

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PacifiCorp

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)

**Docket Nos. ER25-951-000
ER25-951-001**

**MOTION FOR LEAVE TO FILE ANSWER AND LIMITED ANSWER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO)¹ hereby files a motion for leave to file an answer and limited answer (Limited Answer) to one claim made in the answer submitted in these proceedings by Powerex Corp (Powerex) on June 11, 2025.²

In its answer, Powerex argues the CAISO “revealed” for the first time in its May 19, 2025, limited answer that participation in the Extended Day-Ahead Market (EDAM) is voluntary at the balancing authority level and is not voluntary for “for individual customers—including generators, load-serving entities, and transmission customers.”³ Powerex’s claim is incorrect and directly at odds with the factual record. In fact, the CAISO was explicit in its 2023 tariff amendment filing to implement the EDAM design—on which Powerex submitted comments not even raising this subject—that participation in EDAM is voluntary at the balancing authority level but that all supply and demand in each EDAM balancing

¹ Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the CAISO Tariff.

² The CAISO files this Limited Answer pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213. For the reasons explained in section I below, the CAISO respectfully requests waiver of Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2), to permit it to respond to the Powerex answer (June 11 Powerex Answer).

³ June 11 Powerex Answer at 2.

area must participate in the day-ahead market. The Commission approved that foundational component of the EDAM framework in the EDAM Acceptance Order.⁴ Therefore, the Commission should reject Powerex's factually inaccurate claims and its arguments based on those claims.

I. MOTION FOR LEAVE TO FILE LIMITED ANSWER

The CAISO respectfully requests waiver of Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2), to permit it to respond to those answers. Good cause exists for the Commission to grant the requested waiver. This Limited Answer will aid the Commission in understanding the issues in this proceeding, inform the Commission in its decision-making process, and help to ensure a complete and accurate record in the case.⁵ Therefore, the Commission should grant waiver and accept this Limited Answer.

II. LIMITED ANSWER

Powerex professes surprise at the CAISO statements in the May 19 limited answer that the EDAM design is voluntary at the balancing authority level and does not allow individual generation, load-serving entity, or transmission service customers to opt out of EDAM.⁶ For example, Powerex claims that “[f]or

⁴ *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 (2023) (EDAM Acceptance Order).

⁵ *See, e.g., ISO New Eng. Inc.*, 190 FERC ¶ 61,063, at PP 13, 25 (2025); *PJM Interconnection, L.L.C.*, 189 FERC ¶ 61,095, at PP 21, 60 (2024); *Midcontinent Indep. Sys. Operator, Inc.*, 189 FERC ¶ 61,065, at PP 17, 23 (2024); *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225, at PP 24, 29 (2024).

⁶ June 11 Powerex Answer at 2-6. Powerex makes arguments in other portions of its June 11 Answer that the CAISO has already addressed in other filings submitted in these proceedings, which the CAISO does not repeat here.

For example, in its May 19 filing, the CAISO explained the Commission should recognize the EDAM design allows for transmission provider carve-outs of transmission capacity only in limited circumstances and that the CAISO and PacifiCorp should not be compelled to provide

years, EDAM was promoted by CAISO as voluntary and incremental and as the natural evolution of the voluntary Western Energy Imbalance Market ('WEIM')," but that "under the radically different approach *revealed in* the CAISO [May 19 filing], EDAM could *no longer* be described as voluntary at all because only PacifiCorp (or other prospective balancing authorities] will be offered the choice to participate in EDAM."⁷ Powerex also casts this as the "CAISO's new vision for EDAM."⁸ However, in fact the CAISO's statements are nothing new, surprising, or radically different from its prior description of EDAM.

In the transmittal letter for the 2023 tariff amendment to implement the EDAM design, the CAISO explained the design provides three options for the use of transmission service rights under an EDAM transmission service provider's open access transmission tariff (OATT).⁹ The CAISO went on to state it had rejected proposals for other options involving broad or automatic opt-outs or carve-outs of transmission capacity from the market:

individual transmission service customer opt-outs. As the CAISO stated, the phrase "opt-out" refers to any provision allowing individual OATT transmission service customers to remove capacity from EDAM (*i.e.*, opt out of the market) for any reason. The Commission approved the EDAM provisions of the CAISO Tariff without any customer opt-out option. A "carve-out" provision, by contrast, allows a transmission service provider—not an individual OATT transmission service customer—to carve out specified transmission capacity from EDAM. The Commission approved such a carve-out option in the CAISO Tariff based on the CAISO's explanation that such carve-outs will be undertaken by EDAM transmission service providers only in limited circumstances. See CAISO May 19 filing at 40-48. Although the term opt-out is sometimes used to mean a carve-out, or vice versa, the context of such use should make clear which term is intended.

⁷ June 11 Powerex Answer at 3 (emphases added). See also *id.* at 6 ("Powerex emphasizes that it supports EDAM moving forward, but only as the voluntary and incremental regional market it was designed and long promoted to be.").

⁸ *Id.* at 3.

⁹ Transmittal letter for CAISO Tariff amendment to implement Day-Ahead Market Enhancements and Extended Day-Ahead Market, Docket No. ER23-2686-000, at 14-16 (Aug. 22, 2023) (CAISO EDAM Tariff Filing).

The CAISO and stakeholders discussed other options, *including imposing restrictions on the availability of transmission to the market, but deemed these to be less efficient.* For example, *restrictions can create conditions where congestion occurs even though sufficient transmission capability is available; i.e., transmission automatically “carved out” from the market may not be fully utilized.* Similarly, providing a market scheduling priority for late-submitted transmission schedules higher than transfers between balancing areas would undermine confidence in market outcomes. If there is frequent use and exercise of particular transmission rights across discrete and specific paths or flowgates, the EDAM design does allow transmission service providers to request an adjustment to “carve out” the transmission right from the market under limited circumstances specified in the transmission service provider’s tariff, which the CAISO would implement. *Due to the inefficiencies created by such arrangements that limit the benefits of EDAM to ratepayers, the CAISO expects such carveouts to be rare.* This transmission availability framework balances the interests of all stakeholders and is superior to the pro forma OATT because it enables balancing areas that may not be in a position to join an independent system operator (ISO) or regional transmission organization (RTO) at this time to nonetheless capture the benefits of a day-ahead market on behalf of their customers.¹⁰

Powerex’s arguments now that all PacifiCorp transmission customers should be able to choose whether to conduct their transactions within or outside of EDAM are therefore inconsistent with fundamental features of the EDAM framework presented by the CAISO and accepted by the Commission. The CAISO also explained in the 2023 transmittal letter that “the extended day-ahead market is not a new market, rather it takes advantage of the existing CAISO day-ahead market by adding new procedures to accommodate *the voluntary participation of other balancing authorities* by extension of that market without disrupting the current market structure.”¹¹

¹⁰ *Id.* at 16 (emphases added).

¹¹ *Id.* at 104 (emphasis added).

In addition, Powerex contradicts history in claiming the CAISO is in 2025 announcing a “radically different approach” under which every electricity transaction and every delivery by every customer in PacifiCorp’s area will take place through EDAM.¹² The CAISO made this requirement clear multiple times in its 2023 filing of tariff amendments to implement EDAM. In the section of its transmittal letter entitled “Participation in EDAM Versus the WEIM” that contrasted components of participation under those two market designs, the CAISO was explicit that all resources and load in an EDAM entity balancing area must be optimized in the CAISO’s day-ahead market:

The CAISO’s day-ahead market optimizes all supply and demand within a balancing area, including settlement of the day-ahead market awards, operation of the real-time market based on the day-ahead market schedules, and settlement of differences between day-ahead market schedules and real-time market results. *This structure requires participation in the day-ahead market, through either an economic bid or a self-schedule, by all supply and demand within a balancing area; otherwise, the day-ahead market would not clear as designed.* The extended day-ahead market accounts for these differences through additional roles and responsibilities applicable to the associated day-ahead market functions and integration of these roles and responsibilities with the associated real-time market functions.¹³

The CAISO also reiterated that “[a]ll resources in *a balancing area participating in EDAM* will be required to submit bids or self-schedules into the day-ahead market,” which was “a different market design approach” from the WEIM.¹⁴ Furthermore, in response to stakeholder comments on the EDAM participation framework, the CAISO stated:

¹² June 11 Powerex Answer at 3.

¹³ Transmittal letter for CAISO EDAM Tariff Filing at 109 (emphasis added).

¹⁴ *Id.* at 110 & n.199 (emphasis added).

Some stakeholders sought the ability to use base schedules for resources in EDAM, similar to the WEIM. *The CAISO explained, however, that to provide the benefits of the day-ahead market to customers in EDAM, unlike the WEIM, all resources in a balancing area must be represented in the market and submit bids (economic bids or self-schedules).* Such resources will receive a day-ahead schedule that serves the same purpose as a base schedule, thus removing the option to submit base schedules. Base schedules are reasonable for operating a real-time market providing imbalance energy service within a participating balancing area, but this structure is not sufficient for extension of the day-ahead market because *all supply and demand resources must be available for the optimization to clear within each balancing area and establish feasible energy and capacity transfers between balancing areas.*¹⁵

Powerex submitted comments in the proceeding on the CAISO EDAM Tariff Filing that did not include any discussion of the portions of the CAISO transmittal letter quoted above. This is notable given Powerex’s statement that it “actively participated in EDAM conversations and technical workshops from the start.”¹⁶

The Commission approved all of the components of the EDAM design discussed above in the EDAM Acceptance Order. Indeed, the very first paragraph of the order recognized that “[u]nder the EDAM framework, CAISO proposes revisions to its Tariff to offer participation in the day-ahead market to *external balancing authority areas (BAA)* in the Western states. *By joining EDAM, an external BAA voluntarily enters into participation agreements to take part in CAISO’s day-ahead market.*”¹⁷ Similarly, the Commission noted the

¹⁵ *Id.* at 111-12 (emphases added).

¹⁶ Motion to Intervene and Comments of Powerex Corp., Docket No. ER23-2686-000, at 5 (Sept. 21, 2023).

¹⁷ EDAM Acceptance Order at P 1. The Commission also noted EDAM was “*similar to the existing Western Energy Imbalance Market (WEIM)*”—not identical to it. See *id.* (emphasis added).

CAISO's explanation that "EDAM is not a new market; rather, it takes advantage of CAISO's existing day-ahead market by adding new procedures to accommodate *the voluntary participation of other BAAs*,"¹⁸ and that "*EDAM participation is voluntary and on a balancing authority level*."¹⁹

The Commission found that "CAISO's *voluntary participation model* and *pro forma* implementation agreements are just and reasonable."²⁰ In making this finding, the Commission "agree[d] with CAISO that WEIM entities (i.e., *balancing authorities* participating in the WEIM) *are the appropriate participants in EDAM* because in many cases, the EDAM Entity will be the only or most significant transmission service provider in a BAA."²¹ Neither Powerex nor any other party requested rehearing of the EDAM Acceptance Order, and therefore the order became final and non-appealable.

In short, there is no cognizable reason for surprise on Powerex's part. The CAISO was clear that participation in EDAM is voluntary at the balancing authority level, and the Commission approved that foundational component of the EDAM design in the EDAM Acceptance Order.

¹⁸ *Id.* at P 12 (emphasis added) (citing transmittal letter for CAISO EDAM Tariff Filing at 104).

¹⁹ EDAM Acceptance Order at P 20.

²⁰ *Id.* at P 220 (emphasis added).

²¹ *Id.* (emphases added).

III. CONCLUSION

For the foregoing reasons, the Commission should reject Powerex's factually inaccurate claims and the arguments based on those claims.

Respectfully submitted,

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Dated: June 17, 2025

CERTIFICATE OF SERVICE

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

Dated at Washington, D.C. this 17th day of June, 2025.

/s/ Daniel Klein

Daniel Klein
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