



California ISO

WESTERN ENERGY MARKETS

Market update

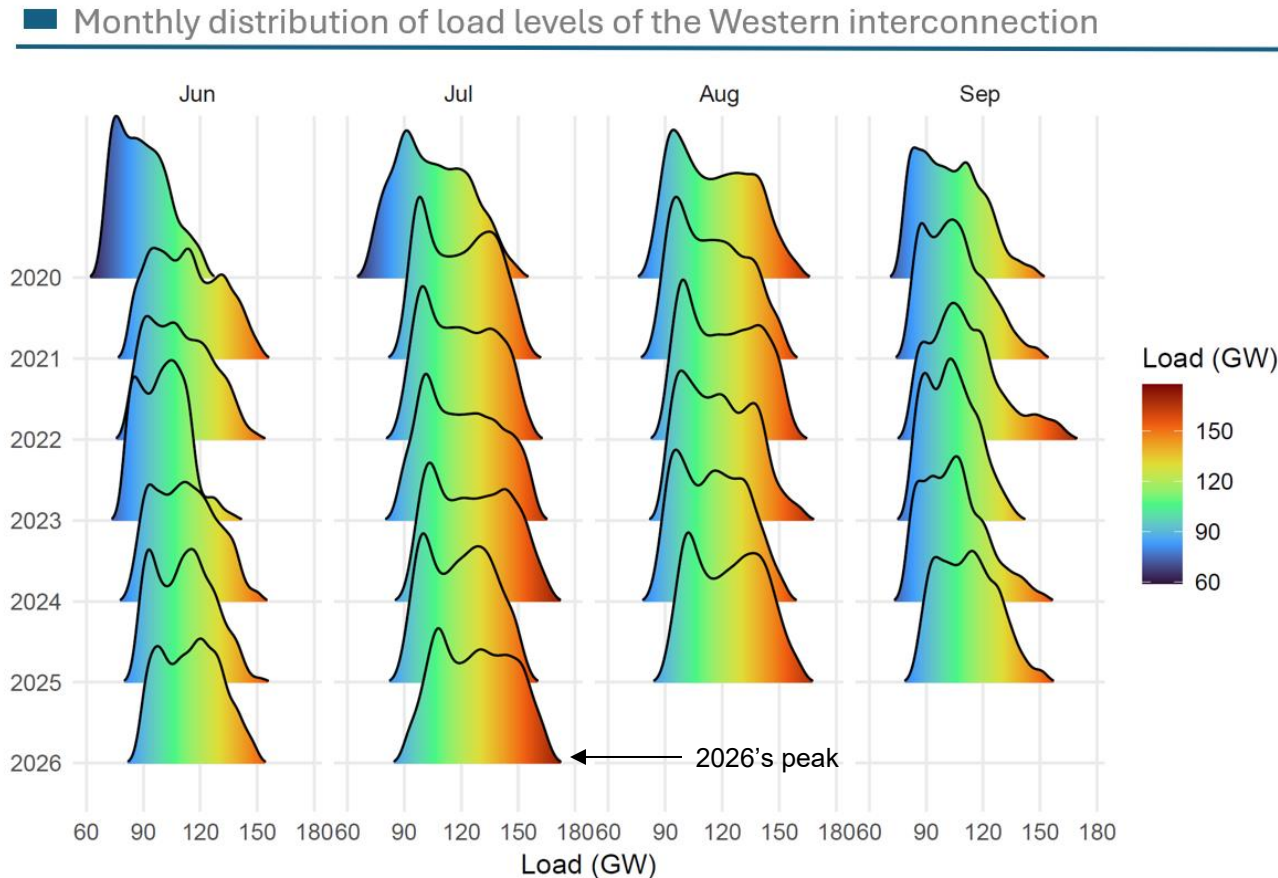
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ISO Board of Governors and WEM Governing Body Joint Session -
General Session

August 26, 2026

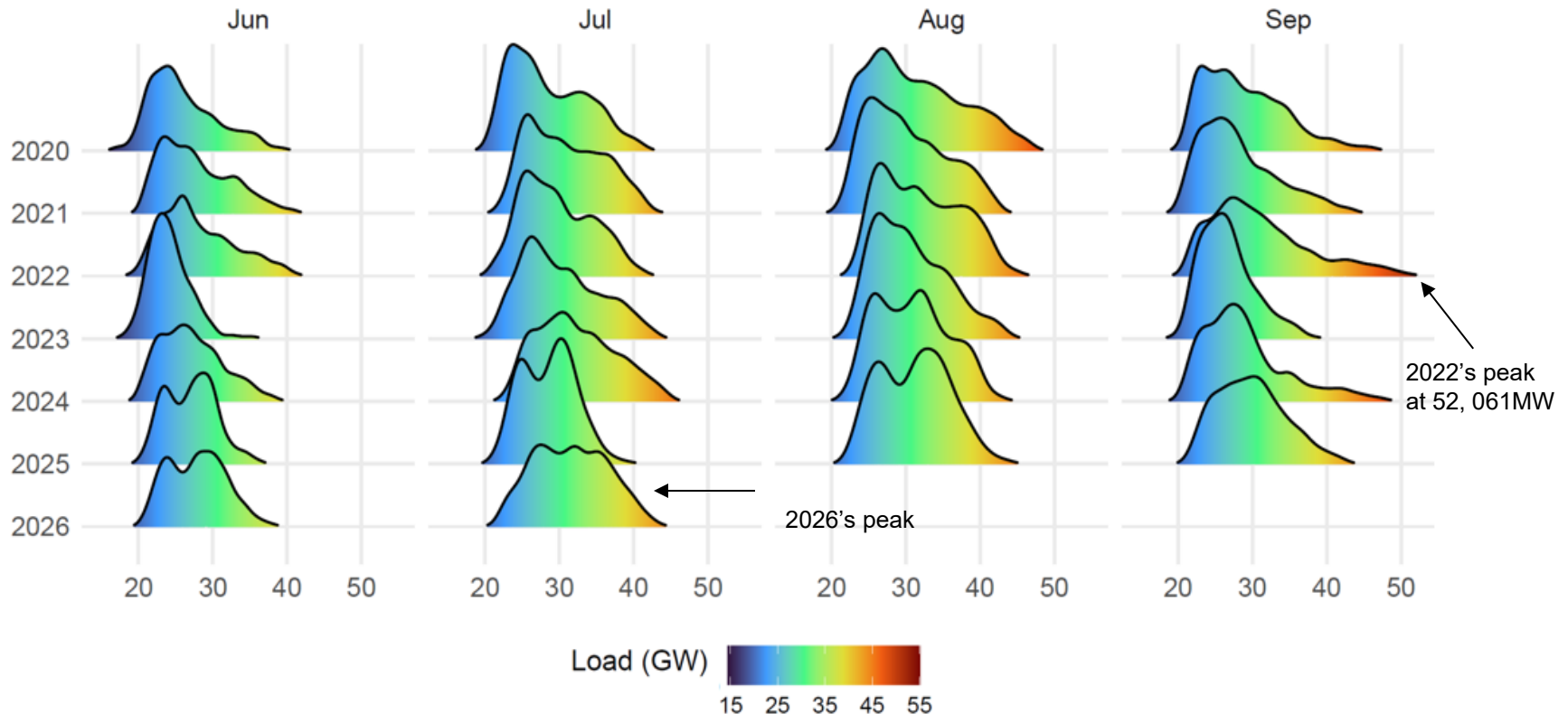
The western interconnection experienced high loads in the latter part of July, leading to record peaks



The western interconnection set a record load peak at 168.5 GW on July 24.

The ISO balancing area observed the peak so far in the year at 43,625 MW on July 15

Monthly distribution of load levels for the ISO area

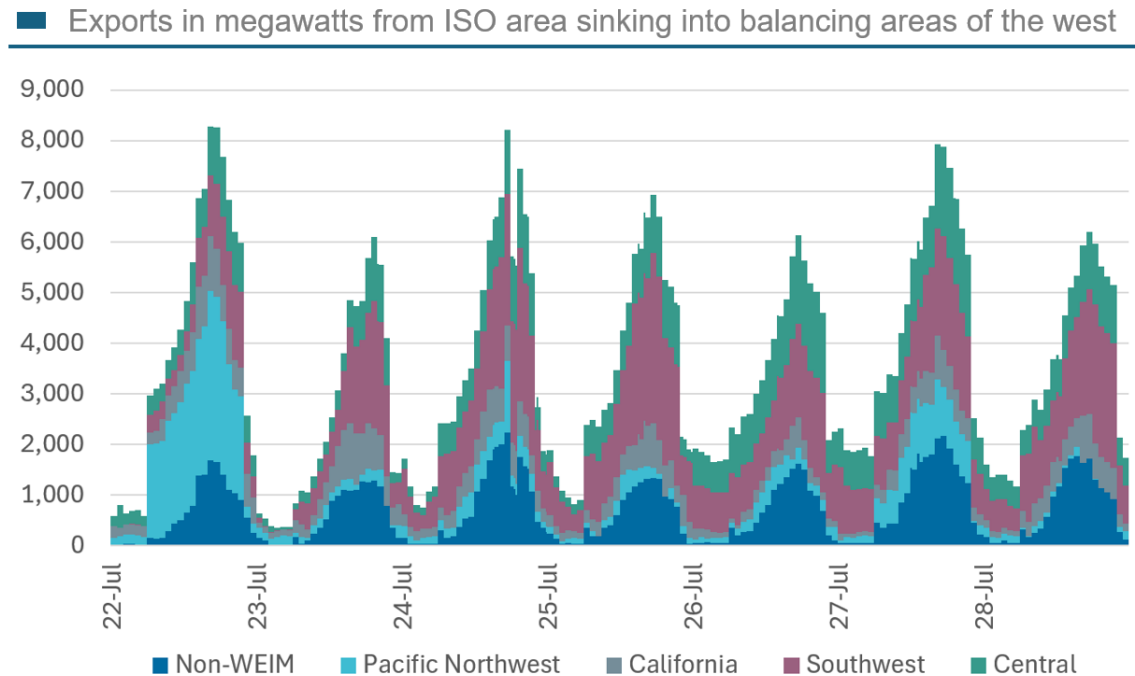


ISO area loads observed in July are within typical levels.

During high-load conditions in July, the ISO balancing area supported up to 8,000MW of exports

Intertie exports supported multiple balancing areas spanning from the Pacific Northwest to the Desert Southwest.

Exports also supported consistently non-WEIM balancing areas.



A significant portion of exports bid in and cleared in the ISO market were low-priority self schedules in real-time market.

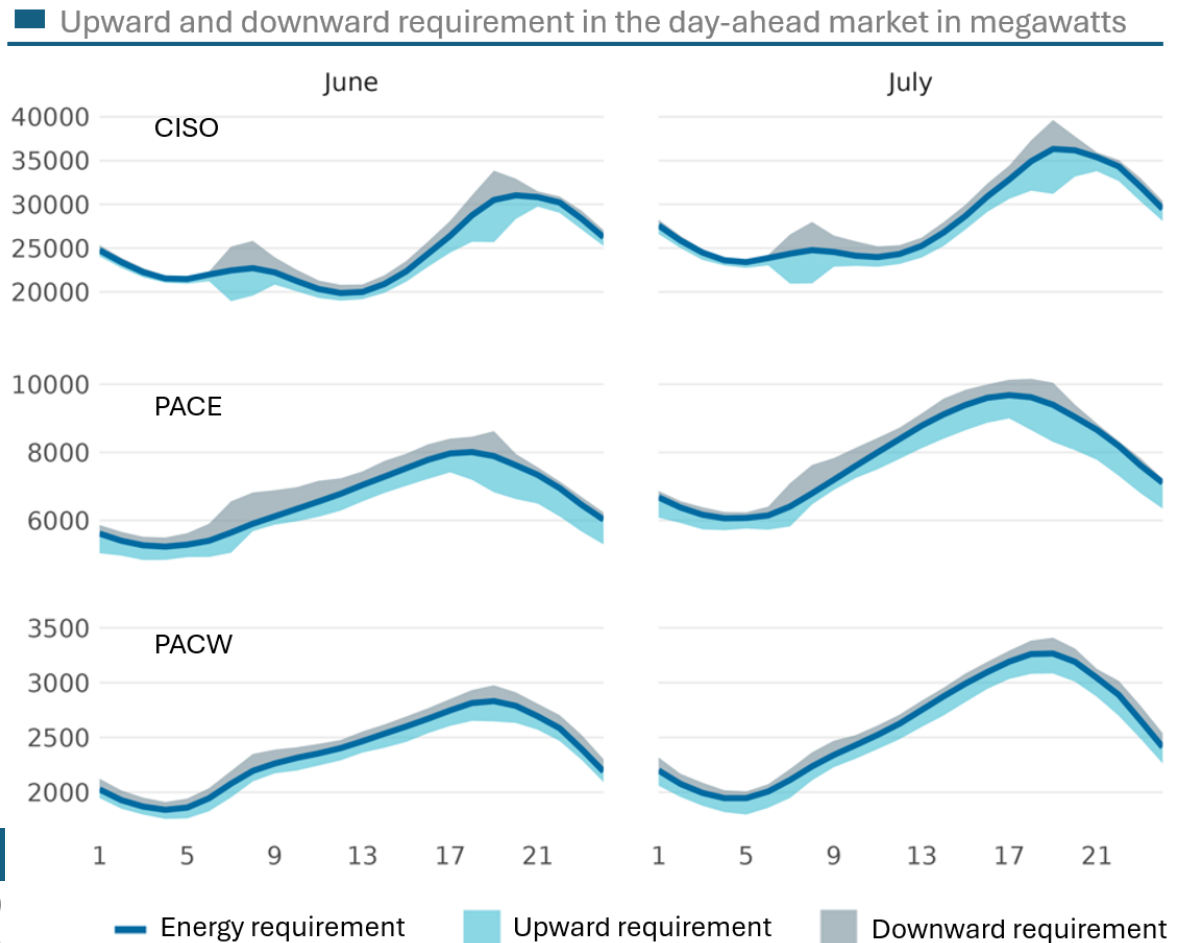
All participating areas in the extended day-ahead market had sufficient capacity to meet their own needs

The extended day-ahead market includes a resource sufficiency evaluation.

This test is applied in both upward and downward directions to meet needs for both energy and flexibility.

Passing rate in percentage

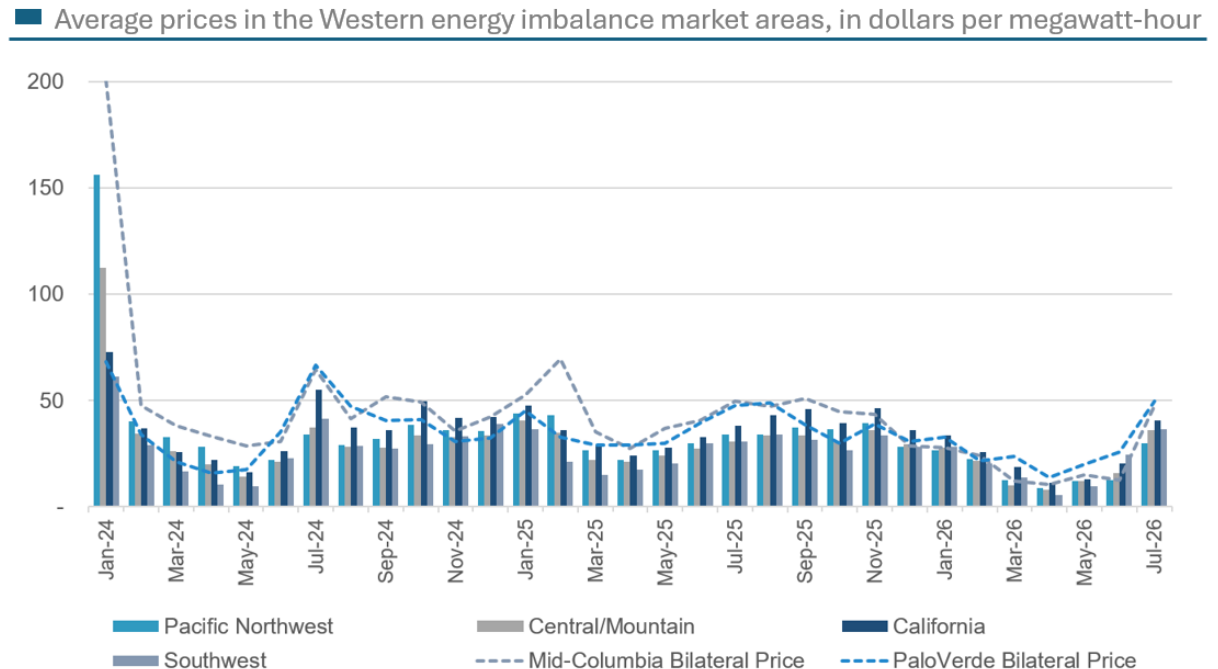
Area	May	June	July
CISO	100	100	100
PACE	100	100	100
PACW	99.4	100	100



Y axes are different for each area based on their load size.

Real-time prices increased in July across regions due to higher summer load conditions

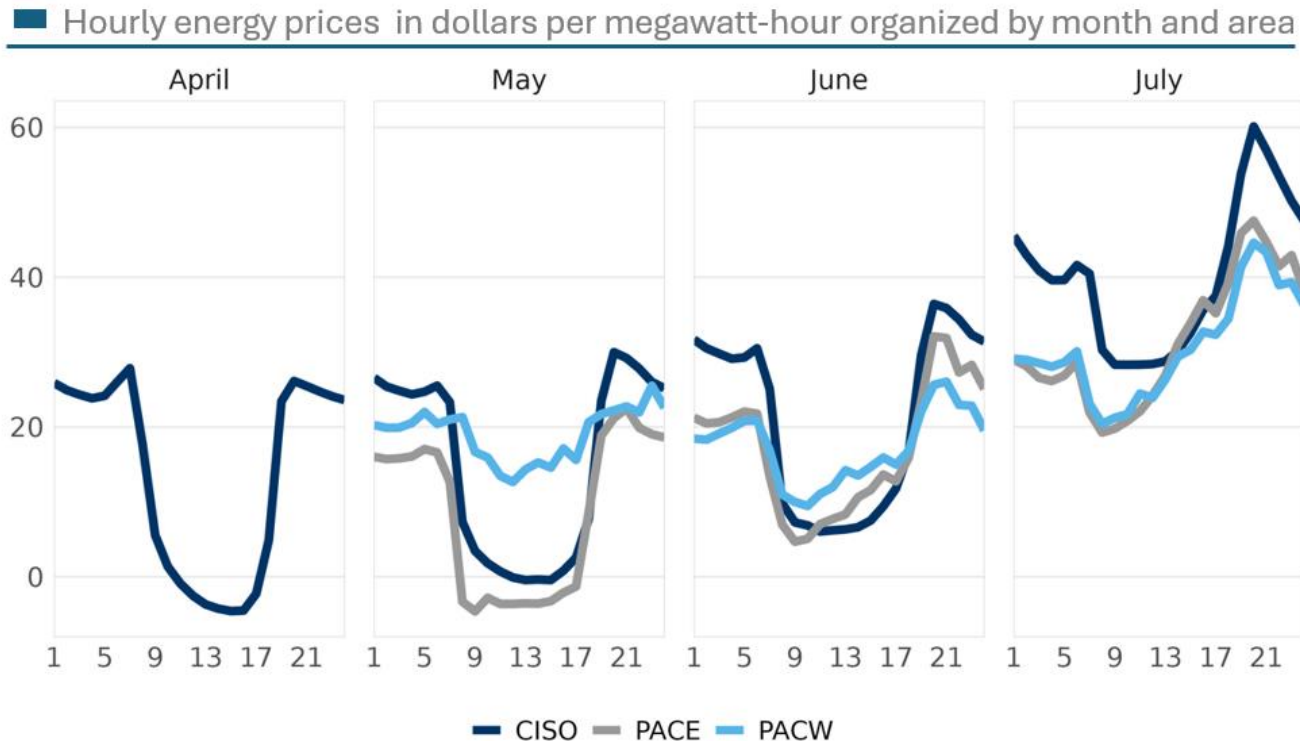
Balancing areas in California saw the highest prices within the market footprint, driven primarily by congestion of internal transmission constraints and greenhouse gas prices.



External bilateral prices continued to trend higher than western energy imbalance market prices in July.

July's prices in 2026 tracked relatively higher than prices in July 2025.

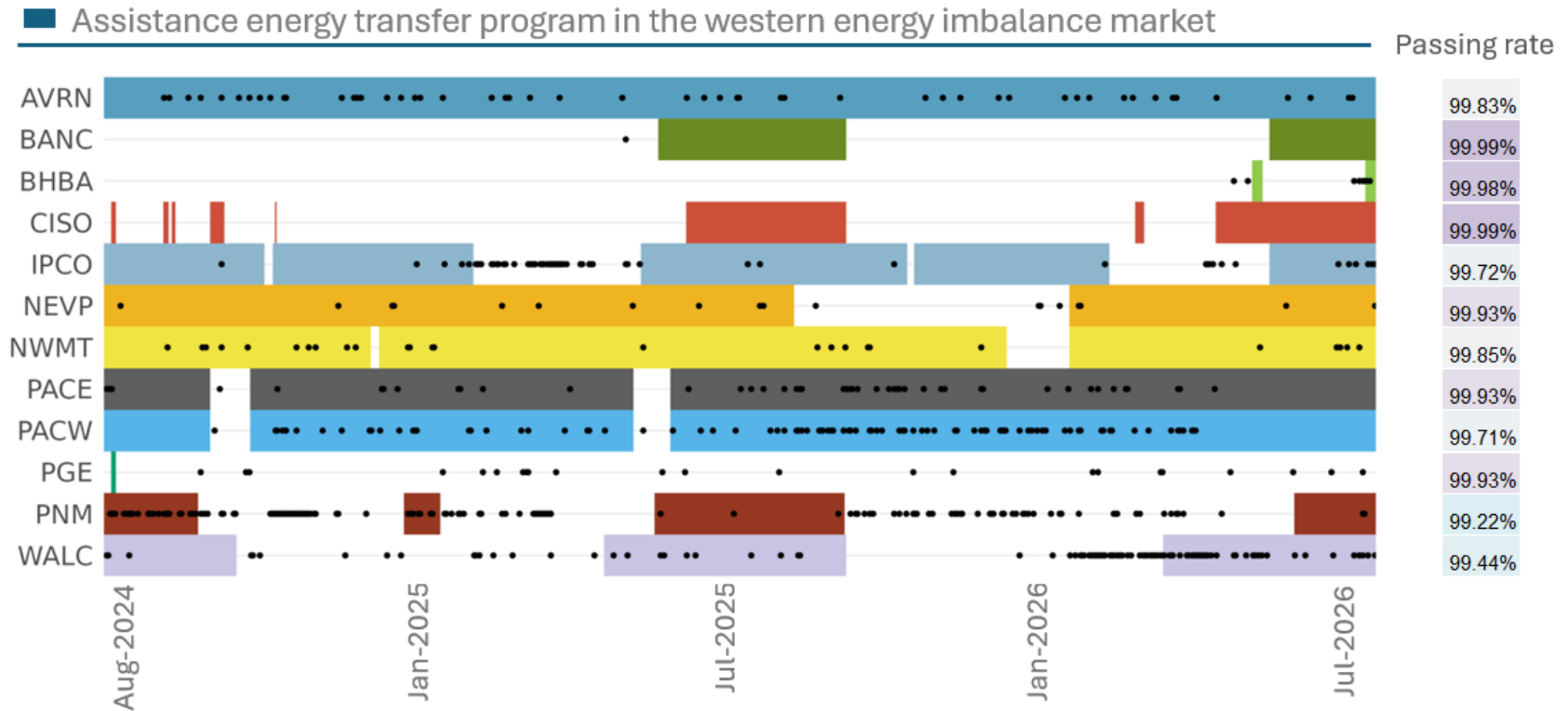
Day-ahead energy prices increased in July following higher-demand conditions



The ISO area continued to exhibit higher prices during peak hours relative to PacifiCorp due mainly to green-house-gas price component.

With higher and summer-like loads, prices have less pronounced midday hourly profile.

In July 2026, 11 entities opted into the assistance energy transfer program



Opt-in status shown with color squares and instances of test failures shown with markers

In July, six entities received assistance energy transfers when opted into the program, with a total surcharge of \$360k.

Procurement of imbalance reserves has lowered both the frequency and magnitude of ISO manual adjustments*

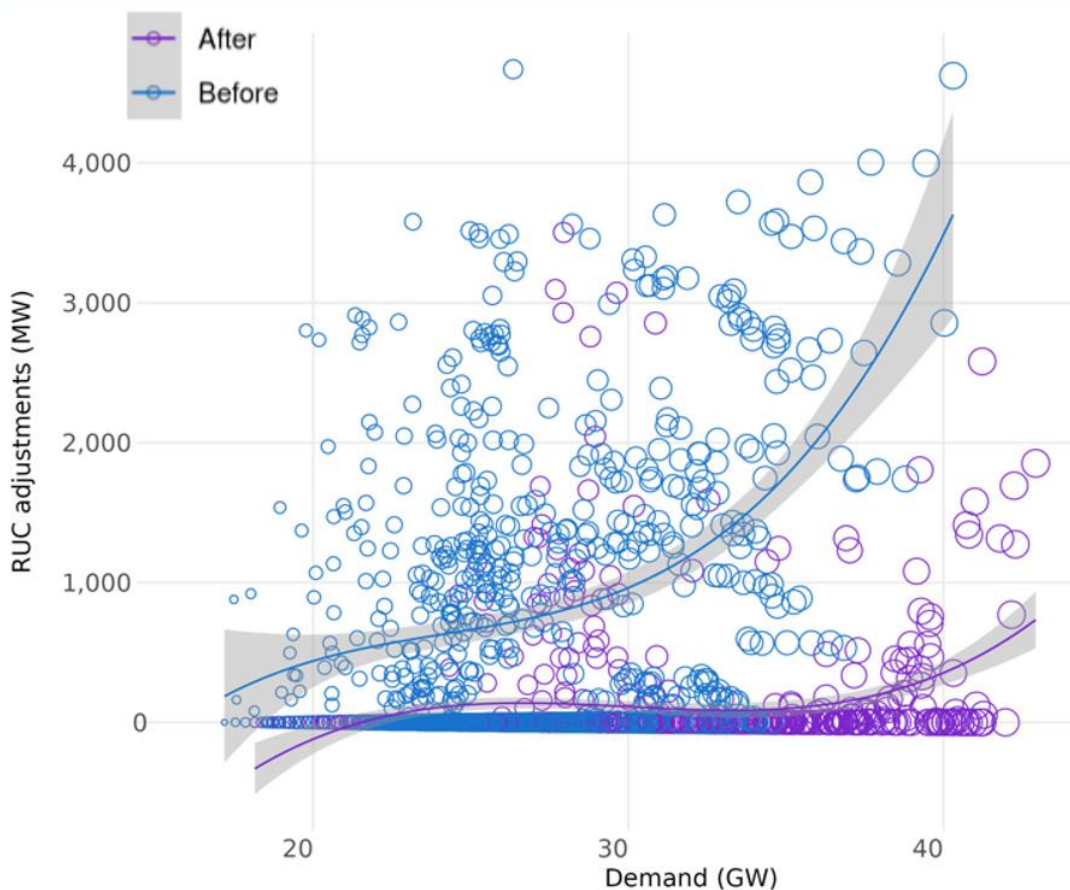
A comparison of day-ahead load adjustments relative to the demand levels for July 2025 (before) and July 2026 (after) shows a reduction.

The day-ahead market procures most uncertainty needs through imbalance reserves.

Manual adjustments are still likely when ISO area loads exceed 42,000MW.

* Manual adjustments for load in the day-ahead market are typically known as *RUC adjustments*.

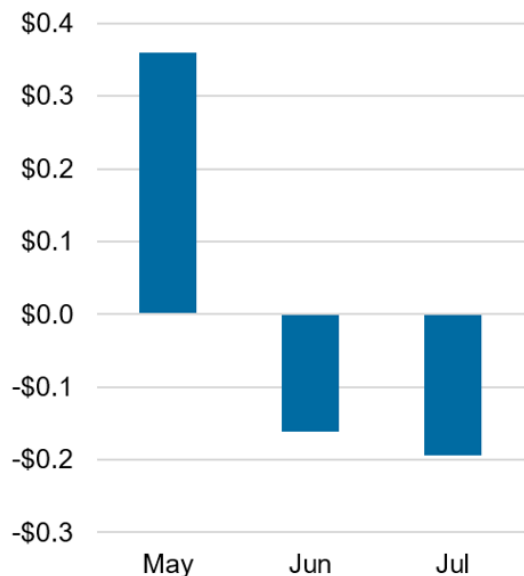
Comparison of load adjustments and demand levels before and after EDAM



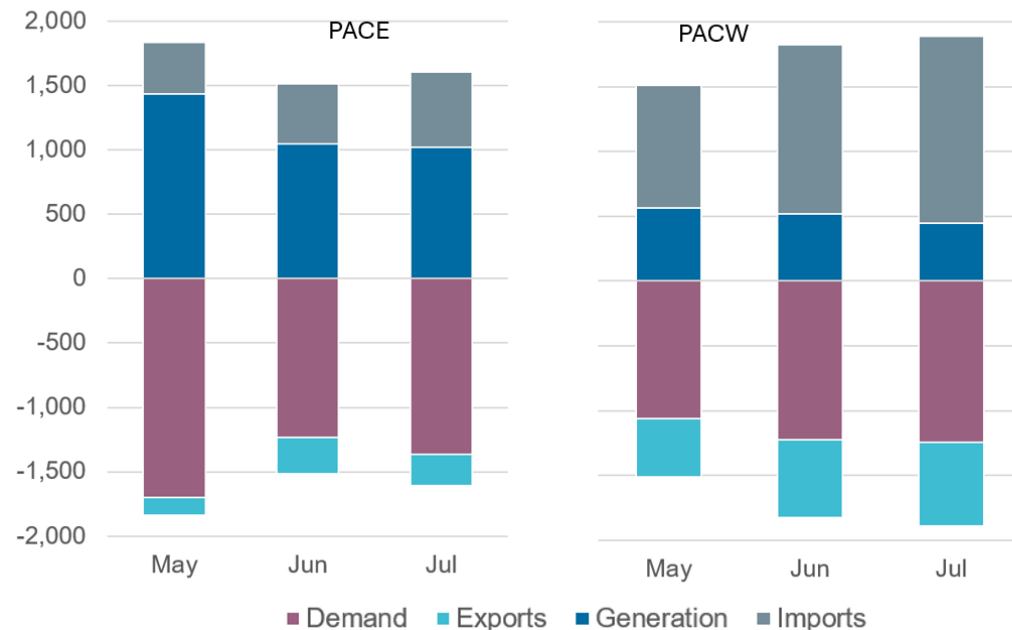
Minimal congestion revenue from the ISO area constraints was allocated to PacifiCorp in the first three months of market operation

The volume of self-schedules exercising transmission rights has been steady.

■ Congestion revenue allocation in millions of dollars*



■ Volume in megawatts of self-schedules associated with qualifying transmission rights



In June and July, the negative congestion revenue allocation is a payback due to PAC transactions providing counterflows to ISO constraints.

*The metric reported previously of \$1.3 million per month has been updated to reflect revised settlement estimates.

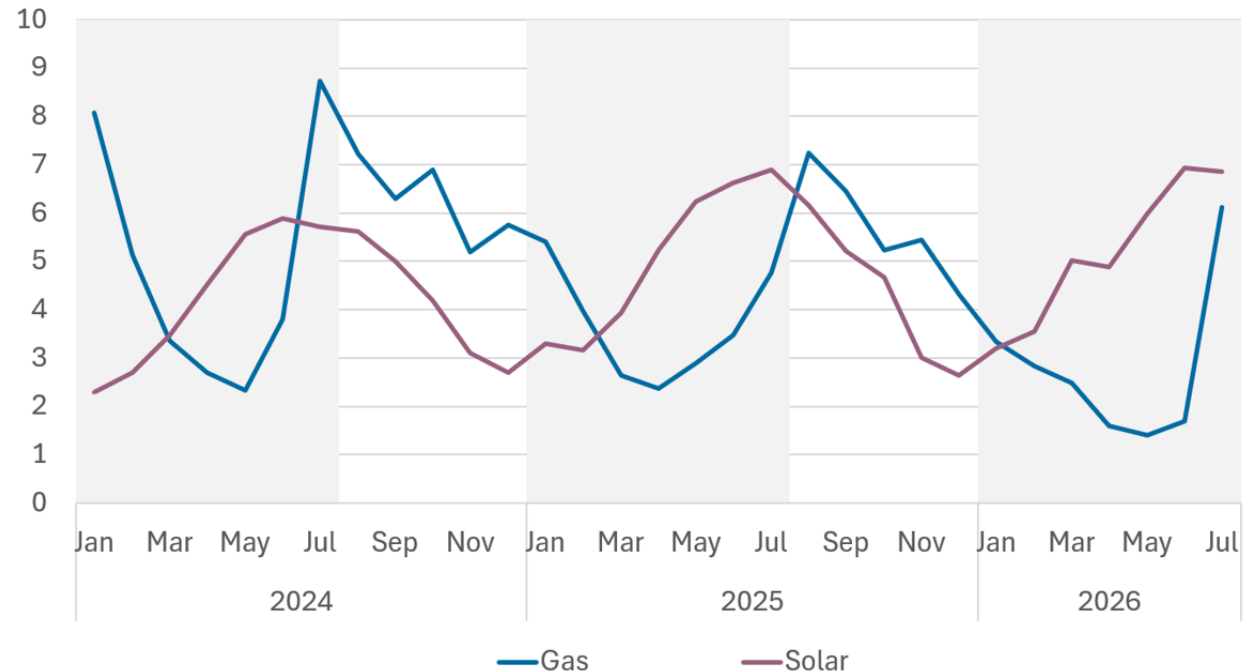
ISO Public

In 2026, gas production has been 35 percent lower than the average over the previous two years

Gas production is lowest during shoulder months when demand is moderate and solar production is higher.

Gas production ramps up in summer months to meet higher demands.

Monthly production from gas and solar generation in terawatt-hours. ISO area



Solar generation reached 23,300MW on July 10, 2026.