum commitment period; and<br><br>(2) the annual charge for CAISO support of the day-ahead contingency analysis services.<br><br>(b) **Invoicing for Day-Ahead Contingency Analysis Services.** If the EDAM Entity elects to receive day-ahead contingency analysis services, the EDAM Entity agrees to pay for three years of services regardless of whether it takes day-ahead contingency analysis services for the entire three-year term, and it will be invoiced one-third of that amount annually during the initial three-year term. Thereafter, the EDAM Entity will be invoiced annually | This revision proposes rules to provide access to CAISO's day-ahead contingency analysis tool to assist EDAM entities complete their own day-ahead contingency analysis executions. Specifically, it will enable subscribers to perform reliability studies by running scenarios with the network contingencies and remedial action schemes in their own balancing authority area. The proposed tariff language sets out the terms upon which CAISO will offer this service, including invoicing, payment, and termination. These terms are similar to those offered to RC Customers for Hosted Advanced Network Application services in Section 19 of the CAISO tariff. *See also,* Section II.E of the transmittal letter for this filing. |

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| | for day-ahead contingency analysis services as described in the Business Practice Manual for EDAM.<br><br>(c) **Payment for Day-Ahead Contingency Analysis Services.** Payment for day-ahead contingency analysis services will be due within 21 Business Days of the invoice date.<br><br>(d) **Annual Election of Day-Ahead Contingency Analysis Services.** Each year, the EDAM Entity will notify the CAISO in writing, according to the timelines and procedures in the Business Practice Manual for EDAM, as to which day-ahead contingency analysis services it is electing to take for the following year. If the EDAM Entity does not provide such notice to the CAISO, the CAISO will continue to provide the EDAM Entity with the same day-ahead contingency analysis services it is providing to the EDAM Entity during the current year.<br><br>(e) **Termination of Day-Ahead Contingency Analysis Services**. An EDAM Entity that has elected to receive day-ahead contingency analysis services will continue to be invoiced for the services annually during the initial three-year term and each year thereafter until the services have been terminated in accordance with the Business Practice Manual for EDAM. | |

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| **33.23** | **33.23 Transmission Service Requirements for EDAM Resources**<br><br>This Section 33.23 applies only to EDAM Market Participants. Transmission service requirements on the CAISO Controlled Grid will continue in accordance with Section 23 and other provisions of the CAISO Tariff applicable to transmission service on the CAISO Controlled Grid.<br><br>An EDAM Resource Scheduling Coordinator must obtain transmission service from an EDAM Transmission Service Provider, which may be satisfied through the following options:<br><br>(a) The EDAM Resource is a designated network resource under the terms of an EDAM Transmission Service Provider tariff;<br>(b) The EDAM Resource reserves firm point-to-point transmission service of any duration under the terms of an EDAM Transmission Service Provider tariff, or<br>(c) The EDAM Resource is associated with an EDAM Legacy Contract or an EDAM Transmission Ownership Right.<br><br>If option~~s~~ (a), (b), or (c) above are not satisfied, the CAISO will ~~notify~~ inform the EDAM Entity associated with the EDAM Transmission Service Provider so that the EDAM Transmission Service Provider may assess~~es~~ a transmission charge based on the transmission rate for the lowest duration of firm transmission service offered under its tariff, which may be a daily firm or hourly firm transmission | This revision clarifies that an EDAM transmission service provider may not have sufficient firm transmission available in all hours to meet the needs of all resources located in its balancing area and provides an opportunity for the EDAM transmission service provider to adjust the applicable transmission service charge pursuant to its tariff as it deems necessary to meet the needs of its customers. *See also,* Section II.G of the transmittal letter for this filing. |

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| | service. Where a resource is unable to satisfy option (a), (b), or (c) above, the EDAM Transmission Service Provider tariff may provide for an adjustment of the firm transmission service charge as appropriate. If the EDAM Transmission Service Provider offers daily firm point-to-point transmission service as the lowest granularity of firm transmission service, the transmission service charge would be evaluated based on the single highest-hour Real-Time Dispatch of the resource across the day for the amount in excess of reserved transmission service. If the EDAM Transmission Service Provider offers hourly firm point-to-point transmission service as the lowest granularity of firm transmission service, the transmission service charge would be evaluated based on each individual hourly Real-Time Dispatch of the resource for the day. If the Real-Time Dispatch for any hour across the day is above the transmission reservation, the CAISO will ~~notify~~ inform the EDAM Entity associated with the EDAM Transmission Service Provider and the EDAM Transmission Service Provider will assess the hourly transmission charge as described above. This Section 33.23 establishes a common methodology for a Scheduling Coordinator to secure transmission service from an EDAM Transmission Service Provider. The specific transmission service requirements and any associated transmission service charges or penalties will be determined in accordance with the EDAM Transmission Service Provider tariff. | |
| **33.27.1** | **33.27.1 Transitional Process**<br>For a period of six months following the EDAM Entity Implementation Date of a new EDAM Entity, the | This revision corrects an inadvertent reference to the Flexible Ramping Product in tariff section 33.27.1 related to transitional period |

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| | provisions of Section 27.4.3.2 and the second sentence of Section 27.4.3.4 will not apply to constraints that are within the Balancing Authority Area of the new EDAM Entity or affect EDAM Transfers between the Balancing Authority Area of the new EDAM Entity. For those intervals that experience infeasibilities described in those provisions, the CAISO will instead determine prices consistent with the provisions of Section 27, Section 31, and Appendix C, that would apply in the absence of Section 27.4.3.2 and the second sentence of Section 27.4.3.4 constraints. In addition, for a period of six months following the EDAM Entity Implementation Date of a new EDAM Entity, when the transmission and/or power balance constraints as specified in Section 27.4.3.2 and the second sentence of Section 27.4.3.4 are relaxed, the CAISO will set the ~~Flexible Ramping Product~~ Imbalance Reserve parameter for pricing purposes, for the new EDAM Entity Balancing Authority Area, at an amount between and including $0 and $0.01. Sixty days prior to the expiration of the transition period, the CAISO will post on the CAISO Website an assessment of whether an extension of the transition period, for up to an additional six months, is needed for the applicable EDAM Entity. The CAISO will post an update to such assessment prior to the expiration of the transition period should there be any changes to its posted conclusions. Any extensions of the initial six-month transition period must be approved by FERC. | pricing. The reference should be to Imbalance Reserves. |

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| **33.27.3** | **33.27.3 ~~Default~~ Generation Aggregation Points**<br>As described in Appendix C, the CAISO uses two types of Generation Aggregation Points in operation and Settlement of the Day-Ahead Market: Default Generation Aggregation Points and Custom Generation Aggregation Points.~~Each Balancing Authority Area in the EDAM Area will associate directly with PNodes of Balancing Authority Areas in WECC outside the EDAM Area through two non-overlapping default generation aggregations as described in Appendix C:~~<br><br>~~(1) a North DGAP, which includes the WECC northwest Balancing Authority Areas; and~~<br><br>~~(2) a South DGAP, which includes the WECC southwest Balancing Authority Areas' PNodes, except Mexico.~~ | These changes clarify that the applicable rules for modeling and pricing transactions at interties of EDAM Entities, EIM Entities and the CAISO are set forth in Appendix C of the CAISO tariff. *See also,* Section II.A.ii of the transmittal letter for this filing. |
| **33.30.8.3** | **33.30.8.3 Non-Source Specific E-Tag Requirements.**<br><br>All Energy scheduled from non-resource-specific forward supply contracts under Section 33.30.8.2 must have a submitted E-Tag within three hours following publication of the Day-Ahead Market results. The CAISO will publish an EDAM Entity Balancing Authority Area's quantity of import Supply that does not have a Day-Ahead E-Tag for situational awareness. An EDAM Entity Scheduling Coordinator or a Scheduling Coordinator within the CAISO Balancing Authority Area, as applicable, will have until 5 hours before the start of the Operating Hour to submit E-Tags and/or replace the capacity with other firm schedules or physical resources for schedules | This revision corrects references to include scheduling coordinators within the CAISO balancing authority area. This provision applies to both EDAM Entities and the CAISO balancing authority area and as written, the section only referred to EDAM Entity scheduling coordinators. |

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| | that lack a valid Day-Ahead E-Tag within the timeframe. If the ~~EDAM Entity~~ Scheduling Coordinator does not E-Tag the outstanding import schedules, including import EDAM Transfers, and fails to resupply by submitting additional incremental Energy Bids from internal supply EDAM Resources above the resource's Day-Ahead Schedule not encumbered by Day-Ahead capacity awards to cover the E-Tag insufficiency prior to the deadline, the CAISO will remove the EDAM Entity Balancing Authority Area or the CAISO Balancing Authority Area, as applicable, from the group of Balancing Authority Areas that comprise the EDAM Upward Pool in accordance with Section 33.31.1.4. | |
| **33.32.1** | EDAM Resource Scheduling Coordinators and Scheduling Coordinators for resources within the CAISO Balancing Authority Area will have an opportunity to recover costs of compliance with GHG regulations adopted by a state jurisdiction that has priced GHG emissions as part of a state GHG reporting and reduction program. The provisions of Section 33.32 pertaining to the GHG Regulation Area of the State of Washington will not take effect until January 1, 2027. | Based on guidance from the State of Washington Department of Ecology, this change clarifies that the GHG accounting provisions for the GHG Regulation Area in the State of Washington will not take effect until January 1, 2027. *See* guidance from the State of Washington Department of Ecology at the following website: https://apps.ecology.wa.gov/publications/documents/2514065.pdf<br><br>*See also,* Section II.D of the transmittal letter for this filing. |
| **33.32.5** | The CAISO will apply an hourly GHG net export constraint in the Integrated Forward Market for EDAM Entity Balancing Authority Areas that do not | This revision corrects the sentence structure of section 33.32.5 so that the last two sentences of this section so that the phrase "in |

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| | overlap with a GHG Regulation Area. This constraint will limit the aggregate attribution of EDAM Resources within a specific EDAM Entity Balancing Authority Area such that the aggregate attribution does not exceed the net exports from that EDAM Entity Balancing Authority Area. This constraint will also limit the aggregate attribution of resources within a specific GHG Regulation Area to serve Demand in another GHG Regulation Area such that the attribution may not exceed the net exports from these resources' native Balancing Authority Areas. This constraint will not restrict the Integrated Forward Market from attributing capacity located outside of a specific GHG Regulation Area obligated to serve Demand within that GHG Regulation Area that is registered with the CAISO~~.~~ in ~~In~~ accordance with the applicable Business Practice M~~m~~anual. ~~, the~~ The CAISO will not enforce this constraint for any Balancing Authority Area in the EDAM Area and in any Trading Hour in which the CAISO Balancing Authority Area or an EDAM Entity Balancing Authority Area with Demand in a GHG Regulation Area is deficient in the upward direction in the EDAM Resource Sufficiency. | accordance with the applicable CAISO's Business Practice Manuals" is part of the first sentence rather the second sentence. The revisions do not make a material change to the GHG Net Export Constraint described in section 33.32.5. |
| **34.2.1** | **34.2 The Hour-Ahead Scheduling Process**<br><br>**34.2.1 The HASP Optimization**<br><br>The Hour-Ahead Scheduling Process is a Real-Time Market process and a special run of the RTUC through which the CAISO accepts or rejects the following Bids submitted by Scheduling Coordinators at Scheduling Points: (1) Self-Schedule Hourly | This revision clarifies the treatment of schedules that clear HASP in the fifteen minute market and real-time dispatch. In particular, these changes provide the fifteen minute market and real-time dispatch will not economically re-optimize these schedules although they may still be adjusted through E-tags or pursuant to other mechanics set forth in Section 24 of the CAISO tariff. This change will |

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| | Blocks for Energy and Ancillary Services, (2) VER Self Schedules for Energy, (3) Economic Hourly Block Bids for Energy and Ancillary Services, and (4) Economic Hourly Block Bids with Intra-Hour Option for Energy and providing an hourly schedule that can be changed at most once in the Trading Hour. The CAISO also produces advisory Energy schedules and Ancillary Services awards. Through the HASP, the CAISO may also issue binding unit commitment instructions for any resource participating in the RTM. After the Market Close for the RTM for the relevant Trading Hour, the RTM Bids have been validated, and the RTM Bids have been mitigated and the MPM process has been performed, the CAISO then conducts the HASP optimization. The CAISO does not accept Bids for CAISO Demand for any of the Real-Time Market processes. Therefore, CAISO clears Supply Bids against the CAISO Forecast of CAISO Demand plus submitted Export Bids, to the extent the Export Bids are selected in the MPM process. The HASP optimization also factors in forecasted unscheduled flow at the Interties, as do all the Real-Time Market processes. The HASP optimization does not produce Settlement prices for Energy or Ancillary Services and the CAISO settles all Bids accepted through the HASP based on FMM Schedules and Awards and FMM LMPs and ASMPs. Intertie Schedules cleared in HASP at an EDAM Transfer location or an EIM Transfer location will not be optimized economically in the FMM and RTD, but may be subject to intra-hour or other adjustments pursuant to Section 34. | support more accurate modeling of resources at intertie locations and will help avoid potentially adverse market impacts caused by interactions between those schedules and transfers between participating balancing areas in the real-time market. *See also,* Section II.C of the transmittal letter for this filing. |

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| **34.4,**<br>**Third Sentence** | The CAISO conducts the Fifteen Minute Market using the second interval of each RTUC run horizon as follows: (1) at approximately 7.5 minutes prior to the first Trading Hour, for T-45 minutes to T+60 minutes where the binding interval is T-30 to T-15; (2) at approximately 7.5 minutes into the current hour for T-30 minutes to T+60 minutes where the binding interval is T-15 to T; (3) at approximately 22.5 minutes into the current hour for T-15 minutes to T+60 minutes for the binding interval T to T+15; and (4) at approximately 37.5 minutes into the current hour for T to T+60 minutes for the binding interval T+15 to T+30, where T is the beginning of the next Trading Hour. In these intervals the CAISO conducts the FMM to (1) determine financially binding FMM Schedules and corresponding Locational Marginal Prices for all Pricing Nodes, including all Scheduling Points; (2) determine financially and operationally binding Ancillary Services Awards and corresponding ASMPs, procure required additional Ancillary Services and calculate ASMP used for settling procured Ancillary Service capacity for the next fifteen-minute Real-Time Ancillary Service interval for all Pricing Nodes, including Scheduling Points; (3) determine LAP Locational Marginal Prices that are the basis for settling Demand; and (4) determine FMM Uncertainty Awards. For all Intertie Schedules at an EDAM Transfer location or EIM Transfer location, the FMM will use MWh quantities cleared in HASP subject to any intra-hour or other adjustments made pursuant to Section 34. | This proposed revision clarifies how the FMM and RTD will integrate schedules cleared in the HASP optimization at EDAM transfer locations and EIM transfer locations. This change will support more accurate modeling of resources at intertie locations and will help avoid potentially adverse market impacts caused by interactions between those schedules and transfers between participating balancing areas in the real-time market. *See also,* Section II.C of the transmittal letter for this filing. |

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| **35.3.2, Second, Third and Fourth Sentences** | **35.3.2 Processing and Publication Issues**<br>The CAISO may make changes to published prices after the expiration of the timelines specified in Section 35.2 to remedy a price correction processing or publication issue, which consist of the types of issues further defined in this Section 35.3.2. For cases where the CAISO must remedy a price correction processing or publication issue arising from the separation or isolation from the Market Area of an EDAM Entity Balancing Authority Area or EIM Entity Balancing Authority Area, the CAISO must make any such changes within thirty (30) Business Days of the affected Trading Day. In all other cases, the CAISO must ~~The CAISO shall~~ make any such changes within twenty (20) Business Days of the affected Trading Day. After the expiration of the applicable ~~twenty (20) Business Days~~deadline, in the event of a discrepancy between prices posted on the CAISO's OASIS and prices provided to Scheduling Coordinators through other means, the CAISO will use the price posted on OASIS for Settlement purposes unless as specified in Section 35.3.1. | This revision reflects that corrections in these circumstances can take longer to process because the CAISO needs to coordinate with other balancing authority area operators. This is an existing issue with the WEIM but it will become more impactful with EDAM. The greater volumes of energy settled in EDAM mean that an inability to correct after 20 days in these cases would have a greater dollar impact. To address this concern, it is prudent to extend the timeline to 30 days for this limited case. *See also,* Section II. of the transmittal letter for this filing. |
| **36.9.1, Third Sentence** | An OBAALSE must make a showing to the CAISO of legitimate need to enable the CAISO to verify the CRR Sources it wants to nominate. All CRR nominations by OBAALSEs in all CRR years must be source verified based on the showing of legitimate need. The CAISO's verification of legitimate need will be based on demonstration by the OBAALSE of an executed Energy contract from a Generating Unit(s) or System Resource that covers the time | These revisions maintain the current ability of Out-of-Balancing Authority Area Load Serving Entities (OBAALSEs) to acquire CRRs. The EDAM tariff filing updated the definition of the term "System Resource." As a result, a portfolio of resources from an EDAM balancing authority area no longer meets the definition of a System Resource. Without these edits, a perceived ambiguity may exist as whether an OBAALSE that has a supply contract based on delivery from a portfolio of resources within an |

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| | period of the CRRs nominated, or ownership of such Generating Unit(s) or System Resource. | EDAM BAA may lose the ability to acquire CRRs. That was not an intended outcome of the EDAM design and these edits resolve any such ambiguity. |
| **40.6.1 (4)** | (4) Resource Adequacy Resources must submit RUC Availability Bids for RCU for the amount of their Resource Adequacy Capacity that is eligible for a RUC Award under Section 31.5.5.3 and is within the Energy Bid range of the Energy Bid Curve~~for their Resource Adequacy Capacity~~. | This revision clarifies the Reliability Capacity Up bidding requirements for resource adequacy resources in relation to their resource adequacy capacity eligible for a RUC award. Without this clarification, the tariff would suggest an obligation may exist for resources to submit bids for RCU on capacity that is not eligible for the product. |
| **40.6.5** | **40.6.5 ~~Additional Availability~~ Requirements for System Resources Providing Resource Adequacy Capacity**<br><br>~~In the IFM, the multi-hour block constraints of a System Resource, other than a System Resource capable of submitting a Dynamic Schedule or a Resource-Specific System Resource, are honored in the optimization. Such a resource that is also a Resource Adequacy Resource must be capable of hourly scheduling by the CAISO in RUC if it is not fully scheduled in the IFM. If such a Resource Adequacy Resource is scheduled in the RUC, the CAISO will schedule the resource in the RTM for each hour of the resource's RUC schedule without regard to the multi-hour block constraint that was submitted to the IFM. For an existing System Resource that provides Resource Adequacy Capacity through a call option that expires prior to~~ | The EDAM tariff amendments permit only physical resources from EDAM balancing authority areas to submit bids into EDAM. Separately, the CAISO has developed new implementation rules to govern how resources from outside the EDAM market footprint may bid into the market. However, these rules have not yet been adapted to reflect the continuing role system resources will play in meeting Resource Adequacy (RA) requirements. The term system resource refers generally to resources located outside the CAISO balancing authority area. These may include unspecified resources representing a portfolio of generators or other non-resource specific generating assets. Importantly, the EDAM design did not alter the existing rules that allow such resources to count toward RA capacity. These tariff amendments are necessary to preserve |

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| | ~~the close of the IFM, such a System Resource listed on a Resource Adequacy Plan must be reported to the CAISO for consideration in the Extremely Long-Start Commitment Process.~~ | that policy intent and at the same time ensure the CAISO can operationalize RA capacity from system resources once EDAM operations begin.<br><br>*See also,* Section II.A.i of the transmittal letter for this filing. |
| **40.6.5.1** | **40.6.5.1 Eligibility of System Resources to Provide Resource Adequacy Capacity~~Additional Availability Requirements for Dynamic and Non-Dynamic Resource-Specific System Resources~~**<br><br>System Resources, other than Dynamic Resource-Specific System Resources, providing Resource Adequacy Capacity must be shown on Resource Adequacy Plans and Supply Plans with a Resource ID defined by both a single Scheduling Point and specific Intertie. Dynamic Resource-Specific System Resources providing Resource Adequacy Capacity or Flexible RA Capacity must be shown with a Resource ID defined by both a single CGAP and specific Intertie.<br><br>The CAISO will reject a Supply Plan submitted for a System Resource if there is insufficient import capability, as determined by Section 40.4.6.2, to support deliverability of the RA Capacity or Flexible RA Capacity at the Intertie associated with the Resource ID of the System Resource.<br><br>For the avoidance of doubt, this Section 40.6.5 does not apply to Resource Adequacy Capacity or Flexible RA Capacity from a Generating Unit that is Pseudo- | The EDAM tariff amendments permit only physical resources from EDAM balancing authority areas to submit bids into EDAM. Separately, the CAISO has developed new implementation rules to govern how resources from outside the EDAM footprint may bid into the market. However, these rules have not yet been adapted to reflect the continuing role system resources will play in meeting Resource Adequacy (RA) requirements. The term system resource refers generally to resources located outside the CAISO balancing authority area. These may include unspecified resources representing a portfolio of generators or other non-resource specific generating assets. Importantly, EDAM policy did not alter the existing rules that allow such resources to count toward RA capacity. These tariff amendments are necessary to preserve that policy intent and at the same time ensure the CAISO can operationalize RA capacity from system resources once EDAM operations begin.<br><br>*See also,* Section II.A.i of the transmittal letter for this filing. |

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| | Tied into the CAISO Balancing Authority Area.~~A Dynamic or Non-Dynamic Resource-Specific System Resource that supplies Resource Adequacy Capacity, and is not otherwise a Use-Limited Resource, will be subject to the requirements of Sections 40.6.1 and 40.6.2.~~ | |
| **40.6.5.2** | **40.6.5.2 Reassigning Resource Adequacy Obligations for Capacity Sourced from an EDAM Balancing Authority Area~~Dynamic Non-Resource Specific System Resources~~**<br><br>Resource Adequacy Capacity or Flexible RA Capacity that is sourced from an EDAM Entity Balancing Authority Area will be unavailable for purposes of Section 40.9.3 for an entire Trading Hour to the extent its Scheduling Coordinator does not reassign its Resource Adequacy obligations for that Trading Hour by the Day-Ahead Market reassignment deadline specified in the BPM and using the procedures specified in the BPM for reassignments. Such reassignment made by the Day-Ahead Market reassignment deadline must be to a physical resource located in the source EDAM Entity Balancing Authority Area or a System Resource at the boundary of the EDAM Entity Balancing Authority Area.~~A Dynamic non-Resource-Specific System Resource that provides Resource Adequacy Capacity will be subject to the provisions of 40.6.1 and 40.6.2.~~ | The EDAM tariff amendments permit only physical resources from EDAM balancing authority areas to submit bids into EDAM. Separately, the CAISO has developed new implementation rules to govern how resources from outside the EDAM footprint may bid into the market. However, these rules have not yet been adapted to reflect the continuing role system resources will play in meeting Resource Adequacy (RA) requirements. The term system resource refers generally to resources located outside the CAISO balancing authority area. These may include unspecified resources representing a portfolio of generators or other non-resource specific generating assets. Importantly, EDAM policy did not alter the existing rules that allow such resources to count toward RA capacity. These tariff amendments are necessary to preserve that policy intent and at the same time ensure the CAISO can operationalize RA capacity from system resources once EDAM operations begin.<br><br>*See also,* Section II.A.i of the transmittal letter for this filing. |

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| **40.6.5.3** | **Accepting Reassignment of Resource Adequacy Obligations**<br><br>The Scheduling Coordinator for a resource accepting reassignment of Resource Adequacy Capacity or Flexible RA Capacity obligations must accept the reassignment by the deadline specified in the BPM and using the procedures specified in the BPM. The CAISO does not recognize a reassignment for a resource that fails to follow either the applicable deadline or the defined procedures.<br><br>A resource accepting reassignment must have a valid Resource ID at the time it accepts the reassigned capacity. The quantity of capacity reassigned to a physical resource cannot exceed that resource's PMax.<br><br>For the quantity of reassigned capacity and period of reassignment, a resource with a recognized reassignment of Resource Adequacy Capacity or Flexible RA Capacity holds the same availability obligations, application of Generated Bids, and treatment under RAAIM the resource would hold if it were RA Substitute Capacity.<br><br>A resource accepting reassignment that receives an Energy schedule in the CAISO Markets must submit an E-Tag reflecting the CAISO Balancing Authority Area as the sink Balancing Authority Area for delivery of the awarded Energy. | The EDAM tariff amendments permit only physical resources from EDAM balancing authority areas to submit bids into EDAM. Separately, the CAISO has developed new implementation rules to govern how resources from outside the EDAM footprint may bid into the market. However, these rules have not yet been adapted to reflect the continuing role system resources will play in meeting Resource Adequacy (RA) requirements. The term system resource refers generally to resources located outside the CAISO balancing authority area. These may include unspecified resources representing a portfolio of generators or other non-resource specific generating assets. Importantly, EDAM policy did not alter the existing rules that allow such resources to count toward RA capacity. These tariff amendments are necessary to preserve that policy intent and at the same time ensure the CAISO can operationalize RA capacity from system resources once EDAM operations begin.<br><br>*See also,* Section II.A.i of the transmittal letter for this filing. |

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| **40.6.5.4** | **RA Capacity from System Resources that can Bid in the Day-Ahead Market**<br><br>For System Resources permitted to bid into the Day-Ahead Market, in the IFM, the multi-hour block constraints of a System Resource, other than a System Resource capable of submitting a Dynamic Schedule or a Resource-Specific System Resource, are honored in the optimization. Such a resource that is also a Resource Adequacy Resource must be capable of hourly scheduling by the CAISO in RUC if it is not fully scheduled in the IFM. If such a Resource Adequacy Resource is scheduled in the RUC, the CAISO will schedule the resource in the RTM for each hour of the resource's RUC schedule without regard to the multi-hour block constraint that was submitted to the IFM. For an existing System Resource that provides Resource Adequacy Capacity through a call-option that expires prior to the close of the IFM, such a System Resource listed on a Resource Adequacy Plan must be reported to the CAISO for consideration in the Extremely Long-Start Commitment Process.<br><br>System Resources permitted to bid into the Day-Ahead Market that are not Use-Limited Resources are subject to the requirements of Sections 40.6.1 and 40.6.2. System Resources permitted to bid into the Day-Ahead Market that are Use-Limited Resources are subject to the availability requirements and other provisions relevant to Use-Limited Resources that provide RA Capacity. | The EDAM tariff amendments permit only physical resources from EDAM balancing authority areas to submit bids into EDAM. Separately, the CAISO has developed new implementation rules to govern how resources from outside the EDAM footprint may bid into the market. However, these rules have not yet been adapted to reflect the continuing role system resources will play in meeting Resource Adequacy (RA) requirements. The term system resource refers generally to resources located outside the CAISO balancing authority area. These may include unspecified resources representing a portfolio of generators or other non-resource specific generating assets. Importantly, EDAM policy did not alter the existing rules that allow such resources to count toward RA capacity. These tariff amendments are necessary to preserve that policy intent and at the same time ensure the CAISO can operationalize RA capacity from system resources once EDAM operations begin.<br><br>*See also,* Section II.A.i of the transmittal letter for this filing. |

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| **40.6.8** | **Use of Generated Bids**<br><br>(a) **Day-Ahead Market.**<br><br>* * * * *<br><br>**(d) Exemptions.** Notwithstanding any of the provisions of Section 40.6.8, for the following resource types providing Resource Adequacy Capacity, the CAISO only inserts a Bid in the Day-Ahead Market or Real-Time Market where the generally applicable bidding rules in Section 30 call for bid insertion: Use-Limited Resource, Non-Generator Resource, Variable Energy Resource, Hydro electric Generating Unit (including Run-of-River resources), Proxy Demand Resource, Reliability Demand Response Resource, Participating Load, including Pumping Load, Combined Heat and Power Resource, Conditionally Available Resource, Non-Dispatchable Resource, ~~and~~ resources providing Regulatory Must-Take Generation, and System Resource providing RA Capacity sourced from an EDAM Balancing Authority Area.<br><br>**(e) NRS-RA Resources.** The CAISO will submit a Generated Bid in the Day-Ahead Market for a Non-Resource-Specific System Resource not otherwise exempt under Section 40.6.8(d) in each RAAIM assessment hour, to the extent that the resource provides Resource Adequacy Capacity subject to the requirements of Section 40.6.1 and does not submit an outage request or Bid for the entire amount of that Resource | The EDAM tariff amendments permit only physical resources from EDAM balancing authority areas to submit bids into EDAM. Separately, the CAISO has developed new implementation rules to govern how resources from outside the EDAM footprint may bid into the market. However, these rules have not yet been adapted to reflect the continuing role system resources will play in meeting Resource Adequacy (RA) requirements. The term system resource refers generally to resources located outside the CAISO BAA. These may include unspecified resources representing a portfolio of generators or other non-resource specific generating assets. Importantly, EDAM policy did not alter the existing rules that allow such resources to count toward RA capacity. These tariff amendments are necessary to preserve that policy intent and at the same time ensure the CAISO can operationalize RA capacity from system resources once EDAM operations begin.<br><br>*See also,* Section II.A.i of the transmittal letter for this filing. |

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| | Adequacy Capacity. Aside from where the generally applicable bidding rules in Section 30 call for Bid insertion, the CAISO will not submit a Generated Bid in the Real-Time Market for a Non-Resource-Specific System Resource that fails to meet its bidding obligations under Section 40.6.2. A Bid inserted for the Real-Time Market pursuant to the generally applicable bidding rules in Section 30 may not necessarily cover the full Real-Time Market obligation under Section 40.6.2 and the resource may thus remain exposed to Non-Availability Charges. | |
| **App A, Custom Generation Aggregation Point (CGAP)** | **- Custom Generation Aggregation Point (CGAP)**<br><br>A pricing location modeled outside of the CAISO Balancing Authority Area that corresponds to the physical location of a single Dynamic Resource-Specific System Resource. | This change adds a definition to recognize a custom generation aggregation point for use in modeling intertie transactions of dynamic resource specific system resources in EDAM. |
| **App A, Default Generation Aggregation Point (DGAP)** | **- Default Generation Aggregation Point (DGAP)**<br><br>The aggregation of Supply PNodes in a single Balancing Authority Area ~~outside of the Market Area~~, with Generation Distribution Factors that are proportional to the maximum capacity of the Supply resources at the Supply PNodes in that Balancing Authority Area. | This revision modifies a defined term to support intertie modeling rules during a transitional period as described in Section II.A.ii of the transmittal letter for this filing. |
| **App A, EDAM RSE Failure Multiplier** | **EDAM RSE Failure Multiplier**<br><br>A tiered component of the EDAM RSE On-Peak Upward Failure Insufficiency Surcharge and the EDAM RSE Off-Peak Upward Failure Insufficiency | This revision corrects a typographical error. The EDAM RSE Off-Peak Upward Failure Insufficiency Surcharge includes the EDAM RSE Failure Multiple. *See* 33.11.2.1.2. The |

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| | Surcharge. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is de minimis (a tier 1 EDAM RSE failure), such threshold determined as the higher of 10 MW or one percent of the Balancing Authority Area's upward imbalance reserve requirement for that hour, the EDAM RSE Failure Multiplier is zero. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is less than or equal to fifty percent of the Balancing Authority Area's upward Imbalance Reserve requirement (a tier 2 EDAM RSE failure), the EDAM RSE Failure Multiplier is 1.25. Where a Balancing Authority Area's EDAM RSE Hourly Upward Deficiency Quantity is greater than fifty percent of the Balancing Authority Area's upward Imbalance Reserve requirement (a tier 3 EDAM RSE failure), the EDAM RSE Failure Multiplier is 2. With respect to tier 2 or tier 3 EDAM RSE failure in the upward direction, the EDAM RSE Failure Multiplier is subject to an adder consisting of the EDAM RSE Failure Scaling Factor. | definition incorrectly omitted a reference to the Off-Peak charge. |
| **App A, Generation Aggregation Point (GAP)** | **- Generation Aggregation Point (GAP)**<br><br>A CGAP or DGAP. | This revision adds a defined term that will not be relevant during the transitional period for intertie modeling as described in Section II.A.ii of the transmittal letter. |
| **App A, Generic Generation Aggregation Point (GGAP)** | **- [Not Used]~~Generic Generation Aggregation Point (GGAP)~~**<br><br>~~The aggregation of the Default Generation Aggregation Points of Balancing Authority Areas outside the Market Area. The CAISO uses a northwest GGAP for Scheduling Points in the~~ | This revision removes a defined term that will not be relevant during the transitional period for intertie modeling as described in Section II.A.ii of the transmittal letter. |

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| | ~~northwestern U.S. and a southwest GGAP for Scheduling Points in the southwestern U.S.~~ | |
| **App A, IFM Marginal Losses Surplus** | **IFM Marginal Losses Surplus**<br>For each Settlement Period of the IFM, the IFM Marginal Losses Surplus will equal ~~is the difference between~~: the applicable hourly Locational Marginal Price less (1) the Net Hourly Energy Charge; ~~and~~ (2) the total IFM Congestion Charges which do not include IFM Congestion Credits collected by the CAISO as specified in Section 11.2.1.5; and (3) the total hourly marginal GHG cost charges, if applicable. | This revision clarifies the calculation of IFM Marginal Losses surplus excludes the total hourly marginal GHG cost charges. The revised definition more accurately reflects the meaning of this defined term. |
| **App C, A.8** | **A.8 Intertie Scheduling Point Price Calculation**<br><br>The CAISO calculates LMPs for intertie resources at Scheduling Points, which are represented in the FNM as PNodes or aggregations of PNodes external to the Market Area (i.e., at the boundary of a Balancing Authority Area inside the Market Area with a Balancing Authority Area outside the Market Area), through the same process that is used to calculate LMPs for PNodes within the Market Area. In some cases, facilities that are part of the CAISO Controlled Grid but are external to the CAISO Balancing Authority Area connect some intertie Scheduling Points to the CAISO Balancing Authority Area, and in these cases, the Scheduling Points are within external Balancing Authority Areas. In these cases, the Scheduling Points are represented in the FNM at the relevant Locations and used to schedule imports and exports to/from the CAISO Balancing Authority Area. The MCC of the LMP at a Scheduling Point includes contributions from binding intertie | These changes clarify that the applicable rules for modeling and pricing transactions at interties of EDAM Entities, EIM Entities and the CAISO are set forth in Appendix C of the CAISO tariff. *See also,* Section II.A.ii of the transmittal letter for this filing. |

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| | constraints and intertie scheduling limits that constrain import/export Schedules at the relevant Scheduling Point. ~~Normally~~In most cases, System Resources are registered at a Scheduling Point to a Balancing Authority Area in the Market Area to model Energy or capacity imports/exports from/to another Balancing Authority Area~~ outside the Market Area~~. ~~In this case~~When the Balancing Authority Area in the Market Area is not the CAISO Balancing Authority Area and the System Resource is not a Resource Adequacy Resource, the CAISO distributes the import/export Energy Schedule or capacity award of the System Resource to the associated GAP~~Default Generation Aggregation Point (DGAP) of the Balancing Authority Area outside the Market Area that is the source/sink~~ and the MCL and MCC of the LMP of the System Resource reflect the Marginal Losses and Congestion at the relevant GAP.<br><br>When the Balancing Authority Area in the Market Area is the CAISO Balancing Authority Area or if Balancing Authority Area in the Market Area is not the CAISO Balancing Authority Area but the System Resource is a Resource Adequacy Resource, the CAISO distributes the import/export Energy Schedule or capacity award of the System Resource to the relevant Scheduling Point and the MCL and MCC of the LMP of the System Resource reflects the Marginal Losses and Congestion at the relevant Scheduling Point.~~If the source/sink Balancing Authority Area is unknown at the time the CAISO Market runs, the CAISO distributes the import/export Energy Schedule or capacity award of the relevant System Resource to the Generic Generation~~ | |

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| | ~~Aggregation Point (GGAP) for the relevant Scheduling Point, and the MCL and MCC of the LMP of the System Resource reflect the Marginal Losses and Congestion at the relevant DGAP or GGAP, respectively.~~<br><br>In certain cases, System Resources are registered at a Scheduling Point to a Balancing Authority Area in the Market Area to model Energy imports/exports from/to another Balancing Authority Area inside the Market Area. This occurs because of differences in the Market Area between the Day-Ahead Market and the Real-Time Market when a Balancing Authority Area is outside the EDAM Area in the Day-Ahead Market, but inside the EIM Area in the Real-Time Market. In this case, the day-ahead Energy schedule of the relevant System Resource is distributed in the Real-Time Market to the Scheduling Point, for a CAISO Balancing Authority Area intertie, or the relevant DGAP of the source/sink Balancing Authority Area that is in the EIM Area, but cancelled with an opposite base Energy schedule of an EIM Mirror System Resource at the same Scheduling Point with the same distribution. The EIM Mirror System Resource belongs to the source/sink Balancing Authority Area and its base Energy schedule matches the day-ahead Energy schedule of the System Resource it mirrors. The EIM Mirror System Resource that mirrors a System Resource has an export base schedule that matches the day-ahead import schedule of its mirrored System Resource, or a base import schedule that matches the day-ahead export schedule of its mirrored System Resource. The LMPs of the EIM Mirror System Resource and | |

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| | the System Resource it mirrors are different in general because the MEC, MCL, and MCC components differ since the two resources belong to different Balancing Authority Areas in the Market Area. | |
| **App C, Part A.8.1.2, Seventh Sentence** | In addition, the Scheduling Coordinator must certify that the Schedules are subject to: (a) charges for losses by the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Further, by actually using such Resource ID, the Scheduling Coordinator represents that such Bids, including Self-Schedules, that originate from transactions that use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA. ~~In addition, the Scheduling Coordinator must certify that the Schedules are subject to: (a) charges for losses by the Western Area Power Administration for the use of transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA; or (b) Transmission Agency of Northern California for the use of the California-Oregon Transmission Project.~~ | This revision deletes duplicate language that appears in Appendix C related to the losses adjustment for schedules from an integrated balancing authority areas. |