

GENERAL SESSION MINUTES WESTERN ENERGY MARKETS GOVERNING BODY MEETING October 28, 2025 Hybrid: ISO Folsom headquarters and web conference

October 28, 2025

The Western Energy Markets (WEM) Governing Body convened the general session meeting at approximately 1:00 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the WEM Governing Body were in attendance:

Rebecca Wagner, Chair
Andrew Campbell, Vice Chair
Anita Decker
Robert Kondziolka
Deborah Smith

GENERAL SESSION

The following agenda items were discussed in general session:

DECISION ON GENERAL SESSION MINUTES

Chair Wagner moved for approval of the WEM Governing Body general session minutes for the September 9, 2025, WEM Governing Body meeting. The motion was seconded by Vice Chair Campbell and approved 5-0.

CEO REPORT

Elliot Mainzer – President and CEO, provided a summary of the regional market-related items in his report, which included the following topics: Recent Federal Energy Regulatory Commission rulings on the extended day-ahead market (EDAM) filings; the passage of Assembly Bill 825 (AB 825) and its benefits; NV Energy announcing its intent to join the EDAM; EDAM onboarding and implementation activities; ISO offered markets training to the Body of State Regulators back in September; and the greenhouse gas coordination briefing to the ISO Board of Governors and WEM Governing Body in their October 29 joint general session.

BODY OF STATE REGULATORS UPDATE

Gabriel Aguilera, Commissioner, New Mexico Public Regulation Commission, and Chair of the Body of State Regulators (BOSR), provided an update on behalf of the BOSR. Chair Aguilera highlighted topics discussed during the in-person BOSR meeting that was held in conjunction with CREPC and WIRAB meetings in Portland, Oregon in early October, which included the following topics: briefings from the ISO on EDAM implementation efforts and how the ISO is advancing the West-Wide Governance Pathways initiative post-AB 825, and an overview of the Market Surveillance Committee's role provided by Committee member Dr. James Bushnell. Next, Chair Aguilera noted that the BOSR is finalizing its 2026 business plan and budget. He then highlighted BOSR's engagement in ISO policy initiative activities including the greenhouse gas coordination working group, the price formation enhancements and storage design and modeling initiatives, and the policy roadmap process. Chair Aguilera noted BOSR's ongoing involvement in the West-Wide Governance Pathways initiative and Formation Committee activities and concluded by noting the BOSR's participation in the EDAM market training hosted by the ISO back in September.

REGIONAL ISSUES FORUM UPDATE

Lindsey Schlekeway – Market Policy Director, NV Energy, and Chair of the Regional Issues Forum (RIF), provided an update on behalf of the RIF. Chair Schlekeway highlighted topics discussed in its final meeting of 2025, which included a briefing by Portland General Electric regarding the recent passage of AB 825 and the new governance framework for a Regional Organization; update on the RIF enhancements proposal; and educational session hosted by the ISO on market transformation as it prepares for EDAM and day-ahead market enhancements implementation. Chair Schlekeway concluded by noting the RIF plans to publish a draft final proposal for the RIF enhancements effort in early November. Discussion ensued.

BRIEFING ON SPOTLIGHT INITIATIVES – PRICE FORMATION ENHANCEMENTS AND GAS RESOURCE MANAGEMENT

Greg Fisher – Lead Counsel, acknowledged public comment letters received from the Western Power Trading Forum and a joint public comment letter received from load-serving entities for the price formation enhancements agenda item.

James Friedrich – Lead Policy Developer, provided a briefing on the price formation enhancements initiative. Mr. Friedrich started by highlighting the agenda and objective, which was to provide foundational knowledge for future policy discussions. He then discussed the core problem that market power mitigation addresses including how it works at the balancing authority area level. He then provided an overview of scarcity pricing, the theory behind it and why it improves reliability. Mr. Friedrich noted the recent changes in relation to market power mitigation and scarcity pricing in the straw proposal. He discussed the interplay between scarcity pricing and market power mitigation and concluded by highlighting the key takeaways of the proposal and next steps in the stakeholder process.

Next, Seth Cochran – Head of Strategic Market Policy representing Vitol, provided a stakeholder perspective on the price formation enhancements proposal first by noting the

importance of energy and day-ahead market pricing. He then emphasized the importance of getting price formation correct and highlighted examples of how the scarcity pricing mechanism varies across organized market regions. Mr. Cochran noted Vitol's support of ISO's proposal to ensure energy prices reflect shortages during load shed events and their support of implementing an enhanced operating reserve demand curve in the real-time and day-ahead markets. Mr. Cochran concluded by noting key design elements for the ISO and stakeholders to consider when developing the enhanced operating reserve demand curve. Discussion ensued and Mr. Cochran and Mr. Friedrich responded to various Governing Body inquiries.

Public comment

The following provided public comment:

- Carrie Bentley on behalf of Western Power Trading Forum
- Don Tretheway on behalf of California Energy Storage Alliance

Mr. Fisher acknowledged the public comment letter received from PacifiCorp for the gas resource management agenda item.

Danny Johnson – Manager, Policy Development, provided a spotlight briefing on the gas resource management initiative. He first noted the differences in how gas resources are situated and the need for expanded tools to manage gas generation. Mr. Johnson noted that the latest draft final proposal builds on the existing tools to manage fuel supply and cost uncertainty, and that the stakeholder process has been focused on expanded opportunities to manage fuel cost volatility by developing new processes to better reflect observed costs. He noted the ISO is proposing to increase flexibility to reflect the cost of meeting unexpected commitments and expand access to using a gas constraint to support reliability. Mr. Johnson stated that the proposal includes enhancements to the two-day advisory market to ensure results are useful for informing fuel procurement. He concluded by noting that the ISO intends to revisit the commitment cost and default bidding enhancements policy, approved by the Board and Governing Body but never implemented, to provide greater bidding flexibility for commitment costs when resources lack commitment cost market power. Discussion ensued.

Public comment

There was no public comment.

BRIEFING ON POLICY HOT TOPICS

Becky Robinson – Director, Market Design and Analysis, provided a briefing on policy hot topics. Ms. Robinson reiterated that the ISO will be revisiting the commitment cost and default energy bid enhancements initiative with stakeholders in 2026 including the feasibility of implementing the enhancements. Ms. Robinson then highlighted the scope of work related to the demand response and distributed energy resources initiative and associated stakeholder engagement activities as well as progress on the storage design and modeling initiative. Discussion ensued.

Public comment

There was no public comment.

INFORMATIONAL REPORTS

There were no comments from the Governing Body on the informational reports.

Public Comment

There was no public comment.

FUTURE AGENDA ITEMS

There were no future agenda items.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 3:00 p.m.