

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

PacifiCorp

)

Docket No. ER25-951-000

**COMMENTS ON PACIFICORP RESPONSE TO DEFICIENCY LETTER,
STATUS UPDATE, AND MOTION FOR LEAVE TO FILE ANSWER AND
LIMITED ANSWER TO CERTAIN ANSWERS, OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO)¹ hereby files: (1) comments on the deficiency letter response submitted by PacifiCorp in this proceeding on April 28, 2025 (PacifiCorp Response to Deficiency Letter), as well as a status update on the ongoing stakeholder process the CAISO is conducting on congestion revenue allocation for the Extended Day-Ahead Market (EDAM);² and (2) a motion for leave to file an answer and limited answer (CAISO May 19 Limited Answer) to certain arguments made in answers to answers submitted earlier in the proceeding as specified in footnote 3 below (collectively, Answers to Answers).³ As explained herein, the Commission

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

² The CAISO files its comments, which are provided in section II below, pursuant to Rule 211 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.211, and the Notice of Filing regarding the PacifiCorp Response to Deficiency Letter issued on April 29, 2025. The PacifiCorp Response to Deficiency Letter addresses questions posed in the letter that Amery S. Poré, Director, Division of Electric Power Regulation – West for the Commission, issued to PacifiCorp on March 27, 2025 (Deficiency Letter).

³ The CAISO files its May 19 Limited Answer, which is provided in section IV below, 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 III below, the CAISO respectfully requests waiver of Rules 213(a)(2) and 213(d)(2)(ii), 18 C.F.R. § 385.213(a)(2), -(d)(2)(ii), to permit it to answer the following Answers to Answers: (1) the Motion for Leave to Answer and Limited Answer of the Bonneville Power Administration filed on March 21, 2025 (March 21 Bonneville Answer, filed by Bonneville); (2) the Motion for Leave to Answer and Answer of the Western Power Trading Forum and the Northwest and Intermountain Power Producers Coalition

should accept the proposed revisions to PacifiCorp's Open Access Transmission Tariff (OATT) filed in this proceeding on January 16, 2025 (PacifiCorp OATT Filing), without modification or condition except as specified in the PacifiCorp Response to Deficiency Letter.

I. EXECUTIVE SUMMARY

Comments in this proceeding continue to show broad support for implementation of EDAM as planned in May 2026. Customers in the Western United States have benefited substantially through the extension of the CAISO's wholesale markets to other parts of the West. EDAM builds upon the platform and successes of the Western Energy Imbalance Market (WEIM).⁴ To date, the cumulative economic savings for WEIM participants have increased to \$6.99 billion.⁵ The CAISO asks the Commission to accept the OATT amendments proposed in this proceeding allowing PacifiCorp to participate in EDAM as a significant step towards allowing customers to receive comparable benefits from EDAM.

The CAISO acknowledges this proceeding has become a forum for significant stakeholder questions and concerns about congestion costs under

filed on March 26, 2025 (March 26 WPTF-NIPPC Answer, filed by WPTF-NIPPC); (3) the Answer of Powerex Corp filed on March 28, 2025 (March 28 Powerex Answer, filed by Powerex); (4) the Motion for Leave to Answer and Limited Answer of Southwest Power Pool, Inc. filed on March 28, 2025 (March 28 SPP Answer, filed by SPP); and (5) the Motion for Leave to Answer and Limited Answer of the Public Power Council filed on March 31, 2025 (March 31 PPC Answer, filed by PPC). As explained in section III below, the Commission should accept the comments contained in section II even if it rejects answers in the proceeding, including the CAISO May 19 Limited Answer in section IV.

⁴ The WEIM was formerly called the Energy Imbalance Market or EIM, and the CAISO Tariff references remain to the Energy Imbalance Market or EIM.

⁵ <https://www.caiso.com/about/news/news-releases/western-energy-imbalance-market-approaches-new-milestone>.

EDAM. Without minimizing the importance of those concerns, the CAISO urges the Commission to recognize these questions and concerns relate to the approved congestion revenue allocation provisions of the CAISO Tariff and are not attributable to the PacifiCorp OATT amendments. PacifiCorp's EDAM participation must follow the approved provisions of the CAISO Tariff. PacifiCorp does not have the ability to change the CAISO Tariff. The only congestion revenue issue the Commission should address in this proceeding is how congestion revenues allocated to each EDAM area under the CAISO Tariff are sub-allocated by PacifiCorp within its balancing areas.

Although beyond the scope of this proceeding, the CAISO is taking seriously stakeholder questions about the allocation of congestion revenues under the EDAM provisions of the CAISO Tariff. The CAISO promptly initiated a stakeholder process and is developing a modified approach that would adjust the congestion revenue related to parallel flows allocated among balancing areas participating in EDAM and mitigate the risk of cost uncertainty described by commenters. This stakeholder process is well underway and is moving forward expeditiously, deliberately, and thoughtfully, taking into account the need to consider stakeholder input and produce a well-considered EDAM design enhancement. The CAISO anticipates the stakeholder process will result in proposed amendments to the CAISO Tariff this June and will support timely implementation of EDAM with PacifiCorp as the first participant.

Because the most controversial issues raised in this case are beyond the scope of this proceeding, the Commission has an ample record to find that the

PacifiCorp OATT amendments are both just and reasonable and consistent with or superior to the Commission's *pro forma* OATT. PacifiCorp has provided helpful clarifications and additional detail in its response to the Deficiency Letter, providing an expanded record for the Commission's consideration. As explained below, the CAISO worked with PacifiCorp to develop portions of its response to the Deficiency Letter, has reviewed the Deficiency Letter response, and supports that response.

The CAISO also provides a targeted response to various issues raised in Answers to Answers in this proceeding. The Commission should reject one commenter's claim that transmission customers with firm OATT service have some ill-defined "economic property rights to congestion," as this claim has no basis in the *pro forma* OATT. This property rights claim is tied to an argument the approved congestion revenue allocation provisions of the CAISO Tariff are "highly problematic." As such, it is one example of the ways some commenters are trying to mount a prohibited collateral attack on the Commission's order accepting the EDAM provisions of the CAISO tariff.

Some commenters claim potential impacts on participation in SPP's Markets+ of congestion costs and the treatment of transmission rights under EDAM are reasons to reject the PacifiCorp OATT Filing. Such arguments are inconsistent with ample precedent holding there is no single just and reasonable wholesale market design. The CAISO and SPP each elected to pursue certain different design elements in developing EDAM and Markets+. Where there are differences between the market designs of neighboring regions, longstanding

Commission precedent supports the facilitation of transactions involving those regions through seams agreements. In January of this year, the Commission found the full scope of potential seams issues between Markets+ and EDAM is not yet known and such issues, including issues involving “congestion management” and “transmission rights and use,” were issues for future seams agreements but were not a basis to delay acceptance of SPP tariff amendments to implement Markets+. The Commission should make the same finding here and not delay acceptance of the PacifiCorp OATT Filing.

The EDAM provisions of the CAISO Tariff allow a transmission service provider to notify the CAISO if certain transmission rights are unavailable and should be “carved out” from the market.⁶ Because carve-outs will introduce inefficiencies and deprive customers of the overall benefits of EDAM, such transmission service provider carve-outs are designed to be limited to rare circumstances, which is precisely what PacifiCorp has proposed. There is no basis to compel PacifiCorp to provide broader carve-outs inconsistent with the fundamentals of the EDAM design, or to provide individual customers with an “opt-out” option to remove transmission capacity from the market.

Lastly, the CAISO feels it must address claims of a “lack of candor” and “misdirection” by the CAISO. A core element of the CAISO’s mission is the development and implementation of wholesale market designs benefitting

⁶ To ensure there is no confusion, the CAISO distinguishes between (1) an “opt-out” right that would allow individual OATT customers to remove capacity from the markets for any reason and (2) the approved EDAM provisions of the CAISO Tariff and the proposed provisions of the PacifiCorp OATT that allow a transmission service provider to “carve out” transmission of certain transmission rights across particular frequently scheduled paths where the applicable transmission service provider determines such carve-outs are necessary.

consumers across the Western United States. The CAISO accomplishes this through open and frank engagement with its stakeholders, as illustrated by the process leading to the approved EDAM design. The CAISO devoted years of effort to addressing in good faith stakeholder questions and comments during the development of EDAM. The CAISO takes seriously its stewardship role, recognizing how vital stakeholder input is to the success of the CAISO's development and implementation of new market designs. As explained below, the claims of a lack of candor on the part of the CAISO are baseless, contrary to the evidence in the record—including information included in the March 28 Powerex Answer—and only distract from the substantive issues related to the expansion of wholesale markets in the West.

The CAISO urges the Commission not to lose sight of the central issue before it in this proceeding—whether PacifiCorp's OATT amendments to deliver the benefits of EDAM to customers are just and reasonable. For all the reasons stated below and in the other CAISO pleadings in this docket, the Commission should accept those OATT amendments in a timely manner and allow PacifiCorp's participation in EDAM to proceed.

II. COMMENTS ON PACIFICORP RESPONSE TO DEFICIENCY LETTER AND UPDATE ON STATUS OF CAISO STAKEHOLDER PROCESS

A. The PacifiCorp Response Supports Acceptance of Its OATT Amendments

The CAISO recognizes the scope of issues the Commission must consider in approving the initial OATT amendments to allow a public utility to participate in EDAM and deliver the benefits of the day-ahead market. Given this range of issues, the CAISO appreciates Commission Staff's efforts to ensure the Commission has a full record in this proceeding by raising certain questions in the Deficiency Letter. The CAISO worked with PacifiCorp to develop its response to portions of the Deficiency Letter and has confirmed PacifiCorp's responses are consistent with applicable provisions of the CAISO Tariff and the CAISO's plans for implementing EDAM. The CAISO offers specific thoughts on some aspects of the PacifiCorp response below.

In its response to Deficiency Letter Question 1, PacifiCorp correctly notes the CAISO Tariff provides a means for a transmission service provider that owns transmission or has rights to provide transmission service on an EDAM intertie or within an EDAM balancing area that makes transmission service available for use in the day-ahead market through an EDAM entity to become an EDAM transmission service provider.⁷

⁷ PacifiCorp Response to Deficiency Letter at 2. See also CAISO Tariff Appendix A, definition of EDAM Transmission Service Provider. By balancing area, the CAISO means a balancing authority area (BAA) as defined in the North American Electric Reliability Corporation (NERC) Glossary of Terms Used in NERC Reliability Standards (NERC Glossary of Term), available at https://www.nerc.com/pa/Stand/Glossary%20of%20Terms/Glossary_of_Terms.pdf. The CAISO also uses the term balancing authority, consistent with the meaning in the NERC Glossary of Terms, when referring to the responsible entity that maintains balance within the balancing area.

The Deficiency Letter asks about the allocation of congestion revenue to unaffiliated transmission service providers within the PacifiCorp balancing areas such as Deseret Generation & Transmission Co-operative, Inc. d/b/a Deseret Power (Deseret).⁸ The CAISO agrees with PacifiCorp's explanation that, if a third-party owner of transmission within the PacifiCorp balancing areas that provides transmission services executes an EDAM Transmission Service Provider Agreement with the CAISO, the transmission facilities of that third-party owner will be treated the same as PacifiCorp's transmission facilities for market modeling, pricing, and congestion revenue allocation.⁹ The CAISO commits to continue its discussions with Deseret and PacifiCorp to negotiate the appropriate agreements, address any implementation issues, and allow Deseret to become an EDAM transmission service provider.¹⁰

PacifiCorp suggests, to the extent appropriate arrangements cannot be developed and negotiated with unaffiliated transmission service providers within the PacifiCorp balancing areas such as Deseret, PacifiCorp has the option of exercising its authority under section 33.18.3.3 of the CAISO Tariff and proposed

⁸ Deficiency Letter at 2.

⁹ See PacifiCorp Response to Deficiency Letter at 2.

¹⁰ Appendix A to the CAISO Tariff defines an EDAM Transmission Service Provider as an EDAM Entity or other party that owns transmission or has transmission service rights on an EDAM Intertie or within an EDAM Entity Balancing Authority Area, provides transmission service, and makes transmission service available for use in the Day-Ahead Market through an EDAM Entity. CAISO Tariff section 33.4.1(h) requires an EDAM Entity, in this case PacifiCorp, to determine and inform the CAISO of EDAM Transmission Service Providers within the EDAM Entity Balancing Authority Area. CAISO Tariff section 33.4.2 requires an EDAM Transmission Service Provider to execute an EDAM Transmission Service Provider Agreement with the CAISO. Deseret has an OATT on file with the Commission and should be represented as an EDAM Transmission Service Provider when PacifiCorp commences participation in EDAM. See https://www.oasis.oati.com/woa/docs/DGT/DGTdocs/Deseret_OATT_5-13-25.pdf.

section 4.1.3.8 of Attachment T to the PacifiCorp OATT to “carve out” the transmission of such embedded transmission service providers from EDAM optimization.¹¹ The CAISO agrees PacifiCorp has the right to do so, but emphasizes any such carve-outs should be an option of last resort.

The CAISO anticipates a similar and more efficient result than the carve-out option could be accomplished using the EDAM market functionality applied to EDAM transmission ownership rights.¹² This functionality would enable Deseret to self-schedule use of its transmission in the market and directly settle the associated energy schedules, including congestion price differences, with the market operator until Deseret becomes an EDAM transmission service provider. Such an approach would be more efficient than a carve-out because self-schedules representing Deseret’s transmission customer usage would be modeled, managed, and settled in the market, even though it would not support economic bidding and therefore would be less efficient than the EDAM transmission service provider solution.¹³ However, PacifiCorp does not have a provision to account for this in its OATT because it does not provide transmission

¹¹ PacifiCorp Response to Deficiency Letter at 2, 6-7. Also, in section IV.E below, the CAISO responds to arguments made in the Answers to Answers regarding PacifiCorp’s proposed carve-out authority.

¹² Appendix A to the CAISO Tariff defines an EDAM Transmission Ownership Right as a third-party right on transmission facilities within an EDAM balancing area that is not subject to the applicable tariff. See also CAISO Tariff section 33.17 (providing for the scheduling and settlement of EDAM Transmission Ownership Rights); *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210, at P 244 (2023) (EDAM Acceptance Order) (noting that, under the EDAM design, the CAISO will “give balanced self-schedules associated with third-party ownership rights (*i.e.*, transmission service rights not otherwise subject to an EDAM Entity’s OATT) a higher scheduling priority in the day-ahead and real-time markets than other self-schedules”).

¹³ The approach described above would be less efficient than if Deseret were an EDAM transmission service provider whereby its customers could self-schedule or economically bid in the market.

service to third-party transmission owners, such as Deseret, and this alternative would be pursued only with the concurrence of PacifiCorp.

The CAISO believes the best and most appropriate option for Deseret, Deseret's transmission customers, and the broader market would be for Deseret to enter into an EDAM transmission service provider agreement with the CAISO and have arrangements with PacifiCorp to support Deseret's participation in the market as a third-party EDAM transmission service provider.¹⁴ Accordingly, the CAISO remains committed to supporting this pathway to resolution of this issue before the implementation of EDAM and participation by PacifiCorp.

In its response to Deficiency Letter Question 2, PacifiCorp correctly explains that the EDAM provisions of the CAISO Tariff focus on market scheduling priorities and are not intended to supersede the ability of transmission service providers participating in EDAM to implement curtailments in accordance with their OATTs and NERC requirements.¹⁵ As the CAISO explained when it filed the EDAM provisions of the CAISO Tariff for Commission approval:

A balancing authority that chooses to participate in EDAM will remain responsible for maintaining the reliability of its balancing area, including meeting operating reserve and capacity requirements, scheduling, curtailment of the transmission facilities under its operational control, and manually dispatching resources to maintain reliability.¹⁶

The CAISO agrees with PacifiCorp's proposal for lower-priority tagging of

¹⁴ See CAISO Tariff Appendix B.33 (containing *pro forma* version of EDAM Transmission Service Provider Agreement).

¹⁵ PacifiCorp Response to Deficiency Letter at 3-4.

¹⁶ Transmittal letter for CAISO Tariff amendment to implement Day-Ahead Market Enhancements and Extended Day-Ahead Market, Docket No. ER23-2686-000, at 104 (Aug. 22, 2023) (CAISO EDAM Tariff Filing).

cleared economic day-ahead schedules. This approach ensures equal priority to cleared day-ahead self-schedules, while also facilitating curtailments of non-firm transmission service before firm transmission service if conditions require such curtailments. The approach described by PacifiCorp is consistent with section 33.7.5 of the CAISO Tariff, which provides in relevant part:

If it is necessary for an EDAM Entity or the CAISO to reduce or suspend EDAM Transfers between one or more Balancing Authority Areas in the EDAM Area based on operational judgement and consistent with Good Utility Practice, the EDAM Entity will do so solely with respect to its Balancing Authority Area or the CAISO will do so solely with respect to its Balancing Authority Area, provided that the reduction or suspension is consistent with the EDAM Transmission Service Provider tariff or the CAISO Tariff, as applicable.¹⁷

In response to Deficiency Letter Question 2.c regarding whether the PacifiCorp OATT amendments in this proceeding alter the way PacifiCorp processes intra-day schedule changes, PacifiCorp explains that it proposes no such alterations and that the applicable PacifiCorp OATT language is identical to section 13.8 of the Commission's *pro forma* OATT, which provides that schedules submitted after 10:00 a.m. "will be accommodated, if practicable."¹⁸ In the EDAM Acceptance Order, the Commission referenced the same provision of the *pro forma* OATT in rejecting arguments "that under the EDAM transmission framework, firm transmission customers' intra-day schedule changes will have lower priority than they would under the *pro forma* OATT."¹⁹

¹⁷ See also CAISO Tariff section 33.18.5 (stating "EDAM Transfers will have a priority equal to Demand in the EDAM Area and may be curtailed only as provided in Section 33.7.5").

¹⁸ PacifiCorp Response to Deficiency Letter at 5-6.

¹⁹ EDAM Acceptance Order at P 310.

In its response to Deficiency Letter Question 3, PacifiCorp correctly explains that the basis of its discretion to hold back or “carve out” transmission from EDAM is section 33.18.3.3 of the CAISO Tariff.²⁰ The Commission accepted section 33.18.3.3 in the EDAM Acceptance Order in light of the CAISO’s explanation it:

expects that conditions warranting such a carve-out will be limited and that the transmission customer’s option to exercise firm transmission rights at a higher market clearing priority above cleared day-ahead EDAM transfer schedules in real-time is a more efficient use of transmission capacity and should be implemented instead of carve-outs where possible.²¹

The CAISO repeatedly emphasized the narrow scope of section 33.18.3.3 in the transmittal letter for its EDAM Tariff Filing, stating “the CAISO expects the transmission service provider will request adjustment of available transmission only under narrow, limited, and specific circumstances as provided in the transmission service provider’s tariff.”²²

PacifiCorp has satisfied the requirements of section 33.18.3.3 though language in its OATT that PacifiCorp will only hold back transmission capacity:

when the PacifiCorp EDAM Entity, in its sole discretion, deems such a hold back necessary to (a) maintain the reliability of the PacifiCorp BAAs or (b) give effect to any contract right, including EDAM Transmission Ownership Rights, that the PacifiCorp EDAM Entity determines is not adequately addressed by the rules of this Tariff and the [CAISO] Tariff for EDAM participation.²³

These two prerequisites are consistent with the narrow and limited scope of

²⁰ PacifiCorp Response to Deficiency Letter at 6-7.

²¹ EDAM Acceptance Order at P 285.

²² Transmittal letter for CAISO EDAM Tariff Filing at 130. *See also id.* at 135, 143.

²³ PacifiCorp OATT Filing, Attachment B, at proposed section 4.1.3.8 of Attachment T to the PacifiCorp OATT.

section 33.18.3.3 as proposed by the CAISO and approved in the EDAM Acceptance Order. The focus on maintaining reliability and giving effect to contract rights is consistent with core elements of the CAISO market design.

PacifiCorp's explanation that any more detailed criteria for the exercise of carve-out discretion are premature in the period before parties have operational experience with EDAM is reasonable.²⁴ Such more detailed criteria could limit the ability of PacifiCorp to respond to unanticipated conditions after EDAM start-up. PacifiCorp expresses openness to developing further criteria to add to a Business Practice. The CAISO is similarly willing to work with EDAM entities and interested stakeholders to consider what criteria may be appropriate for the exercise of section 33.18.3.3 authority based on operational experience.

PacifiCorp's response to Deficiency Letter Question 4 is based on its understanding of when the CAISO will provide certain information to EDAM entities.²⁵ The CAISO confirms this understanding is correct. The CAISO will begin providing the balancing area Resource Sufficiency Evaluation (RSE) requirements to each EDAM entity by 6:00 a.m. and will start conducting a series of advisory RSE runs at that time. At 9:00 a.m., the CAISO will provide EDAM entities with the final RSE requirement that will become the basis of its 10:00 a.m. RSE test. Any diversity benefit or diversity credit will be included in the balancing area imbalance reserve requirements in each advisory RSE run and the final RSE requirement provided to the EDAM entity at 9:00 a.m.

²⁴ PacifiCorp Response to Deficiency Letter at 7.

²⁵ *Id.* at 8-9.

In its response to Deficiency Letter Question 6, PacifiCorp emphasizes its commitment to comply with the Commission's Standards of Conduct under EDAM, building on steps PacifiCorp has taken to ensure compliance in its capacity as an EIM entity.²⁶ The CAISO appreciates PacifiCorp's focus on compliance with the Standards of Conduct and notes experience gained by balancing areas participating in the WEIM establishes a foundation for ongoing compliance with the Standards of Conduct.²⁷

The PacifiCorp Response to Deficiency Letter, together with PacifiCorp's prior filings, the answer the CAISO filed in this proceeding on March 7, 2025 (CAISO March 7 Answer), and the other information in the record of this proceeding, demonstrate the proposed PacifiCorp OATT amendments are both just and reasonable and consistent with or superior to the *pro forma* OATT. For these reasons, the CAISO respectfully requests the Commission accept the PacifiCorp OATT Filing to allow the CAISO and PacifiCorp to take the next steps necessary to allow EDAM to go live and begin delivering customer benefits in the spring of 2026.

B. The CAISO Is in the Midst of Its Stakeholder Process on Enhanced EDAM Congestion Revenue Allocation, and Soon Afterwards the CAISO Will File a Tariff Amendment to Implement the Proposal Developed with Stakeholder Input

A number of parties continue to press in this proceeding concerns that the EDAM market design creates a dimension of congestion revenue settlement that

²⁶ *Id.* at 10-11.

²⁷ The EDAM provisions of the CAISO Tariff also expressly require scheduling coordinators to take steps to comply with the Standards of Conduct. See CAISO Tariff sections 33.4.3, 33.4.5, and 33.4.7.

is not addressed by PacifiCorp's proposal to return congestion revenues to OATT customers. As explained in the CAISO March 7 Answer, the issue of allocating congestion revenue resulting from flows across multiple EDAM balancing areas arises solely under the EDAM provisions of the CAISO Tariff and is therefore beyond the scope of the PacifiCorp OATT Filing before the Commission in this proceeding.²⁸ That issue cannot be addressed unilaterally by PacifiCorp through its OATT, and PacifiCorp's OATT contains a mechanism to return to OATT customers the entire pool of congestion revenue allocated to the EDAM entity under the approved market design.

Nonetheless, in light of the questions and concerns raised in this proceeding, the CAISO determined it was appropriate to initiate an expedited stakeholder process narrowly focused on the EDAM congestion revenue allocation issue.²⁹ The purpose of initiating that process was to provide stakeholders and the Commission assurances that the issue would be timely addressed in an appropriate forum since it is beyond the scope of PacifiCorp's filing. The CAISO stakeholder initiative began soon after the CAISO March 7 Answer was filed and is expected to conclude this June as discussed below. That stakeholder process provides the appropriate venue for consideration of this discrete element of the EDAM congestion revenue allocation design. That discrete design issue cannot be addressed under the PacifiCorp OATT, which

²⁸ See CAISO March 7 Answer at 20-28, 74-80.

²⁹ See *id.* at 92-99. Materials related to the stakeholder process described below are available on the CAISO website page regarding the EDAM stakeholder initiative, <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market>.

only concerns PacifiCorp's *sub-allocation* of congestion revenue that the CAISO allocates to PacifiCorp.

The stakeholder process is moving forward expeditiously, deliberately, and thoughtfully, taking into account the need to consider stakeholder input and produce a well-considered EDAM design enhancement. All interested participants have had substantial opportunities to take part in the stakeholder process, which reflects the value the CAISO places on stakeholder input to the success of the CAISO's development and implementation of market designs and enhancements.

The CAISO began the stakeholder process by publishing an issue paper on March 17, 2025, addressing congestion revenue allocation issues associated with parallel flows (Issue Paper), and holding a stakeholder workshop regarding the Issue Paper on March 24, 2025. The CAISO invited and received extensive written stakeholder comments on the Issue Paper and workshop on April 7, 2025. Based on this stakeholder feedback and internal review, the CAISO published a draft final proposal on EDAM congestion revenue allocation on April 16, 2025 (Draft Final Proposal), held a stakeholder workshop regarding the Draft Final Proposal on April 23, 2025, and again received extensive written comments from stakeholders on May 5, 2025. Following this iteration of feedback from stakeholders and internal review, the CAISO will publish a Revised Draft Final Proposal on EDAM congestion revenue allocation on May 19, 2025 (Revised Draft Final Proposal). The Revised Draft Final Proposal will be open for another round of stakeholder comments.

In addition to these steps, the meeting of the CAISO Market Surveillance Committee (MSC) held on March 28, 2025, included discussion on EDAM congestion revenue allocation. CAISO staff and Dr. Scott Harvey made presentations. The MSC meeting held on May 2, 2025, included discussion on the same topic and additional presentations by CAISO staff and Dr. Harvey.³⁰ The Western Energy Markets (WEM) Governing Body was also briefed by its Market Expert, Susan Pope, concerning this issue in its public meeting arranged specifically for that purpose on April 8, 2025.³¹ The CAISO considered the views discussed at these meetings in developing the Revised Draft Final Proposal.³²

The CAISO continues to work with stakeholders to develop an enhanced methodology for allocating congestion revenue resulting from parallel flows that will apply to EDAM entity balancing areas. Although the CAISO is still finalizing the details of this proposal, and stakeholder feedback is still being gathered, a key element of the design is to have an approach that ensures the CAISO can allocate to the participating EDAM entity the parallel flow-related congestion revenue attributed to the exercise of OATT rights that are submitted and cleared as balanced day-ahead self-schedules within its balancing area, and that can be implemented at the start of EDAM. A solution that meets those criteria will directly address the concerns raised by participants in this proceeding and is compatible with PacifiCorp's proposed OATT amendments.

³⁰ See <https://www.caiso.com/meetings-events/topics/market-surveillance-committee>.

³¹ See <https://www.westerneim.com/Pages/Governance/GoverningBody.aspx>.

³² See <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market>.

As the CAISO explained in its March 7 Answer, at the conclusion of the stakeholder process, the CAISO has committed to either: (1) make a filing under section 205 of the Federal Power Act (FPA) to modify the EDAM congestion revenue allocation methodology on a transitional basis or (2) report back to the Commission in the unexpected event it makes no modifications to the existing EDAM congestion revenue methodology approved in the EDAM Acceptance Order.³³

After the CAISO finalizes the enhanced EDAM congestion revenue allocation methodology being developed in the stakeholder process, it will submit the proposed enhancement for approval by the CAISO Governing Board (CAISO Board) and the WEM Governing Body. The CAISO currently anticipates it will present the enhanced EDAM congestion revenue allocation methodology for joint CAISO Board and WEM Governing Body approval at a meeting to be held in June 2025. If they approve the proposal, the CAISO expects the CAISO Board and WEM Governing Body will also authorize the CAISO to prepare and file an amendment to the CAISO Tariff under FPA section 205 to implement the proposed enhancement. Promptly after the CAISO receives those approvals, it plans to file any CAISO Tariff amendment in a new proceeding and request an order by September, assuming a June approval, with a proposed effective date for the amendment that is concurrent with the implementation of EDAM.

³³ CAISO March 7 Answer at 3, 18, 97. Note at this time the CAISO fully expects to submit a FPA section 205 filing that will address the congestion revenue allocation concerns raised in this proceeding and only mentions the prospect of not making a filing to summarize the previous commitment accurately.

The CAISO emphasizes it expects the stakeholder process to result in incremental changes to the CAISO Tariff to address the parallel flow issue, but any such changes should not affect PacifiCorp's pending proposal to sub-allocate congestion revenues it receives under its proposed OATT amendments. The parallel flow solution under consideration would adjust the CAISO's congestion revenue allocation for balanced day-ahead OATT self-schedules in an EDAM entity balancing area in a manner directly responsive to the concerns raised in this proceeding, and in a manner that aligns with the related OATT amendments proposed by PacifiCorp that sub-allocate the congestion revenue received from the CAISO. That is, PacifiCorp's proposed OATT revisions already prioritize a return of congestion revenue to OATT customers submitting balanced day-ahead self-schedules. While further enhancements or incremental improvements to the congestion revenue allocation design may be discussed in the stakeholder process, they would be subject to additional consideration and separate approval and would not be adopted until sometime after PacifiCorp commenced participation in EDAM in any event. This approach allows PacifiCorp to commence participation under its proposed OATT revisions and thereafter evaluate whether any incremental changes may be appropriate to account for any further enhancement that may be developed and adopted by the CAISO.

Even before the CAISO stakeholder process concludes and any new CAISO section 205 filing is made, the Commission now has an ample record to find that the PacifiCorp OATT Filing is just and reasonable and consistent with or

superior to the Commission's *pro forma* OATT because it provides a just and reasonable allocation of the revenue received by the EDAM entity under the approved design. Moreover, the CAISO notes that PacifiCorp has committed not to begin EDAM market participation until the discrete parallel flow issue involving the CAISO Tariff, but raised in this proceeding, has been addressed. Therefore, the Commission can and should accept the PacifiCorp OATT Filing without waiting to issue an order on the upcoming CAISO Tariff amendment to implement the CAISO's proposal to adjust the congestion revenue allocated to the EDAM entity that would be effective at the start of EDAM. The CAISO urges the Commission to issue its order accepting the PacifiCorp OATT Filing with all due speed, thus permitting EDAM stakeholders in the West to continue their investment of time and resources in preparing for market participation and to facilitate timely implementation of EDAM.

III. MOTION FOR LEAVE TO FILE LIMITED ANSWER TO ANSWERS

If the Commission determines it is appropriate to accept the answers listed in footnote 3 above, the CAISO respectfully requests waiver of Rules 213(a)(2) and 213(d)(2)(ii), 18 C.F.R. § 385.213(a)(2), -(d)(2)(ii), to permit it to respond to those answers. Good cause exists for the Commission to grant the requested waiver. The CAISO May 19 Limited Answer in section IV below 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.³⁴ In the interests of avoiding overlapping and potentially duplicative pleadings in this proceeding, the CAISO determined the best place to respond to substantive issues raised in those answers is in the new comment period established by the filing of the PacifiCorp Response to Deficiency Letter. Accepting the CAISO May 19 Limited Answer will not delay the proceeding in any respect, because the PacifiCorp Response to Deficiency Letter constituted an amendment to the PacifiCorp OATT Filing that reset the procedural clock for the Commission to issue an order in the proceeding.³⁵ For these reasons, it is appropriate to grant the CAISO's requested waiver if the Commission accepts the answers listed in footnote 3 above.

Alternatively, if the Commission finds it appropriate to reject the answers listed in footnote 3, the CAISO would not dispute a concomitant Commission rejection of the CAISO May 19 Limited Answer in section IV, because the sole purpose of the CAISO May 19 Limited Answer is to respond to arguments raised in those rejected answers. Even if the Commission rejects the CAISO May 19 Limited Answer, however, the Commission should still accept the balance of this filing, including the comments and status report provided in section II above. The CAISO has the right to file those comments pursuant to the Notice of Filing regarding the PacifiCorp Response to Deficiency Letter issued on April 29, 2025,

³⁴ 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).

³⁵ See Deficiency Letter at 5 (directing PacifiCorp to “respond to this letter within 30 days of the date of this letter by making an amendment filing” that “will constitute an amendment to” the PacifiCorp OATT Filing and will establish “new filing dates” pursuant to *Duke Power Company*, 57 FERC ¶ 61,215 (1991)).

and there is no Commission rule that might prohibit the CAISO's filing the status report.

IV. CAISO MAY 19 LIMITED ANSWER

A. In Accepting the PacificCorp OATT Revisions, the Commission Should Disregard Arguments Beyond the Scope of this Proceeding

As the CAISO explained in its March 7 Answer,³⁶ this proceeding solely concerns whether the Commission should find PacifiCorp's proposed revisions to its OATT to allow it to participate in EDAM are just and reasonable under section 205 of the FPA. The CAISO submitted no revisions to its own Tariff in this proceeding. Nor is this a proceeding under section 206 of the FPA to determine whether any commenter has demonstrated existing provisions of the CAISO Tariff to be unjust and unreasonable — including the provisions to implement the EDAM design the Commission accepted in the EDAM Acceptance Order.

Nevertheless, some parties continue to make arguments in their Answers to Answers directed to the EDAM provisions of the CAISO Tariff and beyond the scope of this proceeding on PacifiCorp's OATT revisions.³⁷ These parties attempt to use the OATT revisions, whose sole purpose is to allow PacifiCorp to participate in EDAM, as an excuse to re-litigate components of the CAISO Tariff EDAM design approved in the EDAM Acceptance Order.³⁸ No party filed a

³⁶ See CAISO March 7 Answer at 20.

³⁷ See March 28 Powerex Answer at 17-19; March 26 WPTF-NIPPC Answer at 7-10; March 28 SPP Answer at 3-15.

³⁸ Insofar as the parties' arguments seek to relitigate components of the EDAM design, they are also collateral attacks on the findings in the EDAM Acceptance Order as discussed in section IV.B below.

request for clarification of rehearing of that order, which the Commission issued in a separate proceeding (Docket No. ER23-2686) and is now final and non-appealable.³⁹

Powerex argues that “PacifiCorp proposes to make all transmission customers *captive to EDAM and its inherent flaws*, and it is *therefore* entirely within the scope of this proceeding to examine whether such forced participation will result in transmission service that is just and reasonable, not unduly discriminatory, and not inconsistent with or superior to the *pro forma* OATT.”⁴⁰ In making this argument, Powerex ignores the fact that under the EDAM design as approved in the EDAM Acceptance Order, participation in EDAM is voluntary for each balancing area or transmission service provider but not for individual transmission service customers.⁴¹ PacifiCorp is simply proposing revisions to its own OATT in this proceeding to participate in EDAM as accepted by the Commission.

Powerex’s claims related to purported flaws inherent in the EDAM design are claims directed to the CAISO Tariff and beyond the scope of this proceeding.

³⁹ See, e.g., *La. Pub. Serv. Comm’n v. Entergy Corp.*, 162 FERC ¶ 61,234, at P 149 (2018) (“Accordingly, we find that the Presiding Judge correctly found that the Louisiana Commission failed to take the critical step of seeking rehearing of the 2012 Rehearing Order. The 2012 Rehearing Order is the final order in that docket and is no longer subject to judicial review.”); *Old Dominion Elec. Coop. v. Pub. Serv. Elec. & Gas Co.*, 105 FERC ¶ 61,094, at P 17 (2003) (finding that “[b]ecause ODEC did not seek rehearing of the Complaint Order, that order became final and non-appealable 30 days following its issuance”); *CNG Transmission Corp.*, 86 FERC ¶ 61,013, at 61,030 (1999) (“Since no parties have filed a request for rehearing of that order, it is final and non-appealable.”).

⁴⁰ March 28 Powerex Answer at 17 (emphases added). Similarly, Powerex argues the CAISO and PacifiCorp “seek to block the Commission from considering a more basic inquiry: given the accepted EDAM design, is it just and reasonable and either consistent with or superior to the *pro forma* OATT for PacifiCorp to force all of its customers to participate in EDAM as a condition of transmission service in the first instance?” *Id.* at 18.

⁴¹ See *infra* section IV.E.

For the Commission to entertain those claims would be detrimental and unwarranted. It would give Powerex a “second bite at the apple” to challenge the Commission-approved EDAM provisions of the CAISO Tariff. For the Commission to go a step further and agree with Powerex’s claims would mean finding—nonsensically—that the EDAM provisions of the CAISO Tariff are just and reasonable but participation in EDAM in accordance with those CAISO Tariff provisions is not just and reasonable. Unless the Commission makes it clear it will not entertain any arguments on issues already resolved in the EDAM Acceptance Order, it might well have to address such issues over and over again each time a new transmission service provider files OATT revisions to participate in EDAM. Indeed, in the recently established proceeding on revisions Portland General Electric Company (PGE) submitted to its OATT to participate in EDAM (Docket No. ER25-1868), many of the arguments raised are similar to ones raised in the instant proceeding.⁴²

WPTF-NIPPC claim that although they “are not challenging CAISO’s existing methodology for allocating congestion costs among EDAM Entities,” if the CAISO’s “existing allocation methodology does not provide PacifiCorp with revenues that it can use to reverse congestion costs arising from constraints on the CAISO system, it does not necessarily follow that requiring firm transmission customers to pay such costs is just and reasonable.”⁴³ In other words, WPTF-

⁴² See, e.g., Protest of Powerex Corp, Docket No. ER25-1868-000, at 14 (May 1, 2025) (“Powerex herein restates in this proceeding many of its significant concerns that it first raised in the PacifiCorp proceeding”).

⁴³ March 26 WPTF-NIPPC Answer at 8. See also *id.* (arguing “the issue in this proceeding is whether PacifiCorp has demonstrated that its proposal to require firm transmission customers

NIPPC erroneously contend that even though the Commission found in the EDAM Acceptance Order that the CAISO's methodology for allocating congestion costs among EDAM Entities is just and reasonable, WPTF-NIPPC are free to argue in this proceeding that it may not be just and reasonable for PacifiCorp to sub-allocate to its transmission customers the congestion costs it was allocated using that Commission-approved CAISO methodology (absent the CAISO allocation methodology's providing revenues PacifiCorp can use to reverse congestion costs arising from constraints on the CAISO system).

Again, the Commission should not give WPTF-NIPPC a second bite at the apple to challenge the Commission-approved EDAM provisions of the CAISO Tariff. The issues raised by WPTF-NIPPC and others relate to the CAISO's congestion cost allocation methodology the Commission found to be just and reasonable in the EDAM Acceptance Order, and are not directed to PacifiCorp's proposal to sub-allocate the congestion costs the CAISO has allocated to PacifiCorp using that just and reasonable methodology. The methodology contained in the OATT revisions PacifiCorp proposes to sub-allocate congestion costs is within the scope of this proceeding.⁴⁴ The existing allocation methodology under the CAISO Tariff and the CAISO's resulting allocation of congestion costs to PacifiCorp are not within this proceeding's scope.

to pay the costs of congestion arising from constraints on the CAISO system is consistent with or superior to the *pro forma* OATT and otherwise just, reasonable, and not unduly discriminatory or preferential"). As discussed in the CAISO March 7 Answer (at 26-27), in the EDAM Acceptance Order the Commission "agree[d] that CAISO's proposal to allocate congestion revenue to the BAA where the internal constraint arises is reasonable" and "adher[es] to cost causation principles." EDAM Acceptance Order at PP 434-35.

⁴⁴ See transmittal letter for PacifiCorp OATT Filing at 18-20; *id.*, Attachment B, at proposed section 10.4.1 of Attachment T to the PacifiCorp OATT.

SPP argues it is within the scope of this proceeding to argue PacifiCorp's intra-day scheduling proposal does not reflect the "flexibility of the EDAM framework and is not consistent with or superior to the *pro forma* OATT."⁴⁵ However, SPP ignores the fact that in the EDAM Acceptance Order, the Commission "disagree[d] with commenters' arguments that under the EDAM transmission framework, firm transmission customers' intra-day schedule changes will have lower priority than they would under the *pro forma* OATT."⁴⁶ The Commission found in the next sentence of the order that the "CAISO's proposed Tariff revisions in section 33.18.2.2.3 *allow* an EDAM Entity scheduling coordinator to instruct CAISO to afford intra-day self-schedules of firm transmission customers higher priority than EDAM day-ahead schedules."⁴⁷ The Commission also noted that section 13.8 of the *pro forma* OATT provides that "[s]chedules submitted after 10:00 a.m. will be accommodated, *if practicable*. Under CAISO's proposal, . . . EDAM will attempt to accommodate any intra-day schedule changes *if practicable*."⁴⁸

Thus, the Commission recognized in the EDAM Acceptance Order that EDAM will attempt to accommodate intra-day schedules but if that is not practicable, the firm point-to-point transmission customer bears the risk and potential market consequences if schedules submitted after the 10:00 a.m. scheduling deadline cannot be accommodated. Moreover, the Commission

⁴⁵ March 28 SPP Answer at 5-15.

⁴⁶ EDAM Acceptance Order at P 310.

⁴⁷ *Id.* (emphasis added).

⁴⁸ *Id.* (emphases added).

found CAISO Tariff section 33.18.2.2.3 “allow[s]”—but does not require—EDAM entity scheduling coordinators to instruct the CAISO to afford intra-day self-schedules of firm transmission customers higher priority than EDAM day-ahead schedules. The Commission did not condition its approval of the EDAM design on whether an EDAM entity scheduling coordinator would instruct the CAISO to apply a higher scheduling priority for firm transmission customers.

In short, there is no flexibility requirement for intra-day scheduling under the EDAM provisions of the CAISO Tariff as approved in the EDAM Acceptance Order.⁴⁹ The CAISO Tariff includes multiple provisions consistent with section 13.8 of the *pro forma* OATT to accommodate intra-day schedule changes, and the PacifiCorp OATT Filing reflects those EDAM design elements. In addition, as PacifiCorp points out, existing section 13.8 of its OATT includes the same “if practicable” language as section 13.8 of the *pro forma* OATT.⁵⁰

Under well-established precedent, the Commission’s only concern in addressing a tariff amendment filing under FPA section 205 is the tariff revisions before it, not any issues related to existing tariff language in another public utility’s tariff unaffected by the filing. For this reason the Commission rejects arguments that go beyond the scope of the particular proceeding.⁵¹ The Commission should do the same here.

⁴⁹ See also CAISO March 7 Answer at 70-74, 80-82.

⁵⁰ See PacifiCorp Response to Deficiency Letter at 5-6.

⁵¹ See, e.g., *Sw. Power Pool, Inc.*, 160 FERC ¶ 61,087, at P 12 (2017); *Cal. Indep. Sys. Operator Corp.*, 154 FERC ¶ 61,169, at P 63 (2016); *PJM Interconnection, L.L.C.*, 144 FERC ¶ 61,191, at P 24 (2013). *Cal. Indep. Sys. Operator Corp.*, 143 FERC ¶ 61,276, at P 11 (2013); *ISO New Eng. Inc.*, 137 FERC ¶ 61,112, at P 17 (2011); *Midwest Indep. Transmission Sys. Operator, Inc.*, 116 FERC ¶ 61,306, at P 28 (2006).

B. The Commission Should Disregard Arguments that Collaterally Attack the EDAM Acceptance Order

The fact that arguments in the Answers to Answers continue attacking the EDAM provisions in the CAISO Tariff and therefore go beyond the scope of the instant proceeding is itself sufficient reason for the Commission to disregard such arguments. Separately and additionally, the Commission should disregard those arguments insofar as they constitute impermissible collateral attacks on the findings in the EDAM Acceptance Order. The key arguments in the Answers to Answers are collateral attacks on various Commission findings in that order.⁵²

The Commission has explained “[a] collateral attack is an attack on a judgment in a proceeding other than a direct appeal and is generally prohibited.”⁵³ In particular, “[c]ollateral attacks on final orders and relitigation of applicable precedents by parties that were active in the earlier cases thwart the finality and repose that are essential to administrative efficiency and are strongly discouraged.”⁵⁴ The rationale for the prohibition against impermissible collateral attacks is “it is contrary to sound administrative practice and a waste of resources to relitigate issues in succeeding cases once those issues have been fully determined. Absent a showing of significant change in circumstances, the relitigation of an issue is simply not justified.”⁵⁵

⁵² See March 28 Powerex Answer at 17-19; March 26 WPTF-NIPPC Answer at 7-10; March 28 SPP Answer at 3-15.

⁵³ *Louisville Gas & Elec. Co.*, 144 FERC ¶ 61,054, at P 12 (2013) (internal citation and quotation marks omitted).

⁵⁴ *Pac. Gas & Elec. Co.*, 181 FERC ¶ 61,040, at P 31 (2022) (quoting *San Diego Gas & Elec. Co.*, 134 FERC ¶ 61,229, at P 15 (2011)).

⁵⁵ *Alamito Co.*, 43 FERC ¶ 61,274, at 61,753 (1988) (footnote omitted) (*Alamito*). See also *Duke Energy Progress, LLC*, 184 FERC ¶ 61,098, at P 18 & n.30 (1923) (citing the same page of

Powerex contends for the first time that a significant change in circumstances has occurred that would justify re-litigating the findings in the EDAM Acceptance Order that the CAISO's methodology for allocating congestion costs is just and reasonable. Specifically, Powerex argues the CAISO did not disclose how the methodology would work in practice and that Powerex became aware of the issue only after PacifiCorp filed its OATT revisions.⁵⁶ Powerex's arguments are without merit. As explained in section IV.E below, the record shows the CAISO was transparent that the calculation of congestion costs for EDAM will use the same approach approved for the WEIM and presented accurate information to all stakeholders—including Powerex—as to congestion hedges available to firm OATT customers. Because no change in circumstances has occurred, the Commission should reject Powerex's arguments as nothing more than a collateral attack on the clear findings in the EDAM Acceptance Order.⁵⁷

In fact, the Commission has already found all the CAISO Tariff elements needed initially to develop and implement EDAM are just and reasonable. The time for requests for rehearing of the EDAM Acceptance Order has long passed without anyone filing a request for rehearing. As explained above,⁵⁸ the EDAM Acceptance Order is thus now final and non-appealable.

Alamito in finding that “[a]bsent a showing of significant changes in circumstances, which Duke has not made, such relitigation of an issue constitutes a collateral attack and is not justified”).

⁵⁶ March 28 Powerex Answer at 22-23.

⁵⁷ Even if a significant change in circumstances had occurred, a proceeding involving the PacifiCorp OATT is not a legally permissible forum in which to allege the CAISO Tariff has become unjust and unreasonable.

⁵⁸ See section IV.A.

Consistent with the prohibition against impermissible collateral attacks discussed above, the Commission should reject any arguments in the Answers to Answers that seek to re-litigate findings in the EDAM Acceptance Order. Although the PacifiCorp OATT Filing complies with the Commission-approved EDAM provisions of the CAISO Tariff, it does not open up those CAISO Tariff provisions to re-litigation.

C. Firm OATT Rights Do Not Provide Customers with “Economic Property Rights to Congestion”

Powerex’s arguments rest on the remarkable—and unsupported—premise that entities with firm transmission service rights under the *pro forma* OATT “have economic property rights to congestion based on the source and sink of the rights or the generation and load.”⁵⁹ Despite claiming these alleged “economic property rights” are fundamental features of OATT firm rights, Powerex does not identify any Commission order conveying such “economic property rights to congestion” to firm OATT customers. Indeed, the current *pro forma* OATT only references congestion in three spots, once in Schedule 9 on Generator Imbalance Service (concerning directives by a Transmission Provider, a balancing authority, or a reliability coordinator to relieve congestion) and twice in Attachment K on the Transmission Planning Process (concerning economic upgrades to relieve congestion). None of these provisions grant OATT customers an economic property right to congestion.

⁵⁹ March 28 Powerex Answer at 6-7, quoting Attachment 1 thereto (Testimony of Dr. David B. Patton) at 11 (Patton Testimony)).

Without citing anything in Order No. 888, Powerex wrongly suggests Order No. 888 conferred these “economic property rights to congestion” on transmission customers.⁶⁰ Nothing in Order No. 888 suggests customers receiving firm OATT service would receive such economic property rights to congestion. Indeed, Order No. 888 only uses the word “congestion” twice, neither time with reference to economic property rights.⁶¹ In the first of those instances in Order No. 888, the Commission encouraged Independent System Operators (ISOs) to develop “transmission pricing proposals for addressing network congestion” that are consistent with its overall pricing policies, but made no indication such pricing proposals could be impaired by a newly created property right embedded in the *pro forma* OATT.⁶² In the second of the two instances, the Commission simply described a recommendation by the U.S. Department of Energy and other commenters to use “location-specific spot pricing (a form of marginal cost) for operating and congestion costs.”⁶³ The Commission should not recognize some new “economic property right” that has no basis in the *pro forma* OATT or precedent.

⁶⁰ March 28 Powerex Answer at 7.

⁶¹ See *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Servs. by Pub. Utils.; Recovery of Stranded Costs by Pub. Utils. & Transmitting Utils.*, Order No. 888, FERC Stats. & Regs. ¶ 31,036, at 31,732, 31,735 (1996) (cross-referenced at 75 FERC ¶ 61,080) (Order No. 888), *order on reh’g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 (Order No. 888-A) (cross-referenced at 78 FERC ¶ 61,220), *order on reh’g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997) (Order No. 888-B), *order on reh’g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998) (Order No. 888-C).

⁶² Order No. 888 at 31,732.

⁶³ *Id.* at 31,735. Similarly, in Order No. 888-A, the only reference to transmission congestion is in the Commission’s recitation that “SoCal Edison seeks . . . to permit a transmission usage charge that incorporates locational marginal cost pricing for managing transmission congestion.” Order No. 888-A at 30,249. Neither Order No. 888-B nor Order No. 888-C mentions congestion.

The contours of this claimed “economic property right to congestion” are so vague as to be meaningless as a metric for legal review. Powerex now states that it is not seeking a “perfect hedge.”⁶⁴ If the alleged “economic property right to congestion” does not require full hedging or insulation from congestion rights, it is far from clear what this property right requires. Powerex insists the “partial hedge” afforded under the Commission-approved EDAM provisions of the CAISO Tariff are insufficient to satisfy this claimed “economic property right to congestion.”⁶⁵ Under this view, some undefined point between a “partial hedge” and a “perfect hedge” would be required to satisfy the claimed economic property rights.

Recognizing such “economic property rights to congestion” for customers receiving firm transmission service under the *pro forma* OATT would have dramatic implications beyond the scope of this case. Any other transmission provider seeking to join an ISO or Regional Transmission Organization (RTO) or participate in an organized wholesale electricity market would be required to demonstrate that it has appropriately compensated customers for “economic property rights” that have no basis in the *pro forma* OATT. Indeed, individual customers who feel they are not adequately compensated could even raise constitutional takings issues, depriving customers of the well-documented benefits of wholesale markets.

⁶⁴ March 28 Powerex Answer at 11-12; *see also* March 26 WPTF/NIPPC Answer at 11-12. In its protest in this proceeding, Powerex sought to be “insulated from variable congestion charges.” Protest of Powerex Corp, Docket No. ER25-951-000, at 6 (Feb. 18, 2025); *see id.* at 46. The CAISO understood such insulation from congestion charges to be a perfect hedge.

⁶⁵ March 28 Powerex Answer at 11; Patton Testimony at 21.

The Commission should understand this spurious concept of “economic property rights to congestion” is merely a framework to mount a collateral attack on the Commission-approved EDAM congestion revenue allocation provisions of the CAISO Tariff. This is evidenced further by the characterization of EDAM as an “aberration” from other day-ahead markets.⁶⁶ The same testimony argues that the “allocation of congestion revenue under the current EDAM design” is “highly problematic and somewhat misguided.”⁶⁷ These are arguments seeking to re-litigate the Commission’s EDAM Acceptance Order and not arguments about PacifiCorp’s proposed amendments to its OATT.

Similarly, arguments regarding whether congestion hedges available under the approved EDAM provisions of the CAISO Tariff are appropriate are beyond the scope of this proceeding. In the proceeding where the Commission accepted those provisions, all parties had an opportunity to comment on the CAISO’s explanation that it was not extending CRRs to balancing areas participating in EDAM as part of its initial design, as well as the CAISO’s clear statement that “using physical transmission rights to hedge the cost of congestion does not insulate transmission customers from all congestion costs.”⁶⁸ The CAISO has explained the hedging tools available under the approved EDAM design, including the availability of CRRs to hedge congestion resulting from constraints in the CAISO balancing area.⁶⁹

⁶⁶ Patton Testimony at 16.

⁶⁷ *Id.* at 20.

⁶⁸ Transmittal Letter for CAISO EDAM Tariff Filing at 197.

⁶⁹ CAISO March 7 Answer at 47-54.

The CAISO has treated concerns about congestion revenue allocation under the approved EDAM design in the appropriate way—by considering enhancements to the CAISO tariff through an expedited stakeholder process. The CAISO anticipates the congestion revenue allocation updates being developed in the CAISO stakeholder process will provide market participants with added assurances about congestion exposure. In any event, the CAISO’s stakeholder efforts do not change the fact that the Commission already found the original EDAM design to be just and reasonable.

Some parties have suggested their concerns could be addressed by development of an “EDAM-wide market for CRRs.”⁷⁰ This again is an issue involving the CAISO Tariff and is far beyond the scope of the proposed amendments to the PacifiCorp OATT. In the longer term, the CAISO is open to exploring the addition of CRRs or comparable financial transmission rights to the EDAM design. As the CAISO has explained, any financial transmission rights it might develop for EDAM in the future would require careful design consideration to avoid unjust cost shifts, and could not provide current OATT customers the best of both physical and financial transmission rights.⁷¹

The CAISO has explained FPA section 217 and the provisions of the Commission’s Order No. 681 governing markets that have transitioned to financial transmission rights do not apply to EDAM, because EDAM (like SPP’s Markets+), as accepted by the Commission, does not include financial

⁷⁰ March 26 WPTF/NIPPC Answer at 7.

⁷¹ CAISO March 7 Answer at 54-57.

transmission rights and participating balancing authorities retain physical transmission service rights under the *pro forma* OATT model.⁷² Powerex mischaracterizes the CAISO's explanation as a claim Order No. 681 does not apply because "EDAM is not a full ISO or RTO market."⁷³ This ignores the import of the Commission's statement in Order No. 681 to "clarify the application of this Final Rule and ensure that the definition [of an organized electricity market] captures the transmission organizations with organized electricity markets using *LMP* [locational marginal pricing] and *FTRs* [financial transmission rights] to which Congress directed the Commission to apply this Final Rule to in section 1233(b) of EPAct 2005 [*i.e.*, the Energy Policy Act of 2005]."⁷⁴ The Commission approved EDAM without financial transmission rights, and thus these provisions do not apply. Powerex next contends Order No. 681 suggested it could apply to markets like EDAM (and presumably Markets+) in the future when the Commission stated:

This is not to say that there might not in the future be types of transmission organizations other than ISOs and RTOs approved by the Commission that operate transmission facilities and provide transmission service. The new FPA definition of transmission organization leaves open this possibility.⁷⁵

⁷² *Id.* at 58-61.

⁷³ March 28 Powerex Answer at 8-9. But Powerex does not even address the CAISO's explanation that FPA section 217 and the provisions of Order No. 681 governing markets that have transitioned to financial transmission rights do not apply to Markets+.

⁷⁴ *Long-Term Firm Transmission Rights in Organized Elec. Mkts.*, Order No. 681, 116 FERC ¶ 61,077, at P 30 (Order No. 681) (emphasis added), *reh'g denied*, Order No. 681-A, 117 FERC ¶ 61,201 (2006), *reh'g denied*, Order No. 681-B, 126 FERC ¶ 61,254 (2009)).

⁷⁵ March 28 Powerex Answer at 9-10, *quoting* Order No. 681 at P 31 n.26.

The cited discussion only reinforces the conclusion that Order No. 681 does not apply to EDAM. In its capacity as EDAM market operator, the CAISO will neither operate transmission facilities nor provide transmission service.

Powerex witness Jeff Spires attacks the credibility of the explanation provided in Attachment A to the CAISO March 7 Answer by Guillermo Bautista Alderete, the CAISO's Director of Market Performance and Advanced Analytics, that certain binding constraints will be enforced in real-time and not in the day-ahead market.⁷⁶ Enforcing a binding constraint in real-time, but not day-ahead, is reasonable because the constraint will be used to manage real-time flows but not schedules. In this instance, enforcing a binding constraint in real-time, but not day-ahead, is reasonable because the constraint is part of a nomogram used to help manage unscheduled flows on a specific path that do not materialize until real-time. Normally the market is able to properly manage schedules by enforcing schedule-based intertie constraints in both the day-ahead and real-time markets. Unscheduled flow, in contrast, is caused by external schedules that are not optimized through the market and may require the CAISO to take action in real-time to mitigate unscheduled flow on a path. This constraint is enforced in real-time only as a tool to help accomplish that mitigation, and this practice would continue until EDAM demonstrably provides sufficient day-ahead market scheduling information to effectively manage flow in the day-ahead and real-time markets.

⁷⁶ March 28 Powerex Answer, Attachment 3 (Testimony of Mr. Jeff Spires) at 4-6 (Spires Testimony).

D. Potential Seams Issues with SPP's Markets+ Are Premature and Should Not Be Addressed in This Proceeding

Powerex argues PacifiCorp's OATT revisions will block participation in Markets+. In particular, Powerex contends the OATT revisions will preclude future discussions regarding seams issues between EDAM and Markets+ because the OATT will require all PacifiCorp transmission customers to participate in EDAM in order to use their transmission rights.⁷⁷ This argument is without merit.

Powerex overlooks the fact that the Commission approved the EDAM design in the EDAM Acceptance Order with full awareness that a fundamental feature of that design is participation in EDAM is voluntary for each balancing area or transmission service provider, but not voluntary for individual transmission service customers.⁷⁸ The Commission approved the EDAM design even given that it knew the Markets+ design was being developed at the same time.⁷⁹

Furthermore, as explained in more detail in the CAISO March 7 Answer,⁸⁰ any questions about the impact of PacifiCorp's proposal on Markets+ are related to potential future seams issues, which are most appropriately addressed as part

⁷⁷ March 28 Powerex Answer at 24-27.

⁷⁸ See *infra* section IV.E.

⁷⁹ See EDAM Acceptance Order at P 228 ("ACP explains that SPP has moved forward with its development of Markets+, another day-ahead market platform; thus, it is now possible that EDAM external interties will interface with another day-ahead market."); *id.* at P 238 ("We deny ACP's request to condition approval upon modifications prior to another day-ahead market platform in the West commencing operations. We agree with CAISO that it is unnecessary to condition acceptance of the proposal on future considerations, such as the emergence of a new day-ahead market platform in the West including SPP's Markets+ initiative.").

⁸⁰ See CAISO March 7 Answer at 83-87.

of potential seams agreements to be negotiated between the CAISO and SPP. Because there is a wide range of just and reasonable wholesale market designs, the Commission's policy is to address issues involving the intersection of market designs through seams agreements and other comparable agreements between market operators when specific seams issues emerge.

Consistent with its long history of addressing seams issues with neighboring regions, the CAISO is prepared to address any identified seams issues with Markets+ at the appropriate time with input from EDAM entities and other stakeholders. The Commission accepted the CAISO's commitments in this regard in the EDAM Acceptance Order, where it also found Commission action on seams issues was premature.⁸¹

SPP similarly has stated that the scope of potential seams issues between the then-pending Markets+ design and the accepted EDAM design is not yet known, and that any potential future seams issues provided no basis to delay finding SPP's Markets+ tariff filing just and reasonable. In January of this year, the Commission agreed with SPP and accepted SPP's commitments to work on future seams issues with the CAISO and stakeholders:

We decline to address seams in this proceeding. While borders between organized markets (and non-market areas) in the West are likely to arise, we disagree with commenters who argue that action is necessary at this time. Consistent with our experience in the Eastern Interconnection, we anticipate that seams between centrally cleared markets (e.g., EDAM and Markets+) and between

⁸¹ EDAM Acceptance Order at P 512 ("We find that requests for CAISO to coordinate on seams with other Western entities are premature. It is unclear where seams will exist before EDAM and other potential Western markets and services go live and, therefore, we decline to direct or require coordination at this time. Nevertheless, we acknowledge CAISO's commitment to continue coordination and discussion of potential seams issues with stakeholders and other entities.")

markets and non-market areas will necessitate agreements between parties that will address issues such as data sharing, congestion management, and transmission rights and use. However, we agree with SPP that the parties to or scope of the issues that will need to be addressed by such agreements are not yet fully known. We acknowledge SPP's commitment to continue to work on these issues with CAISO and other stakeholders.⁸²

Notably, the Commission specifically highlighted the anticipated need for seams agreements on issues including “congestion management” and “transmission rights and use” as issues to be addressed in future seams agreements and not issues that would delay or impair the acceptance of SPP tariff amendments. Powerex and others raising Markets+ issues in this proceeding are now asking the Commission to reject the PacifiCorp OATT Revisions due to issues regarding congestion management and transmission rights and uses. They do not explain why the Commission's findings on seams issues in January of this year are no longer valid. Given EDAM and Markets+ have not yet gone live and the full scope of potential seams issues is still unknown, any concerns about seams issues are premature.⁸³

⁸² *Sw. Power Pool, Inc.*, 190 FERC ¶ 61,030, at P 386 (2025) (Markets+ Acceptance Order).

⁸³ Assuming solely for the sake of argument that differences between the EDAM and the Markets+ designs could render tariff revisions implementing one of those designs unjust and unreasonable—which the CAISO does not believe is the case—it would have presumably prevented acceptance of the SPP Markets+ tariff amendments, not tariff amendments like the PacifiCorp OATT Revisions to implement EDAM. The Commission approved the EDAM design first and EDAM is expected to go live first, in 2026, with Markets+ expected to go live in 2027. See *Sw. Power Pool, Inc.*, 191 FERC ¶ 61,071, at P 2 (2025).

E. The Commission Should Recognize that the CAISO 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 Individual Customer Opt-Out Rights

Like the CAISO's March 7 Answer,⁸⁴ this CAISO May 19 Limited Answer distinguishes between opt-outs and carve-outs of transmission rights. The CAISO uses the phrase "opt-out" to refer to any provision allowing individual OATT transmission customers to remove capacity from the EDAM market (*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 customer—to carve out specified transmission capacity from the EDAM market. The Commission has 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.

Some parties ask the Commission to require PacifiCorp to allow what they generally (but not always) call a "carve-out" of transmission rights to transmission customers.⁸⁵ Regardless of whether these parties are seeking the unilateral right for transmission customers to exercise an opt-out option or the ability to require PacifiCorp to exercise its carve-out option broadly whenever requested by a

⁸⁴ See CAISO March 7 Answer at 31 n.54.

⁸⁵ See March 28 Powerex Answer at 29-32; March 21 Bonneville Answer at 2-6; March 31 PPC Answer at 4-5. See *also* March 28 SPP Answer at 21-22 (discussing the potential consequences of allowing opt-outs in EDAM).

customer, the Commission should reject their requests. Granting those requests would be inconsistent with the EDAM provisions of the CAISO Tariff, the EDAM Acceptance Order, and the PacifiCorp OATT Filing as discussed below. Moreover, because these requests would fundamentally change PacifiCorp's filed proposal, they contravene the *NRG* decision issued by the U.S. Court of Appeals for the District of Columbia Circuit.⁸⁶

Neither the CAISO Tariff provisions to implement EDAM nor the PacifiCorp OATT Filing includes an individual customer opt-out right. As the Commission acknowledged in the EDAM Acceptance Order:

CAISO counters Tri-State's position that generators and transmission providers with assets or firm third-party capacity within the participating BAAs should have the ability to "carve-out" themselves from EDAM [*i.e.*, opt out of the market]. CAISO states that this position has no foundation and contradicts the premise that all loads and resources be accounted for in the market, either through an economic bid or a self-schedule, and notes that a "carve-out" such as this has not been provided in other organized wholesale electric markets.⁸⁷

Participation in EDAM, as approved in the EDAM Acceptance Order, is voluntary for each balancing area or transmission service provider rather than being voluntary for individual transmission service customers.⁸⁸ In this regard,

⁸⁶ *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108 (D.C. Cir. 2017) (*NRG*).

⁸⁷ EDAM Acceptance Order at P 217.

⁸⁸ See, e.g., *id.* at P 1 ("Under 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, similar to the existing Western Energy Imbalance Market (WEIM)."); *id.* at P 12 ("CAISO states 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"); *id.* at P 20 ("CAISO states that, similar to the WEIM, EDAM participation is voluntary and on a balancing authority level."); *id.* at P 220 ("We agree 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

the Commission found the “CAISO’s voluntary participation model and *pro forma* implementation agreements are just and reasonable.”⁸⁹ The Commission also found “uniform participation of relevant resources within a BAA helps to account for all load and resources and aligns demand forecasts with the supply and demand for which a balancing authority is responsible.”⁹⁰ Furthermore, the Commission found that “[a]lthough Tri-State argues that resources operating within an EDAM Entity should not be forced to participate in EDAM, the Commission’s obligation is to determine whether CAISO’s proposal is just and reasonable, and not whether it is superior to alternatives.”⁹¹ The Commission found the CAISO’s proposal is just and reasonable.

Thus, mandating an opt-out right for transmission customers in this proceeding on the PacifiCorp OATT Filing to allow PacifiCorp’s participation in EDAM would constitute a collateral attack on the findings in the EDAM Acceptance Order. Moreover, PacifiCorp itself did not propose to provide any opt-out right in this proceeding. Under court and Commission precedent, the Commission need only consider PacifiCorp’s proposed OATT revisions on their own terms and not in comparison to any alternatives. “Pursuant to section 205 of the FPA, the Commission limits its evaluation of a utility’s proposed tariff revisions to an inquiry into ‘whether the rates proposed by a utility are

only or most significant transmission service provider in a BAA.”); *id.* at P 434 (“Specifically, we accept CAISO’s proposal to settle *intra*-BAA congestion revenue separately from *inter*-BAA transfer revenue because it enables allocation of transfer revenue rights to the holders that voluntarily made transmission available to the day-ahead market.”).

⁸⁹ *Id.* at P 220.

⁹⁰ *Id.*

⁹¹ *Id.*

reasonable—and not to extend to determining whether a proposed rate schedule is more or less reasonable to alternative rate designs.”⁹² Therefore, “[u]pon finding that [PacifiCorp]’s Proposal is just and reasonable, [the Commission] need not consider the merits of alternative proposals.”⁹³

In the EDAM Acceptance Order, the Commission rejected various proposed alternatives to components of the EDAM design.⁹⁴ The Commission should similarly find the PacifiCorp OATT Filing is just and reasonable without considering an alternative rate design of adding an opt-out right.

The CAISO recognizes that in the Markets+ Acceptance Order, which was issued more than a year after the EDAM Acceptance Order, the Commission authorized a mechanism proposed by SPP to allow transmission opt-outs subject to specified limitations.⁹⁵ However, that was SPP’s own proposal for its own market design that the Commission found was just and reasonable. As noted above, the EDAM Acceptance Order found it was just and reasonable to authorize the EDAM design as voluntary for each balancing area or transmission service provider. The Commission has long recognized that there is a range of

⁹² *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,135, at P 44 n.43 (2012) (quoting *City of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984)). In that same order, the Commission also explained that the revisions proposed by the utility “need not be the only reasonable methodology” and that “even if an intervenor develops an alternative proposal, the Commission must accept a section 205 filing if it is just and reasonable, regardless of the merits of the alternative proposal.” *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,135, at P 44 n.43 (citing federal court and Commission precedent).

⁹³ *Id.* at P 44.

⁹⁴ See EDAM Acceptance Order at PP 176, 189, 202, 220, 240, 386.

⁹⁵ Markets+ Acceptance Order at PP 82, 85-89.

just and reasonable wholesale market designs, and no ISO or RTO has to adopt the same market design as another ISO or RTO.⁹⁶

Consistent with this principle, not only did the Commission in the Markets+ Acceptance Order approve SPP's opt-out proposal, which has no analogue under the EDAM design, the Commission also approved the Markets+ design despite other differences from the EDAM design. For example, in approving SPP's proposed shortage pricing level for its flexibility reserve product, the Commission found:

While SoCal Edison is concerned that SPP's shortage pricing level for flexibility reserve product is too high, contrasting it with CAISO's EDAM maximum imbalance reserve price of \$55/MWh, the Commission has never mandated that all centrally cleared markets have the same demand curves for ancillary service products, and we decline to do so here.⁹⁷

The EDAM transmission availability framework within the CAISO Tariff does grant the right to a participating EDAM balancing authority to carve out transmission service provider facilities under its tariff, but such a right would apply only in very limited circumstances. The PacifiCorp OATT Revisions implement this carve-out in specific limited circumstances, consistent with the

⁹⁶ See, e.g., *Midcontinent Indep. Transmission Sys. Operator, Inc.*, 162 FERC ¶ 61,176, at P 57 (2018) ("In its orders, the Commission has consistently rejected a one-size-fits-all approach in the various RTOs/ISOs due, in large part, to significant differences between each region and that there can be more than one just and reasonable rate."); *PJM Interconnection, LLC.*, 119 FERC ¶ 61,063, at P 39 (2007) (finding the "[t]he Commission has permitted different just and reasonable rate designs reflective of particular system characteristics and stakeholder input"); *Sw. Power Pool, Inc.*, 110 FERC ¶ 61,031, at P 22-23 (2005) (finding that differences between RTO regions may be warranted given the different circumstances of the markets); *Midwest Indep. Transmission Sys. Operator, Inc.*, 102 FERC ¶ 61,196, at P 43 (2003) (same).

⁹⁷ Markets+ Acceptance Order at P 282.

EDAM design and the EDAM Acceptance Order. The Commission should not require PacifiCorp to expand that limited carve-out right in this proceeding.

Section 33.18.3.3 of the CAISO Tariff expressly allows each individual EDAM transmission service provider an exclusive carve-out right under its own tariff.⁹⁸ The CAISO repeatedly emphasized the narrow scope of section 33.18.3.3 in its transmittal letter for the EDAM provisions of the CAISO Tariff, stating “the CAISO expects the transmission service provider will request adjustment of available transmission only under narrow, limited, and specific circumstances as provided in the transmission service provider’s tariff.”⁹⁹ If there is frequent use and exercise of particular transmission rights across discrete and specific paths or flowgates, the transmission service provider could 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.¹⁰⁰ However, the CAISO also explained it expected such carve-outs would be rare, because the EDAM design depends heavily on making transmission capacity available to the market to reach efficient outcomes. More extensive carve-outs would create inefficiencies that would limit the

⁹⁸ Specifically, section 33.18.3.3 of the CAISO Tariff states: “If the CAISO is informed through the prospective EDAM Entity implementation process or by the EDAM Entity Scheduling Coordinator for the EDAM Transmission Service Provider that accommodation of incremental intra-day schedules in the Real-Time Market *should be unavailable in the Day-Ahead Market according to the EDAM Transmission Service Provider tariff*, the CAISO *will* accept a notification from the EDAM Entity Scheduling Coordinator associated with the EDAM Transmission Service Provider and *will* adjust Day-Ahead Market availability of the impacted transmission elements and the associated transmission service rights.” (Emphasis added.)

⁹⁹ Transmittal letter for CAISO EDAM Tariff Filing at 130. *See also id.* at 135, 143.

¹⁰⁰ *Id.* at 140-41.

benefits of EDAM to ratepayers because transmission not otherwise available for optimization reduces the opportunity to access lower-cost resources.¹⁰¹

As the CAISO also explained in the proceeding on the CAISO EDAM Tariff Filing, more frequent use of this carve-out would be contrary to the objective of maximizing the transmission capacity available to the market, and would deprive all customers in the EDAM area of the benefits of market optimization. Accordingly, the CAISO strongly encouraged balancing areas participating in EDAM to limit the use of this carve-out approach. The option for exercising firm transmission rights to have a market clearing priority above cleared day-ahead transfer schedules in the real-time market ensures the day-ahead market will more fully account for all utilization of the transmission system, and would be preferable to the carve-out approach. Informing the market of transmission utilization mitigates the need to designate transmission paths as carved out, and it will lead to more efficient market outcomes and enhanced reliability through collective awareness of operations within the EDAM area.¹⁰²

The Commission recognized in the EDAM Acceptance Order the CAISO's expectation that "conditions warranting such a carve-out will be limited and that the transmission customer's option to exercise firm transmission rights at a higher market clearing priority above cleared day-ahead EDAM transfer schedules in real-time is a more efficient use of transmission capacity and should

¹⁰¹ *Id.* at 16, 134-35, 141 n.264, 143 (citing CAISO Tariff section 33.18.3.3).

¹⁰² See Motion for Leave to File Answer and Answer of the California Independent System Operator Corporation to Comments and Limited Protests, Docket No. ER23-2686-000, at 92 (Oct. 11, 2023) (CAISO EDAM Answer).

be implemented instead of carve-outs where possible.”¹⁰³ In accepting CAISO Tariff section 33.18.3.3 as filed, the Commission found “any use of section 33.18.3.3 to carve-out transmission rights from EDAM *would be contingent on* the EDAM transmission service provider’s OATT provisions *allowing* for such carve-out.”¹⁰⁴

PacifiCorp likewise explained in its OATT Filing that it “agrees with the CAISO that carve-outs should be very limited to protect against adverse impacts on the market, and PacifiCorp plans to use that authority judiciously.”¹⁰⁵ Consistent with the design principles of EDAM, PacifiCorp proposed language in its OATT to exercise this carve-out option under CAISO Tariff section 33.18.3.3 only where necessary to maintain reliability of its balancing area, or where necessary to effectuate contract rights in the unlikely event such rights are not addressed by the provisions of the CAISO Tariff or of the PacifiCorp OATT.¹⁰⁶ PacifiCorp expects the initial market carve-outs under the OATT provision to be for certain discrete transmission facilities owned by third parties, or by multiple parties, in the PacifiCorp balancing areas “for which including them in the market would present costs and complications that would far exceed their utility to the

¹⁰³ EDAM Acceptance Order at P 285.

¹⁰⁴ *Id.* at P 314 (emphases added).

¹⁰⁵ Transmittal letter for PacifiCorp OATT Filing at 25.

¹⁰⁶ See PacifiCorp OATT Filing, Attachment B, at proposed section 4.1.3.8 of Attachment T to the PacifiCorp OATT (“The PacifiCorp EDAM Entity reserves the right to hold back transmission facilities or capacity from the MO’s [*i.e.*, CAISO’s] use when the PacifiCorp EDAM Entity, in its sole discretion, deems such a hold back necessary to (a) maintain the reliability of the PacifiCorp BAAs or (b) give effect to any contract right, including EDAM Transmission Ownership Rights, that the PacifiCorp EDAM Entity determines is not adequately addressed by the rules of this Tariff and the [CAISO] Tariff for EDAM participation.”).

market, or their inclusion could impact or degrade reliability.”¹⁰⁷ The CAISO has confirmed PacifiCorp’s proposed carve-out mechanism satisfies the requirements of the CAISO Tariff.

PacifiCorp, in its Response to Deficiency Letter, reiterated that “the actual action of ‘carving out’ transmission from the market will be infrequent and guided by the Tariff principles.”¹⁰⁸ PacifiCorp also committed to post publicly any additional criteria it may develop, after operational experience with EDAM, to determine when it might carve out transmission from the market.¹⁰⁹

In sum, no basis exists under the EDAM design, the EDAM Acceptance Order, or the PacifiCorp OATT revisions to require PacifiCorp to expand the application of its proposed limited carve-out provisions.

The CAISO notes arguments for an individual customer opt-out or carve-out right are driven largely by concerns about exposure to congestion costs. As discussed above, the CAISO is undertaking a stakeholder process to consider enhancements to the CAISO Tariff EDAM congestion revenue allocation methodology, and expects an amendment implementing the enhanced EDAM design to be filed with the Commission this June. The CAISO expects the Tariff amendment to address the concerns underlying those seeking individual customer opt-outs or carve-outs.

¹⁰⁷ Transmittal letter for PacifiCorp OATT Filing at 25.

¹⁰⁸ PacifiCorp Response to Deficiency Letter at 7.

¹⁰⁹ *Id.*

F. Powerex Erroneously Claims a Lack of Candor by the CAISO

Powerex argues information in this proceeding shows a “lack of candor” and “misdirection” by the CAISO on the allocation of congestion under the EDAM design accepted by the Commission.¹¹⁰ The lack of candor claimed by Powerex concerns two related issues: (1) the allocation of congestion revenue arising from flows across multiple EDAM balancing areas; and (2) whether deliveries using firm OATT rights would be exposed to congestion charges. The record shows the CAISO presented accurate information on both issues to stakeholders and later to interested parties and the Commission.

1. The WEIM Allocates Congestion Costs for All Constraints Across the Market Area to Each Balancing Area and EDAM Retains this Design Feature

The CAISO’s markets, including the WEIM, utilize the full network model to model the entire transmission system in a balancing area and associated transmission system constraints (*i.e.*, flow-based limits and other constraints). The full network model supports the calculation of locational marginal prices (LMPs) at each pricing location within the model across the entire market area. The marginal congestion component (MCC) of the LMP at a pricing location is sensitive to transmission constraints across the entire modeled market area, which is well documented through the MCC breakdown formulation.¹¹¹

¹¹⁰ See March 28 Powerex Answer at 19-23 and Attachment 2, Part A.

¹¹¹ See CAISO Business Practice Manual for the Energy Imbalance Market, Section 11.3.3.4.1 (providing the detailed formulation for the MCC decomposition and stating that “the congestion revenue distribution factors for these constraints allocate the congestion revenue 100% to a single BAA, the one the constraint resides in, or if it is an intertie constraint, the BAA [balancing area] at the intertie definition side where the constraint is enforced”) (BPM for the EIM). This Business Practice Manual is available with the other Business Practice Manuals on the CAISO website at <https://bpmcm.caiso.com/Pages/BPMLibrary.aspx>.

The WEIM design in place today allocates congestion revenues across a multi-balancing area footprint. This includes the calculation of congestion revenues from a neighboring balancing area as a result of that balancing area's impact on flows across binding constraints. Thus, today in the WEIM a transmission constraint in one balancing area can affect the marginal cost of congestion at LMP pricing locations in adjacent balancing areas.¹¹²

This longstanding aspect of the WEIM design is well-known to stakeholders. Indeed, Powerex acknowledges that “internal transmission constraints in one BAA causing an impact on LMPs in a different BAA” is a “common occurrence” in the WEIM today.¹¹³ Because the CAISO was clear EDAM builds on WEIM design features, the record simply does not support a conclusion that the CAISO demonstrated a lack of candor.

In both the proceeding on the CAISO EDAM Tariff Filing and the instant proceeding, the CAISO explained it calculates congestion costs for EDAM using the same approach approved for the WEIM, including the allocation of congestion revenues associated with flows on constraints based on the balancing area where the constraint is located.¹¹⁴ The difference between EDAM and the WEIM¹¹⁵ is that the CAISO uses a single settlement and allocation methodology for congestion revenue in the WEIM, but for EDAM the CAISO will

¹¹² BPM for the EIM, Section 11.3.3.4.1.

¹¹³ March 28 Powerex Answer at 20.

¹¹⁴ See, e.g., transmittal letter for CAISO EDAM Tariff Filing at 179-81; CAISO March 7 Answer at 92, 95-96.

¹¹⁵ The implementation of EDAM and the distinction of congestion revenue from transfer revenue will also apply in the WEIM.

settle intra-balancing area congestion revenue (by allocating it to the balancing area where the internal transmission constraint materializes for any reason) separately from inter-balancing area transfer revenue (by evenly splitting the transfer revenues between the two balancing areas involved in the transfer).¹¹⁶ Commenters, including Powerex, contested this one change from the WEIM congestion revenue allocation under EDAM. The Commission nonetheless approved the bifurcated settlement and allocation approach and the associated CAISO Tariff revisions in the EDAM Acceptance Order.¹¹⁷

2. The Record of the EDAM Stakeholder Process Shows the CAISO Provided Stakeholders with Information on the Allocation of Congestion Revenue to the Balancing Area Where the Constraint Is Located and Whether Firm OATT Rights Would Receive a Congestion Hedge

Powerex attempts to show a “lack of candor” by the CAISO in the EDAM development process by cherry-picking certain statements in various stakeholder materials over the course of the extensive EDAM stakeholder process, including some materials prepared 17 months before the EDAM proposal was finalized

¹¹⁶ See transmittal letter for CAISO EDAM Tariff Filing at 185-92; CAISO EDAM Answer at 143-49; CAISO March 7 Answer at 77 (emphasis added) (“The day-ahead market and real-time market, and by extension EDAM and the WEIM, utilize the full network model (FNM) to enforce all appropriate network and resource constraints—including those affected by parallel flows—to optimally dispatch resources to meet demand across the market area. The FNM provides the necessary information to determine and mitigate transmission congestion and to calculate the relevant LMP at each pricing node location or aggregated pricing location within the FNM that is attributable to the location of the source of the binding constraint. This decomposition is tied to the allocation of congestion revenue to the balancing area where the constraint is located.”) (emphasis added); *id.* at 95-96 (listing CAISO Tariff provisions that implement the “Commission-approved mechanism . . . for allocating congestion revenues related to parallel flows among balancing areas participating in EDAM”); *id.*, Attachment C (Statement of Dr. Scott Harvey) at 1 (“[M]y statement supports the understanding that parallel flows and the associated congestion pricing results are common across LMP market design, and that the approach in the WEIM today, and that will be extended to EDAM, is consistent with other market designs.”).

¹¹⁷ See EDAM Acceptance Order at PP 417-40.

and submitted for Commission approval.¹¹⁸ This attempt ignores the realities of a multi-year stakeholder process for a complex market offering like EDAM. In some cases, design elements evolve until shortly before filing. If statements made at earlier stages of a stakeholder process were binding on the CAISO's final proposal, there would be no point in having a stakeholder process at all. The final market design would not benefit from the back and forth of input from stakeholders. In addition, as part of the process of finalizing a proposed design, the proposal can be refined based on pragmatic considerations. The materials contained in Part A of Attachment 2 to the March 28 Powerex Answer, which Powerex excerpted to show the CAISO's purported unresponsiveness and lack of transparency, in fact demonstrate the opposite: that the CAISO worked through complex issues in an open and transparent manner and was open to changes along the way.

A good illustration of this is the stakeholder process for the EDAM tariff language excerpted in Powerex's Attachment 2. As originally drafted in early 2023, proposed CAISO Tariff sections 33.11.3.8 and 33.11.3.9.3 suggested that balanced self-schedules (*e.g.*, self-schedules using firm OATT rights) would receive a congestion hedge through the reversal of the marginal congestion component of the LMP difference between the balanced source day-ahead schedule and the balanced sink day-ahead schedule. In April 2023, PacifiCorp suggested tariff changes to make it explicit that firm OATT rights would receive "ETC" (*i.e.*, existing transmission contract) treatment, including the reversal of

¹¹⁸ See Attachment 2 to March 28 Powerex Answer.

congestion costs, effectively receiving the “perfect hedge” available to legacy contracts and transmission ownership rights.¹¹⁹ The CAISO did not adopt those changes and instead posted revised tariff drafts in June and July 2023 making it clear that the reversal of the marginal congestion component of the LMP would be available only to EDAM legacy contracts or EDAM transmission ownership rights. The July 2023 draft tariff posting included explanatory notes indicating that the revised tariff “[c]larifies separation between transmission customers and legacy and ownership rights” and “[t]ransmission customer rights will not receive this reversal.”¹²⁰ Far from indicating a lack of candor, this sequence shows the transparency the CAISO provided by making clear deliveries using firm OATT rights would not receive a reversal of congestion costs.¹²¹

On the issue of allocating congestion revenue to the balancing area where the constraint is located, the Powerex attachment again shows that the CAISO addressed this issue in the EDAM stakeholder process. Because EDAM retained the treatment of congestion resulting from flows used in the WEIM today, the EDAM stakeholder process did not discuss this at length or consider all possible flow effect scenarios. The examples in the September 2022 EDAM presentation referenced in Powerex’s Attachment 2 were part of a CAISO stakeholder workshop focusing specifically on EDAM settlements approximately

¹¹⁹ The use of the term “perfect hedge” for self-schedules in a March 2022 EDAM stakeholder presentation indicated an option the CAISO was considering earlier in the process but ultimately did not adopt for inclusion in the CAISO EDAM Tariff Filing.

¹²⁰ See July 25, 2023 posting of “Updated Revised Draft Tariff Language – Extended Day-Ahead Market – Section 33 Day-Ahead Market,” at draft CAISO Tariff sections 33.11.3.8 and 33.11.3.9.3 (available on the CAISO website at <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market>).

¹²¹ As discussed below, the CAISO also made this clear in the CAISO EDAM Tariff Filing.

four months before the CAISO Board of Governors and the Western Energy Markets (WEM) Governing Body approved the proposal.¹²²

Contrary to Powerex's claim, these examples support the CAISO position in its March 7 Answer stating how it presented materials explaining that under EDAM congestion revenue would be collected and paid to the balancing area where the constraint is located.¹²³ In other words, Powerex had the opportunity to review and understand these materials before the proposal was finalized and, although some may not have fully understood all dimensions of flow impact on congestion revenue allocation from these focused examples, the CAISO clarified it further through the tariff development process as explained above and the regulatory process as explained in the CAISO March 7 Answer. It is therefore disingenuous for Powerex now to claim the CAISO intended to keep this element of the proposal hidden from stakeholders, the CAISO Board of Governors, the WEM Governing Body, and the Commission.¹²⁴

The CAISO specifically intended the example on slide 101 referenced by Powerex in its Attachment 2 and included below for reference to illustrate the accrual, collection, and allocation of congestion revenue to the balancing area

¹²² The entire slide presentation is available at <https://stakeholdercenter.caiso.com/InitiativeDocuments/Presentation-ExtendedDay-AheadMarket-Sep7-8-2022.pdf>.

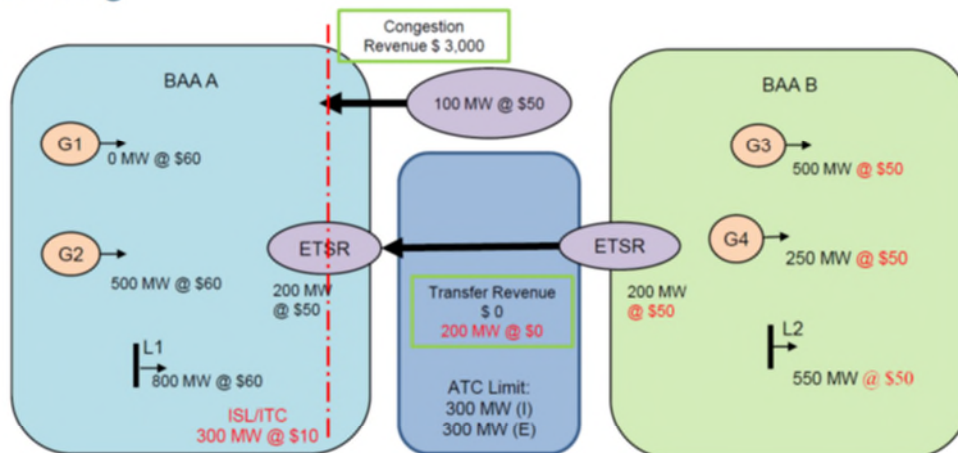
¹²³ See CAISO March 7 Answer at 92 & n.201 (stating that "[f]or example, the CAISO presented a clear example during a technical workshop in the stakeholder process that showed the calculation and distribution of congestion revenue and illustrated how congestion revenue, separate from transfer revenue, would be allocated to the balancing area where the constraint is located").

¹²⁴ See March 28 Powerex Answer at 20.

where the constraint is located without a binding EDAM transfer constraint.¹²⁵

The CAISO presented this example and the related series of examples in response to stakeholder requests for a better understanding of how congestion revenue would be allocated at an EDAM intertie location. The CAISO did not suggest these examples were intended to consider the allocation of congestion revenue from flow impacts resulting from all possible scenarios, including flow effects created in one balancing area by either serving load in or transmitting supply within another balancing area, because the examples were not intended to do so.

Transfer Revenue vs Congestion Revenue - ITC Binding



- Transfer Revenue is shared 50:50 between BAAA and BAA B at \$0 each
- Congestion Revenue is \$3,000 allocated to BAAA

¹²⁵ Powerex participated in the September 14, 2022 meeting where this slide and other materials were presented (recording available at <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market>).

This simple and narrow example focuses on the interaction at the intertie location where external intertie import bids will compete with EDAM transfers and the subsequent result if the intertie scheduling limit (ISL)/intertie transmission constraint (ITC) binds. It illustrates the allocation of congestion revenue due solely to the scheduled and unscheduled flow from BAA B to BAA A shown by the EDAM transfer system resource (or ETSR), as well as scheduled and unscheduled flow between an external balancing area and BAA A (see the purple-shaded bubbles in slide 101).¹²⁶ The example was prepared and presented in response to stakeholder requests, and generated appropriate discussion concerning the proposal to allocate 100% of the ISL/ITC congestion revenue to the balancing area where the constraint is modeled.¹²⁷ The more general concept of congestion revenue being allocated based on where the constraint is modeled was also reinforced by this example and the discussion. Moreover, because internal congestion and external flow impact calculations remained unchanged from the WEIM, stakeholders did not ask for additional explanation and the CAISO did not include examples that illustrated a known and existing market feature.¹²⁸ Had stakeholders asked for such further explanation,

¹²⁶ The example indicates the power flow associated with 200 MW of EDAM transfers and 100 MW of intertie bids had \$0 congestion impact—the 200 MW transfer and 100 MW intertie bid only impacted the ISL/ITC in BAA A because the example assumes a \$0 physical flow, including parallel flow, impact on congestion revenue. There is no decomposition of the LMP and the only binding constraint is the ISL/ITC in BAA A.

¹²⁷ See *also* slide 104 from the same presentation stating that the series of examples were intended to “recognize[s] that internal congestion revenues associated with the internal constraints should flow to the BAA where the constraint is modeled.”

¹²⁸ The CAISO presented a detailed example in Attachment C to its March 7 Answer to facilitate understanding of flow impacts resulting by either serving load in or transmitting supply within another balancing area.

the CAISO would have provided more examples as it did in other cases during the stakeholder process.

Powerex's Attachment 2 also refers to use of the phrase “hold harmless” in the EDAM Final Proposal. The CAISO used this phrase in connection with its proposal to allocate congestion rent *associated with internal constraints* including the intertie constraint back to the EDAM balancing area where the constraint is located, which the Commission subsequently authorized in the EDAM Acceptance Order.¹²⁹ Context in the Final Proposal expressly provided this would occur “to the extent feasible” to reflect limitations on an EDAM transmission service provider’s ability to provide a more complete hedge, in part because congestion revenue associated with parallel flow from that balancing area would be allocated to the impacted balancing area under the EDAM design. The ability of an EDAM transmission provider to hold its customers harmless only

¹²⁹ The EDAM Final Proposal (published December 7, 2022) included a lengthy discussion of congestion revenue allocation to internal constraints within a participating balancing area. See, e.g., EDAM Final Proposal at 7 (“The proposal continues to allocate congestion revenue that accrues when internal transmission system constraints bind, including modeled intertie constraints, solely to the participating balancing areas where the constraint originated. This balancing area is ultimately responsible for responding to and resolving the constraint and should be allocated the associated revenue to offset the associated costs.”); *id.* at 113 (“Similarly, this final proposal retains the proposal that congestion revenue accruing because of binding transmission constraints on the internal transmission network of the EDAM entity be fully allocated to the EDAM entity, including with the ISO.”); *id.* at 118 (“This approach is consistent with the allocation of congestion revenues in the WEIM, where the full allocation is settled with the EDAM BAA. On the ISO system, congestion revenues accruing on the internal transmission system are allocated to fund congestion revenue rights, and sharing these revenues could lead to under collection and undermine the ISO’s ability to fund these congestion revenue rights. More practically, if there is a binding internal transmission constraint, the market re-dispatches generation internal to the BAA to continue serving load and meeting the BAA’s obligations. Sharing the accrued revenues with other entities would be inequitable in these circumstances. Stakeholders do not oppose this approach for allocating congestion revenue for purely internal constraints.”). The EDAM Final Proposal was provided for ease of reference in Attachment E to the CAISO EDAM Tariff Filing and is also available on the CAISO website at <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market>.

to the extent an EDAM balancing area receives congestion rent is discussed in several spots in the EDAM Final Proposal, including:

The proposal is for the EDAM transmission provider to hold all firm point to point and NTIS customers, including the firm point to point customers that exercise their firm transmission rights after 10:00 a.m. day ahead, harmless from EDAM transfer and congestion costs to *the extent feasible by offsetting such potential costs with EDAM transfer and congestion revenues.*¹³⁰

Notably, this discussion does not state the CAISO would grant transmission customers a “perfect hedge” or reverse their congestion charges. Although the CAISO was referring to what an EDAM transmission provider would do under its tariff to hold firm OATT customers harmless relative to the congestion revenue and transfer revenue the EDAM balancing area had been allocated, it became apparent only in early 2025 that this concept may have been misinterpreted. In order to address the questions and concerns resulting from this misunderstanding, the CAISO promptly initiated the stakeholder process to consider congestion revenue allocation issues discussed in section II above.

3. Powerex Had Three Opportunities in the Proceeding on the CAISO EDAM Tariff Filing To Address the CAISO’s Proposal that Firm OATT Rights Will Not Receive a Reversal of Congestion Costs under EDAM

As noted above, the CAISO was clear in the EDAM stakeholder process about the final policy decision that holders of firm *pro forma* OATT rights in participating EDAM areas will not receive the hedge available to legacy rights and the holders of transmission ownership rights. The CAISO also made this explicit in the CAISO EDAM Tariff Filing to clarify the congestion revenue

¹³⁰ EDAM Final Proposal at 42 (emphasis added); see also *id.* at 44.

allocation was as described in the transmittal letter.¹³¹ Powerex had three opportunities to challenge the CAISO EDAM Tariff Filing and its approval in the EDAM Acceptance Order but chose to take none of them.

The first opportunity came after the CAISO explained in its EDAM Tariff Filing that only “the balanced portion of a legacy contract or ownership right schedule associated with a contract reference number” would receive “financial protection from congestion charges and losses, sometimes called the ‘perfect hedge,’ to the extent the underlying contract rights support such financial protections.”¹³² The CAISO drew the clear contrast that “[u]nlike individual customer legacy contracts or ownership rights, balanced intra-day self-schedules using specific firm OATT transmission rights will not receive a perfect hedge and such schedules will be responsible for congestion or redispatch costs.”¹³³ The CAISO similarly noted that “using physical transmission rights to hedge the cost of congestion does not insulate transmission customers from all congestion

¹³¹ See CAISO March 7 Answer at 37-39; transmittal letter for CAISO EDAM Tariff Filing at 187-88 (explaining that it is reasonable to allocate the congestion revenue to the balancing area where the constraint is located “regardless of the condition that triggers the internal constraint, (e.g., caused by purely internal congestion or imports across multiple interties simultaneously creating congestion on internal transmission constraints). Simultaneous import flow conditions and internal path interactions are a common occurrence across balancing areas, and the host balancing area is responsible for responding to the condition occurring in its balancing area. Thus, it should receive the congestion revenue from all internal flows *and when external flows cause internal constraints to bind.*” (emphasis added)).

¹³² Transmittal letter for CAISO EDAM Tariff Filing at 126. See also *id.* at 190 (“The CAISO will adjust congestion revenue within an EDAM balancing area for legacy contract and ownership rights that receive a hedge against congestion and will settle with the scheduling coordinator for the balancing authority.”).

¹³³ *Id.* at 130.

costs.”¹³⁴ Powerex could have challenged these aspects of the EDAM design in its comments on the CAISO EDAM Tariff Filing, but did not do so.¹³⁵

Second, Powerex could have filed an answer in the proceeding on the CAISO EDAM Tariff Filing after it read the comments PacifiCorp submitted in the proceeding. As noted in the EDAM Acceptance Order, PacifiCorp “comment[ed] that CAISO’s mechanism protects legacy contracts and ownership rights through a perfect hedge that backs out congestion and losses to that category of customer” and “support[ed] CAISO’s decision to not use that treatment for OATT customers.”¹³⁶ The CAISO’s proposal on the availability of congestion hedges to firm OATT customers was clear to PacifiCorp, but again Powerex chose not to address the issue.

Lastly, Powerex could have filed a request for rehearing of the EDAM Acceptance Order, in which the Commission expressly recognized the CAISO was providing “financial protection from congestion charges and losses” only for “balanced self-schedules associated with legacy transmission contracts and third-party ownership rights (i.e., transmission service rights not otherwise subject to an EDAM Entity’s OATT).”¹³⁷ The Commission found the entirety of “CAISO’s proposed EDAM transmission framework is just and reasonable and

¹³⁴ *Id.* at 197.

¹³⁵ As explained in section IV.C above, Powerex now states that it is not seeking a “perfect hedge.” However, Powerex also bases its lack of candor allegation in part on its view that use of the term “perfect hedge” in the EDAM stakeholder process was misleading. March 28 Powerex Answer at 20.

¹³⁶ EDAM Acceptance Order at P 260 (citing Comments of PacifiCorp, Docket No. ER23-2686-000, at 12-14 (Sept. 21, 2023)).

¹³⁷ EDAM Acceptance Order at P 244.

not unduly discriminatory or preferential”—including “the treatment of legacy transmission rights,” which the Commission correctly stated was uncontested by any commenters on the CAISO EDAM Tariff Filing.¹³⁸ However, Powerex chose not to file a request for rehearing of any findings in the EDAM Acceptance Order.

Given all of these missed opportunities for Powerex to challenge the CAISO’s proposal in the EDAM stakeholder process and in the proceeding on the CAISO EDAM Tariff Filing, it strains credulity for Powerex to claim it did not have notice of this Commission-approved treatment of holders of firm *pro forma* OATT rights in participating EDAM areas until PacifiCorp proposed to revise its OATT to participate in EDAM. The Commission should reject Powerex’s arguments as nothing more than a collateral attack on the clear findings in the EDAM Acceptance Order.¹³⁹

¹³⁸ *Id.* at P 307.

¹³⁹ See, e.g., *Entergy Servs.*, 130 FERC ¶ 61,023, at P 136 (2010) (“The Louisiana Commission’s argument is nothing more than a collateral attack on the Commission’s orders accepting the compliance filings and we reject it. The Louisiana Commission had every opportunity to raise its concerns when the April 2006 Compliance Filing and the December 2006 Compliance Filing were made. For whatever reason, it did not do so.”).

V. CONCLUSION

For the foregoing reasons and the reasons explained in previous filings in this proceeding, including those submitted by the CAISO and PacifiCorp, the Commission should accept the PacifiCorp OATT Filing, without modification or condition except as specified in the PacifiCorp Response to Deficiency Letter.

Respectfully submitted,

Sean A. Atkins
Bradley R. Miliauskas
Davis Wright Tremain LLP
1301 K Street, NW
Suite 500 East
Washington, DC 20005
Tel: (202) 973-4200
seanatkins@dwt.com
bradleymiliauskas@dwt.com

/s/ John C. Anders
Roger E. Collanton
General Counsel
John C. Anders
Deputy General Counsel
Anthony J. Ivancovich
Deputy General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7287
janders@caiso.com
aivancovich@caiso.com

Counsel for the California Independent System Operator Corporation

Dated: May 19, 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 proceeding, 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 19th day of May, 2025.

/s/ Daniel Klein

Daniel Klein
Davis Wright Tremaine LLP