WESTERN ENERGY MARKETS

Q3 2026 Report on Market Issues and Performance

Ryan Kurlinski
Senior Manager, Monitoring and Reporting
Department of Market Monitoring

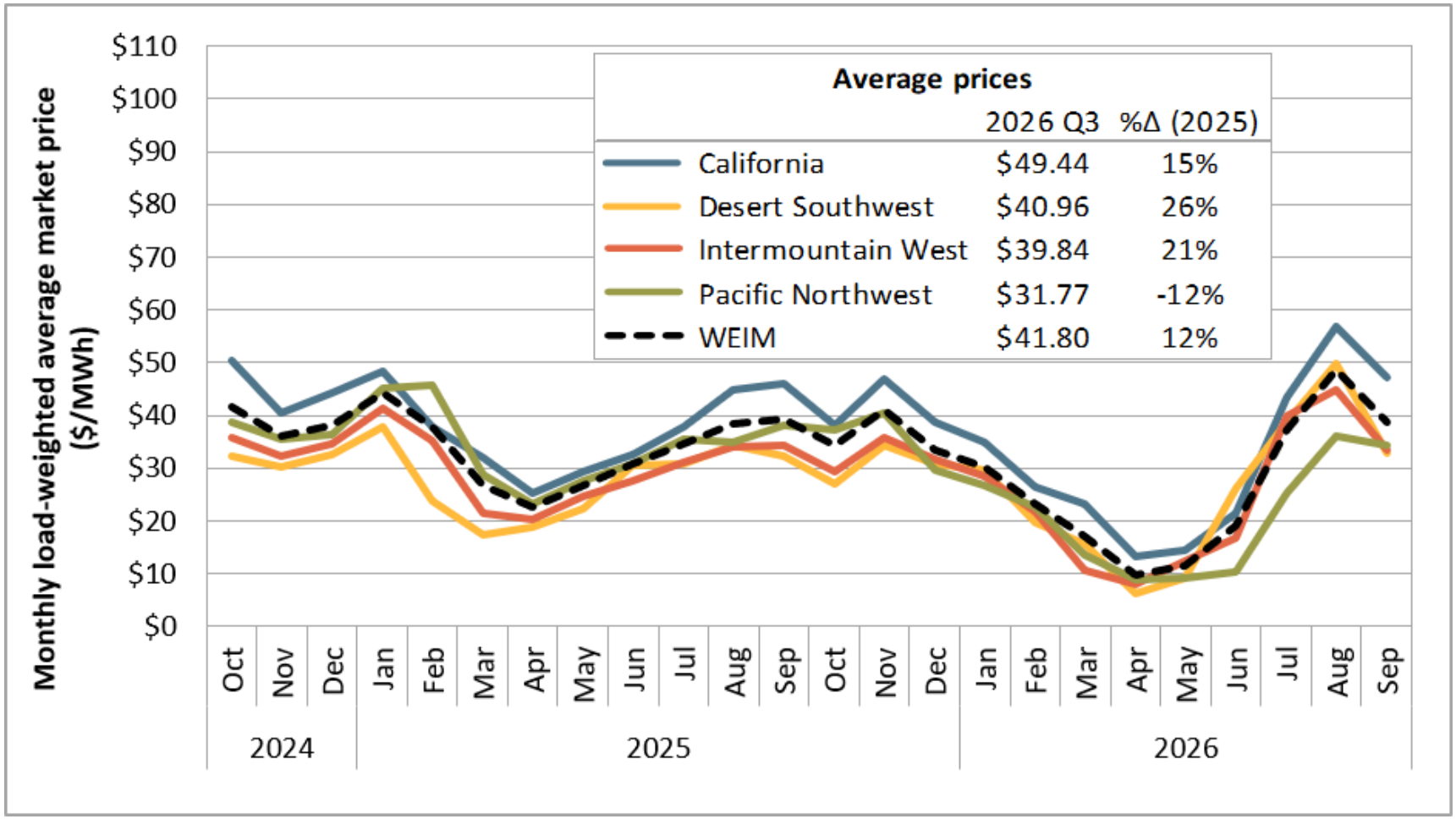
November 19, 2026
ISO Public

https://www.caiso.com/documents/2026-third-quarter-report-on-market-issues-and-performance.pdf



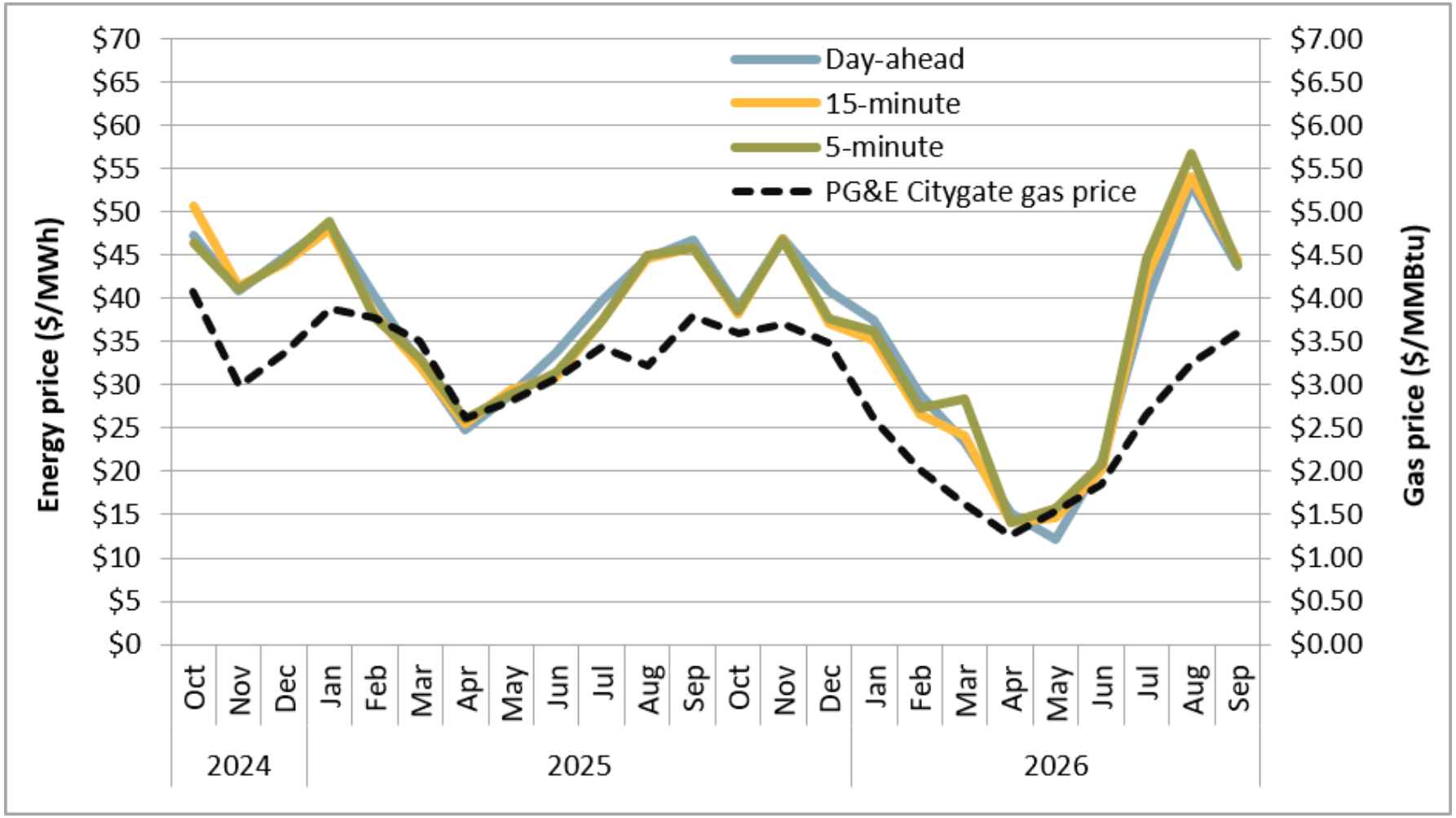
Electricity prices in West up 12% compared to Q3 2025

Weighted average monthly 15-minute market prices by region



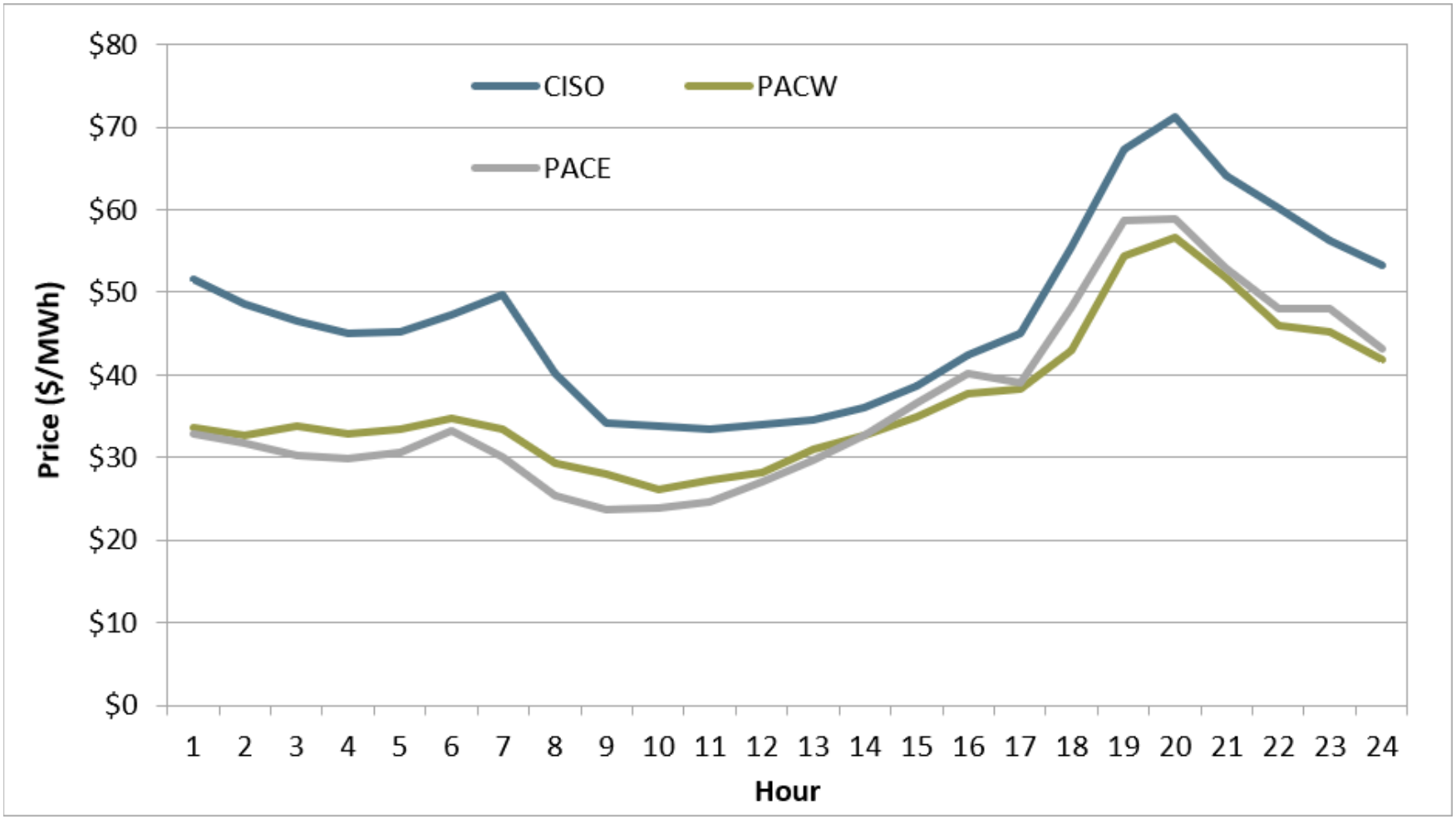
EDAM prices averaged $46/MWh. Continued correlation between natural gas prices and electricity prices

Monthly average PG&E Citygate gas price and load-weighted average electricity prices for balancing areas in day-ahead market



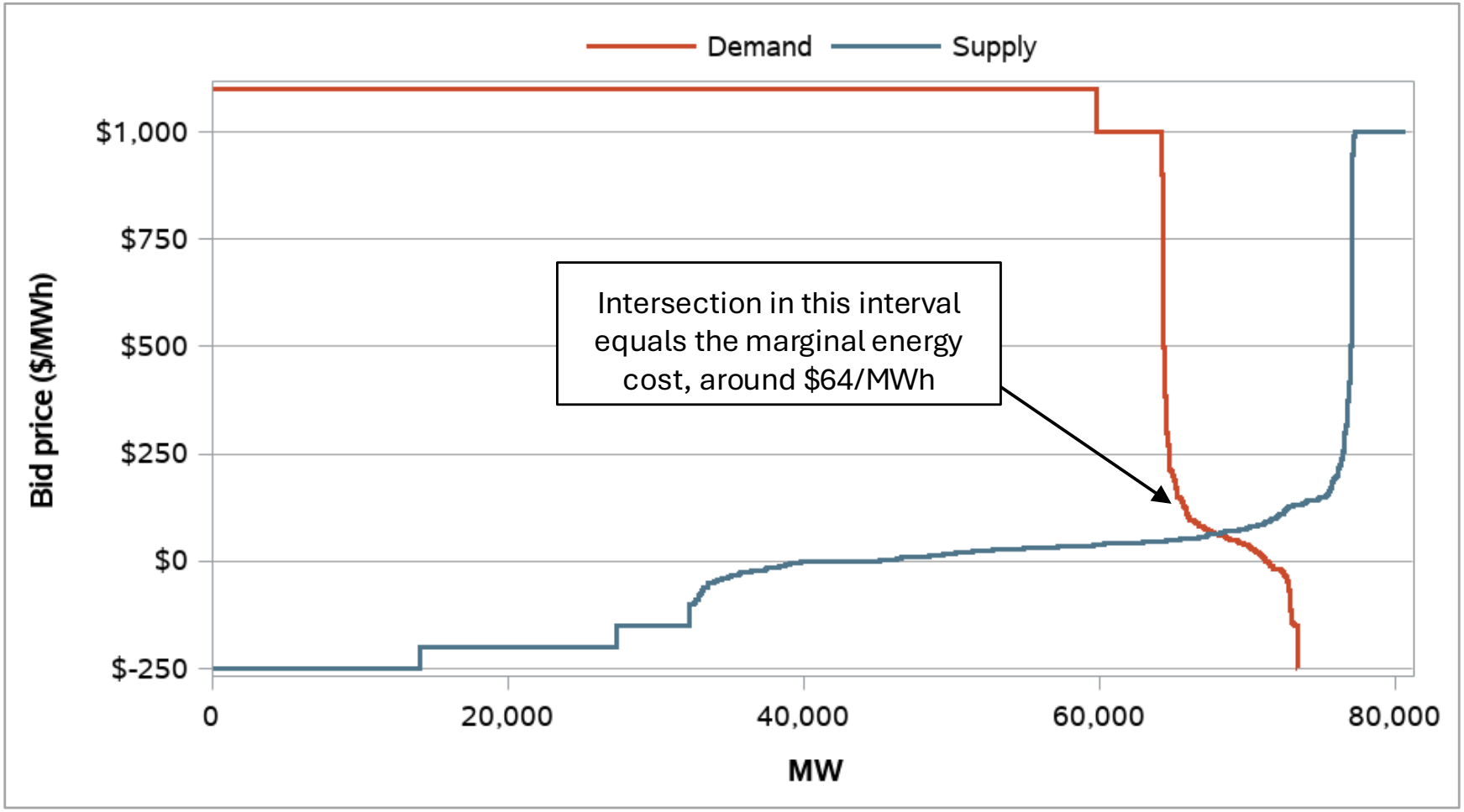
CAISO balancing area day-ahead prices higher than rest of EDAM

Hourly load-weighted average day-ahead price by balancing area
(Q3 2026)



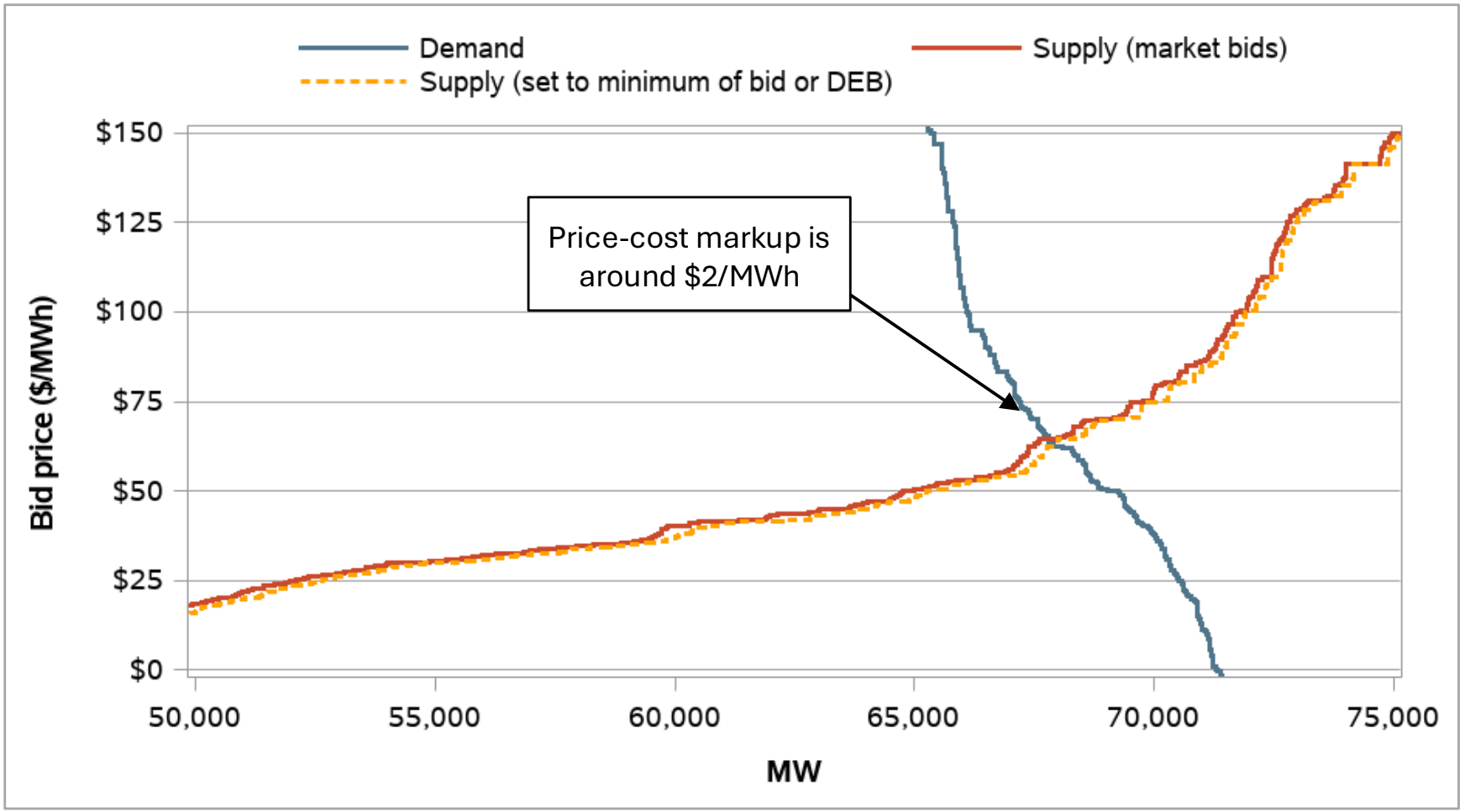
Price-cost markup method sample interval

Day-ahead market supply and demand (July 21, 2026, 22:00–23:00)



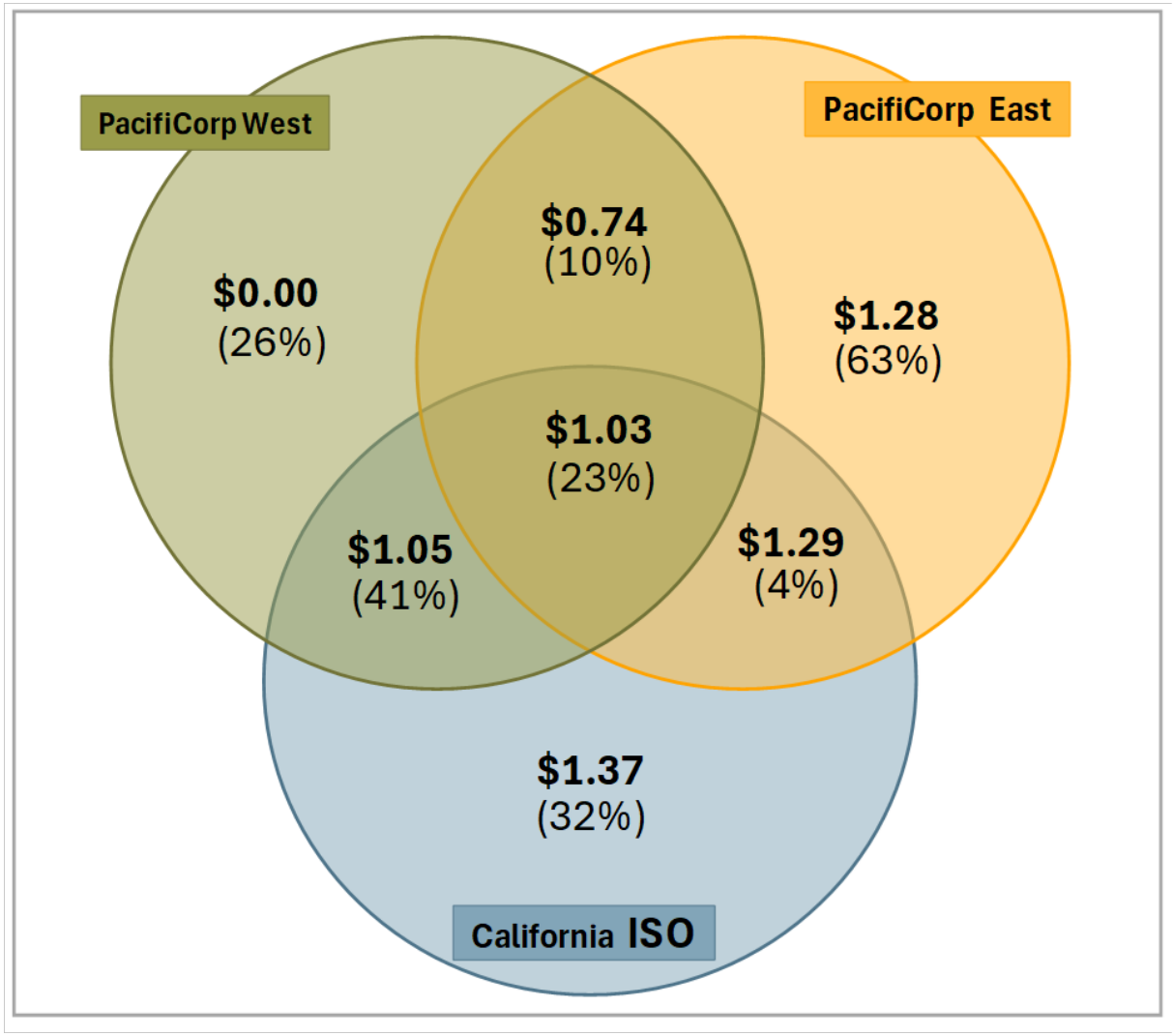
Price-cost markup method sample interval with cost-based supply curve

Day-ahead market with generation at competitive reference levels
(July 21, 2026, 22:00–23:00)



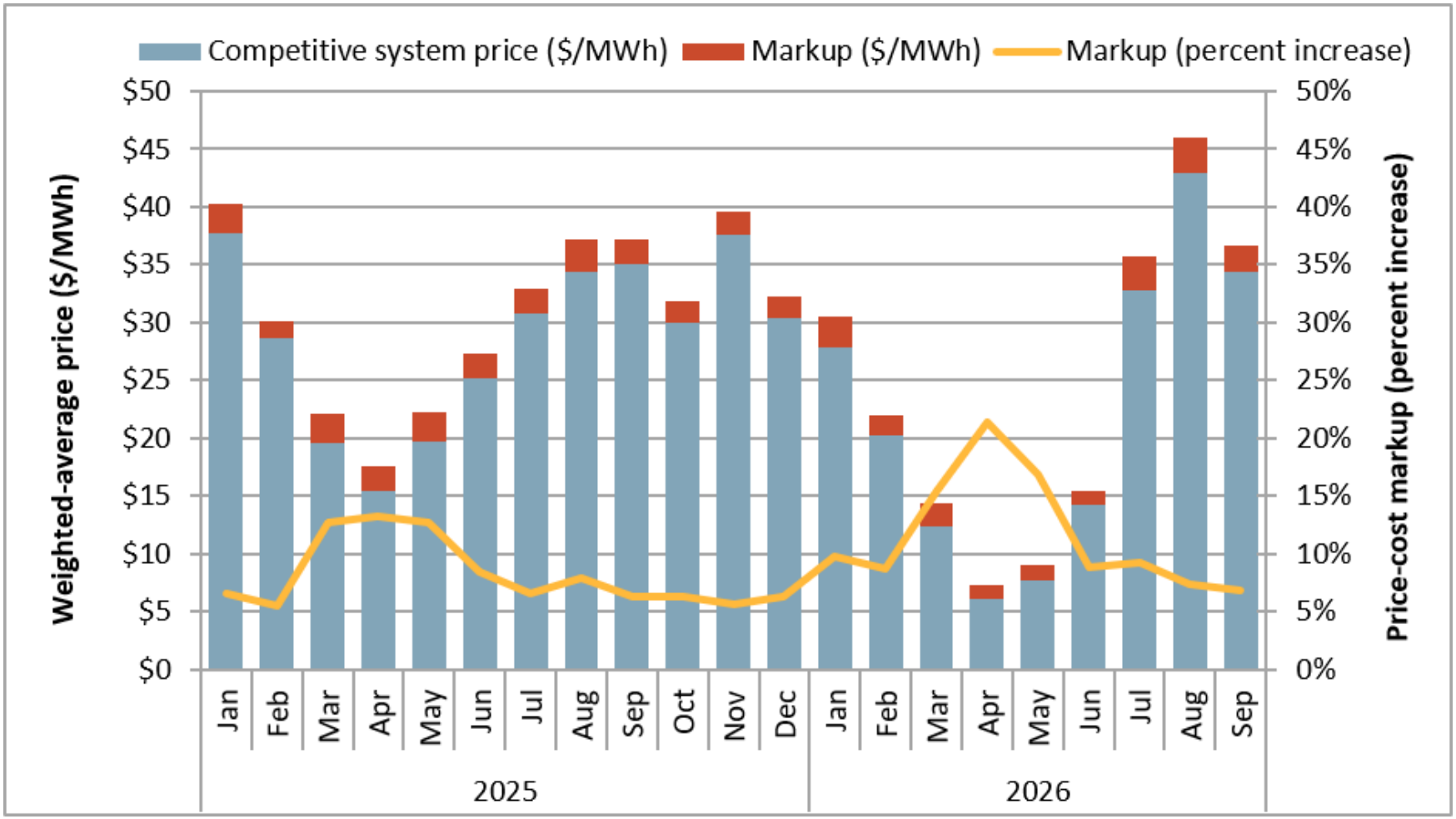
Day-ahead price-cost markup below $1.50/MWh for each group of balancing areas

Day-ahead market price-cost markup (Q3 2026)



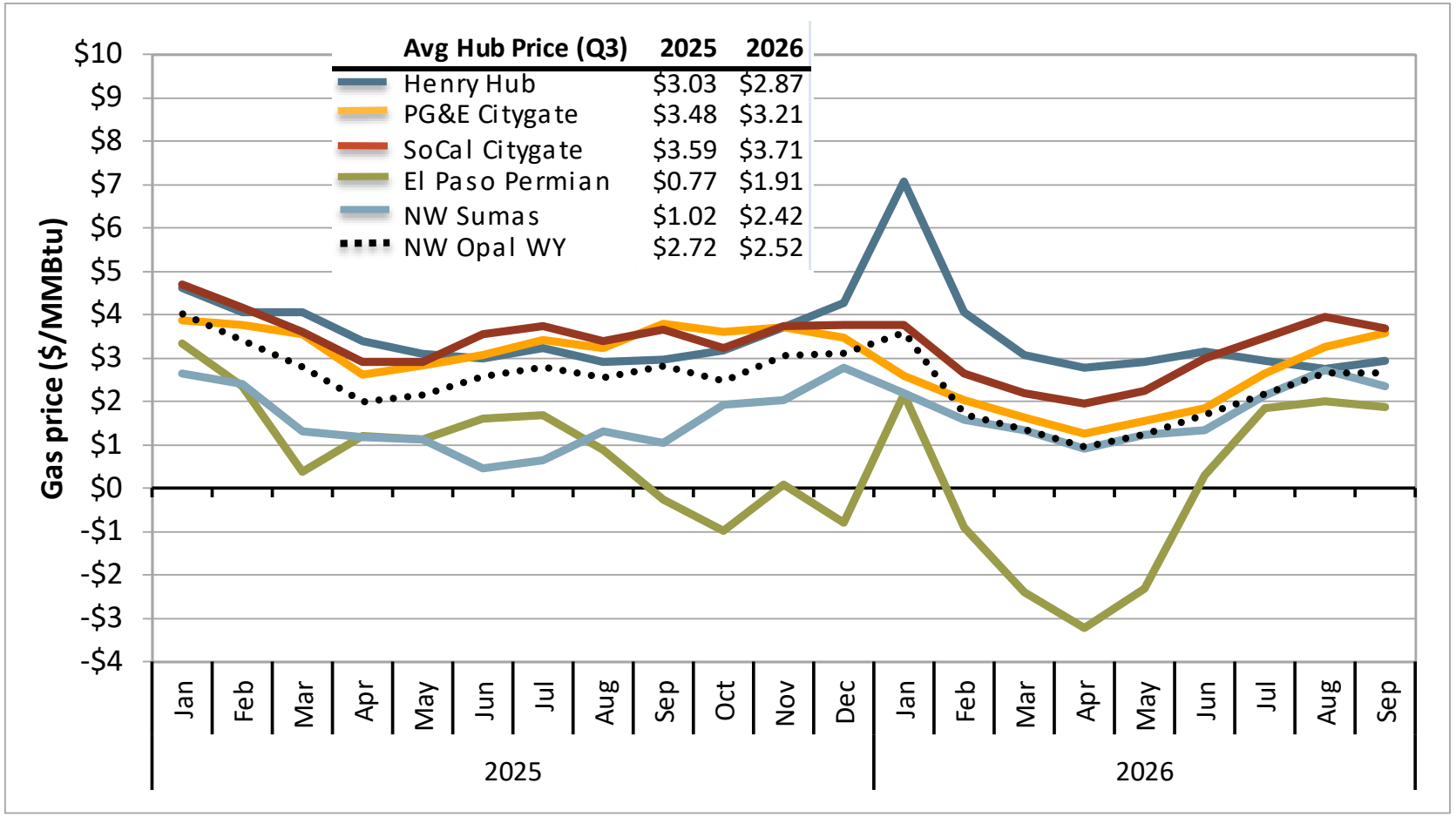
Real-time price-cost markup < $3/MWh

Real-time market price-cost markup



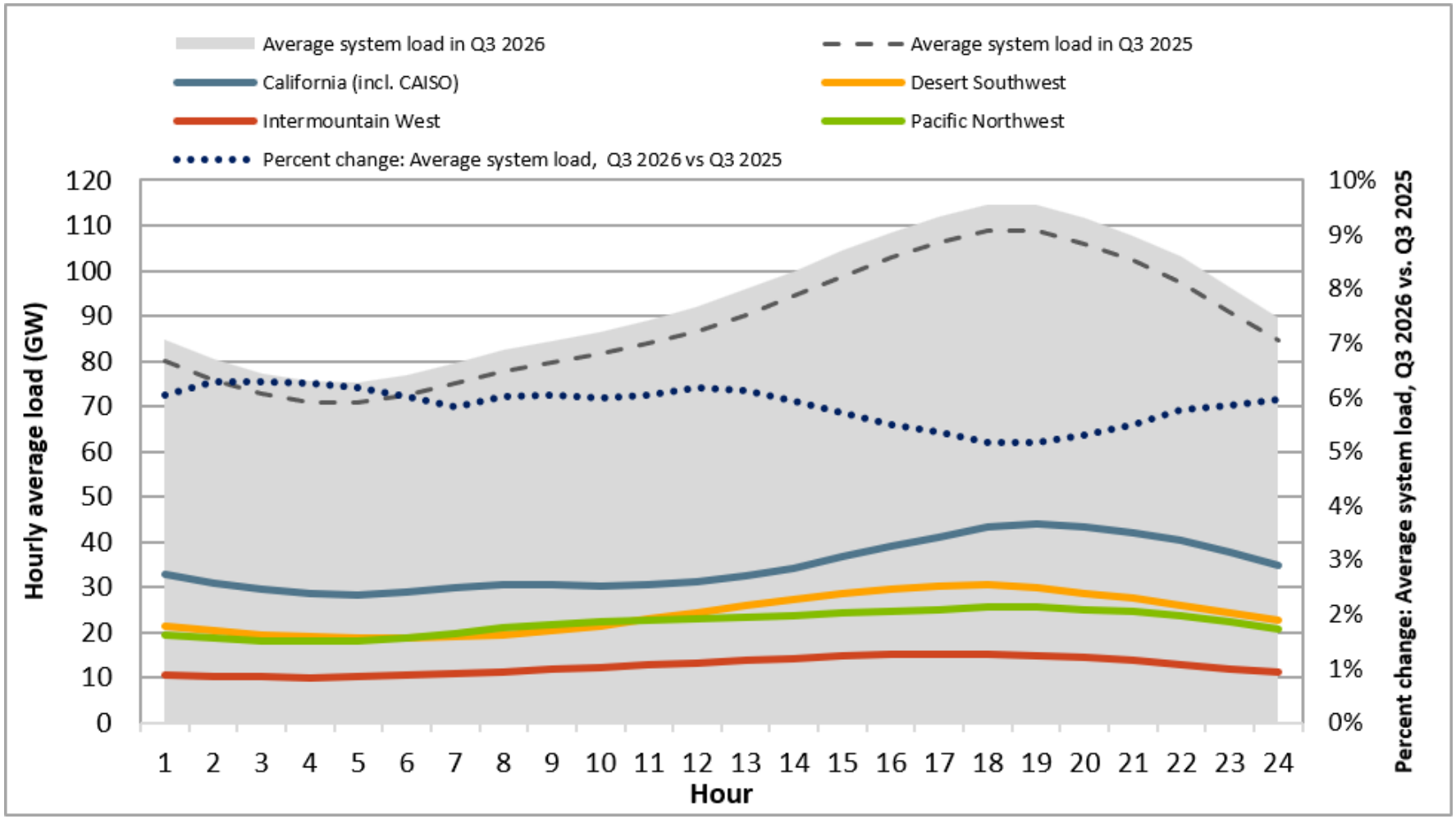
Changes in gas prices mixed across Western hubs compared to Q3 2025

Average monthly natural gas prices by hub



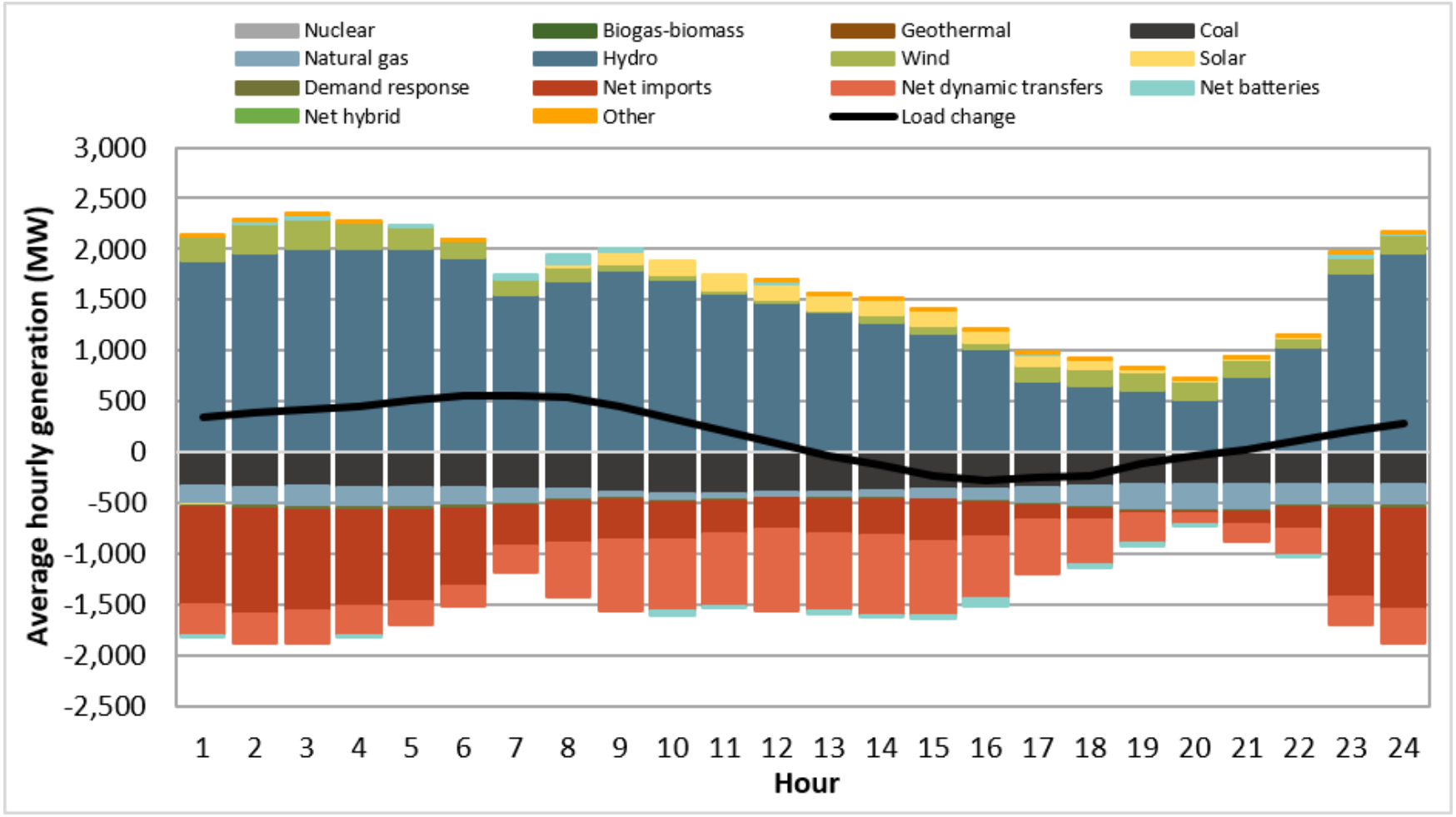
Large increase in system load compared to Q3 2025

Hourly average 5-minute market load by region (Q3 2026)



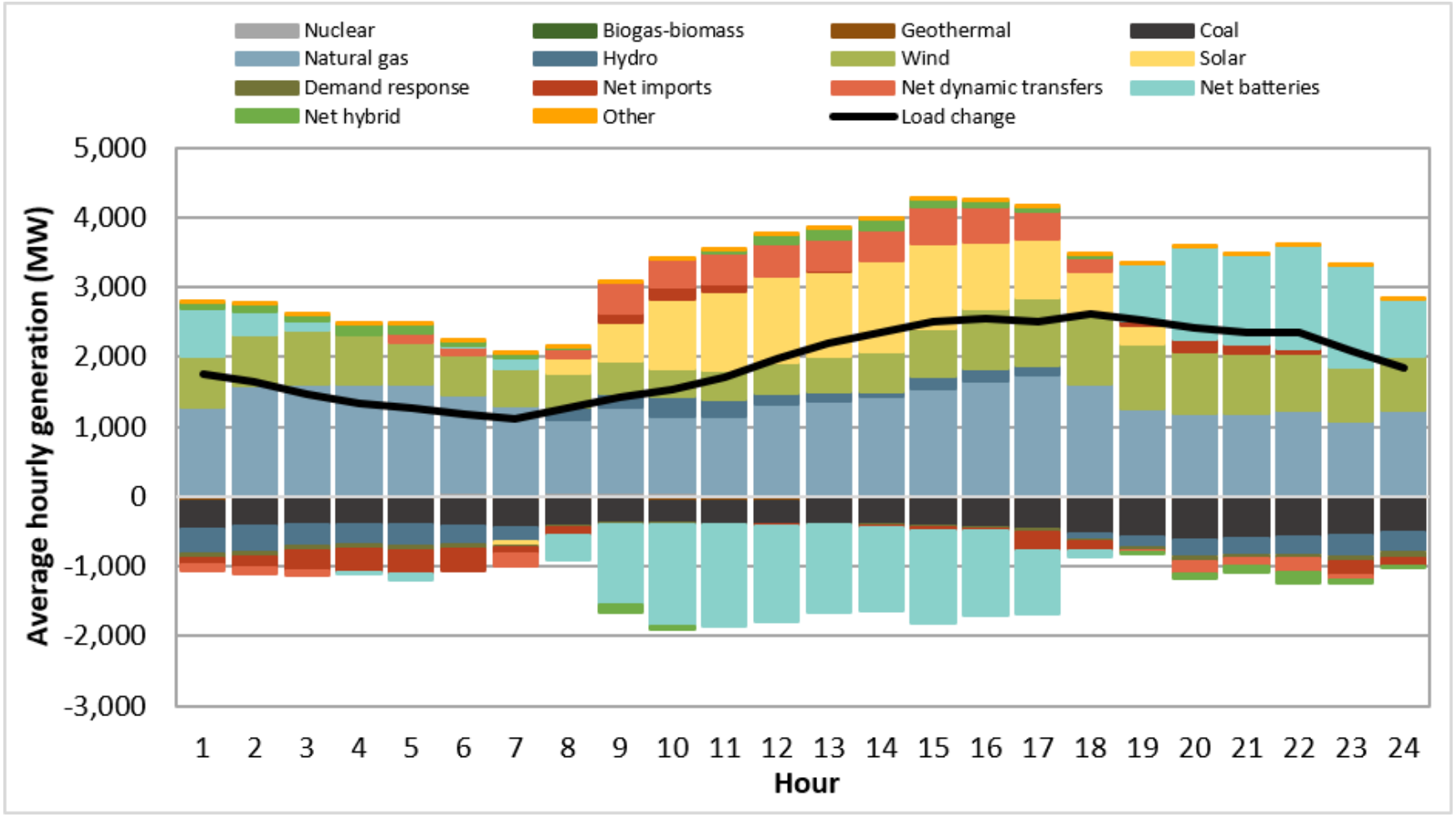
Change in average hourly generation by fuel type in the Pacific Northwest region

Q3 2026 vs. Q3 2025



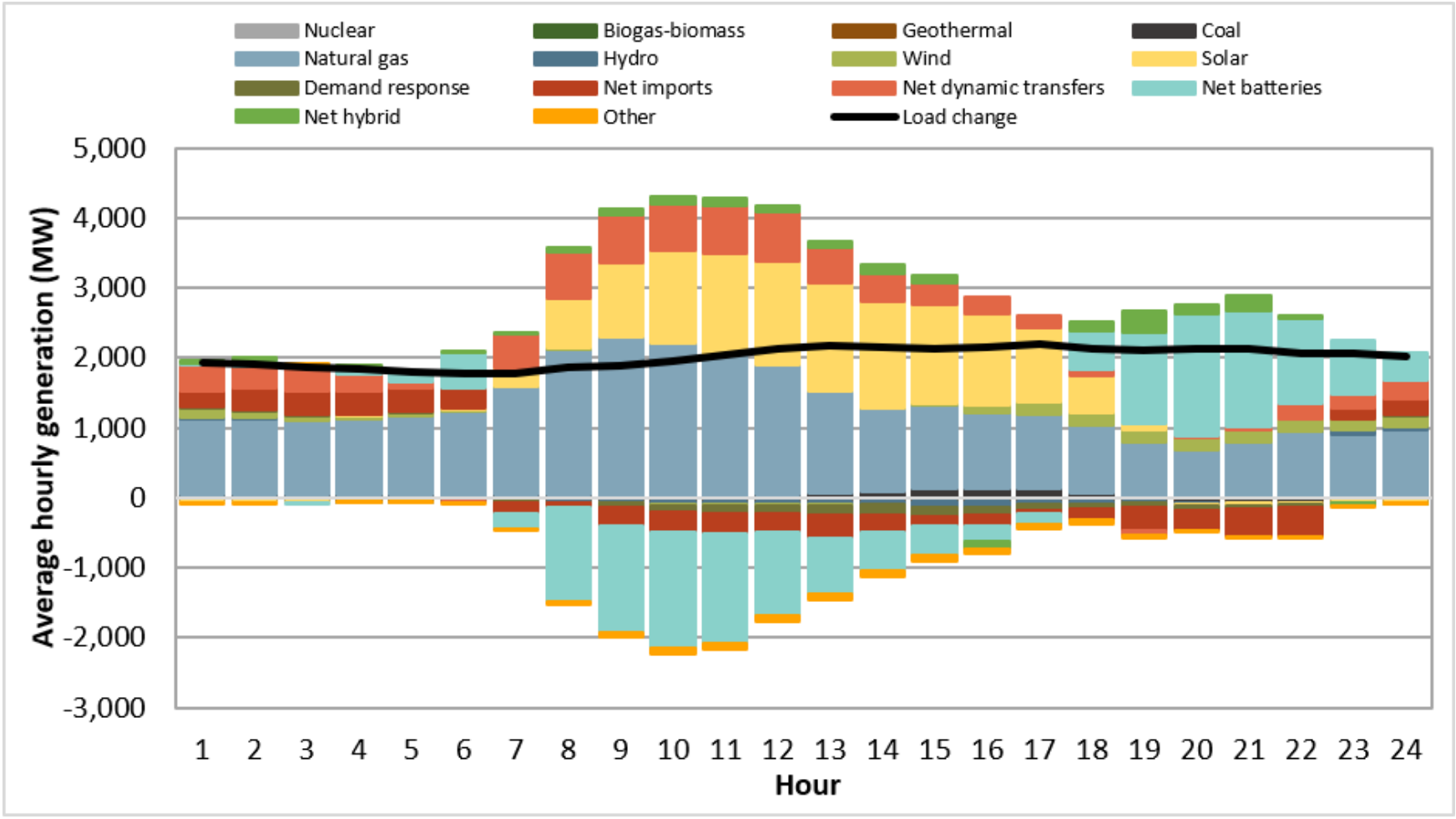
Change in average hourly generation by fuel type in the California Region

Q3 2026 vs. Q3 2025



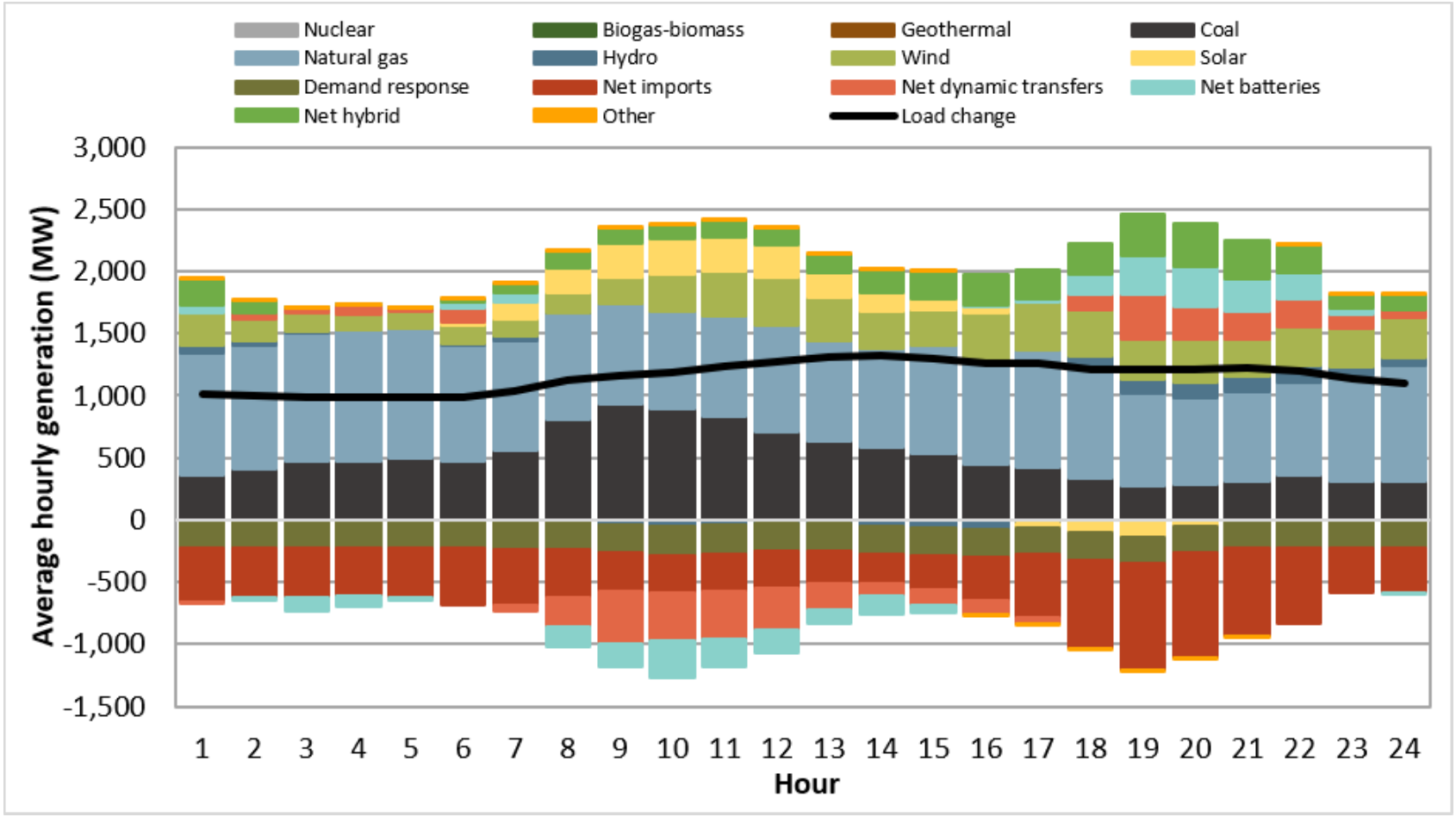
Change in average hourly generation by fuel type in the Desert Southwest Region

Q3 2026 vs. Q3 2025



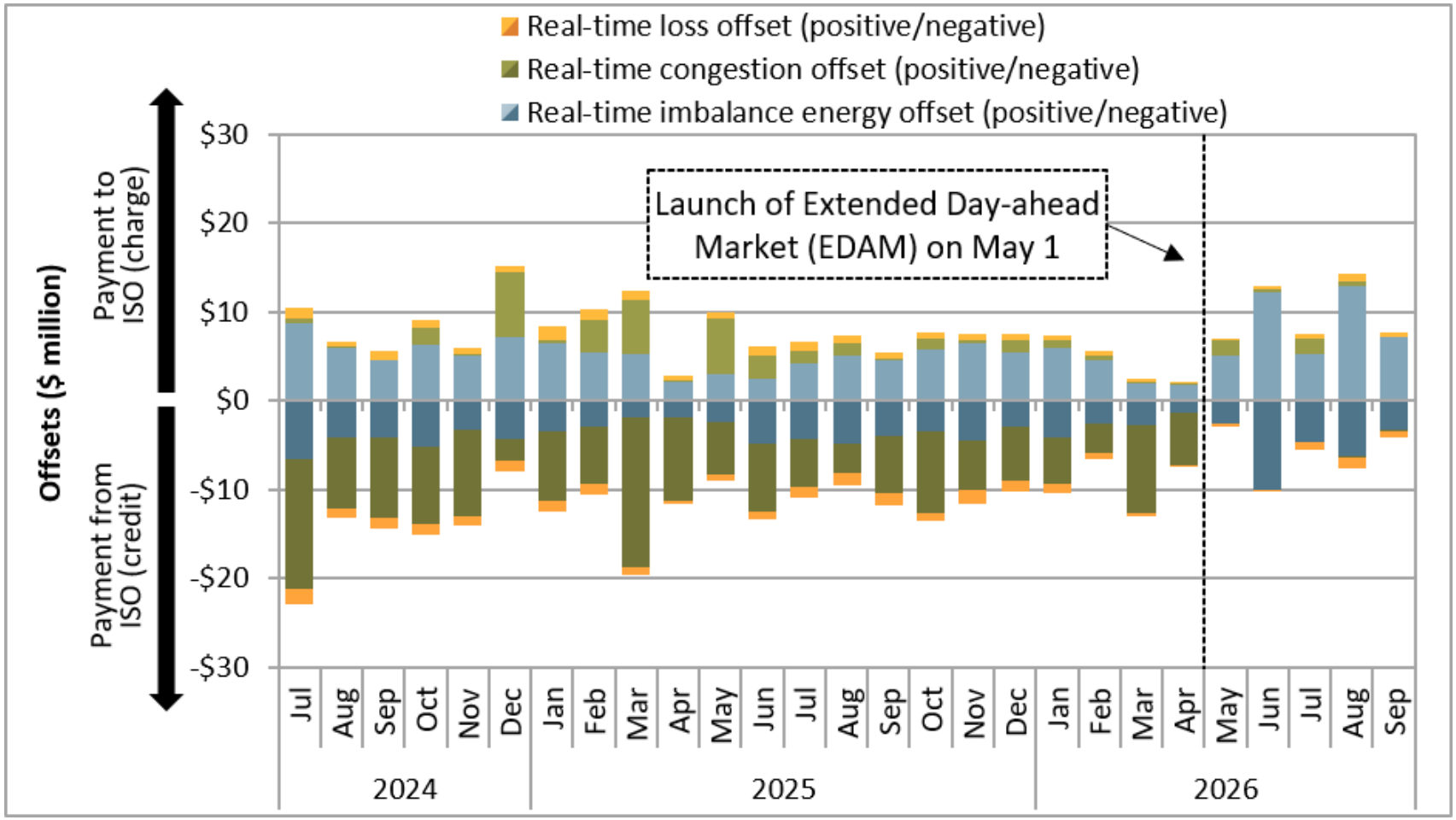
Change in average hourly generation by fuel type in the Intermountain West Region

Q3 2026 vs. Q3 2025



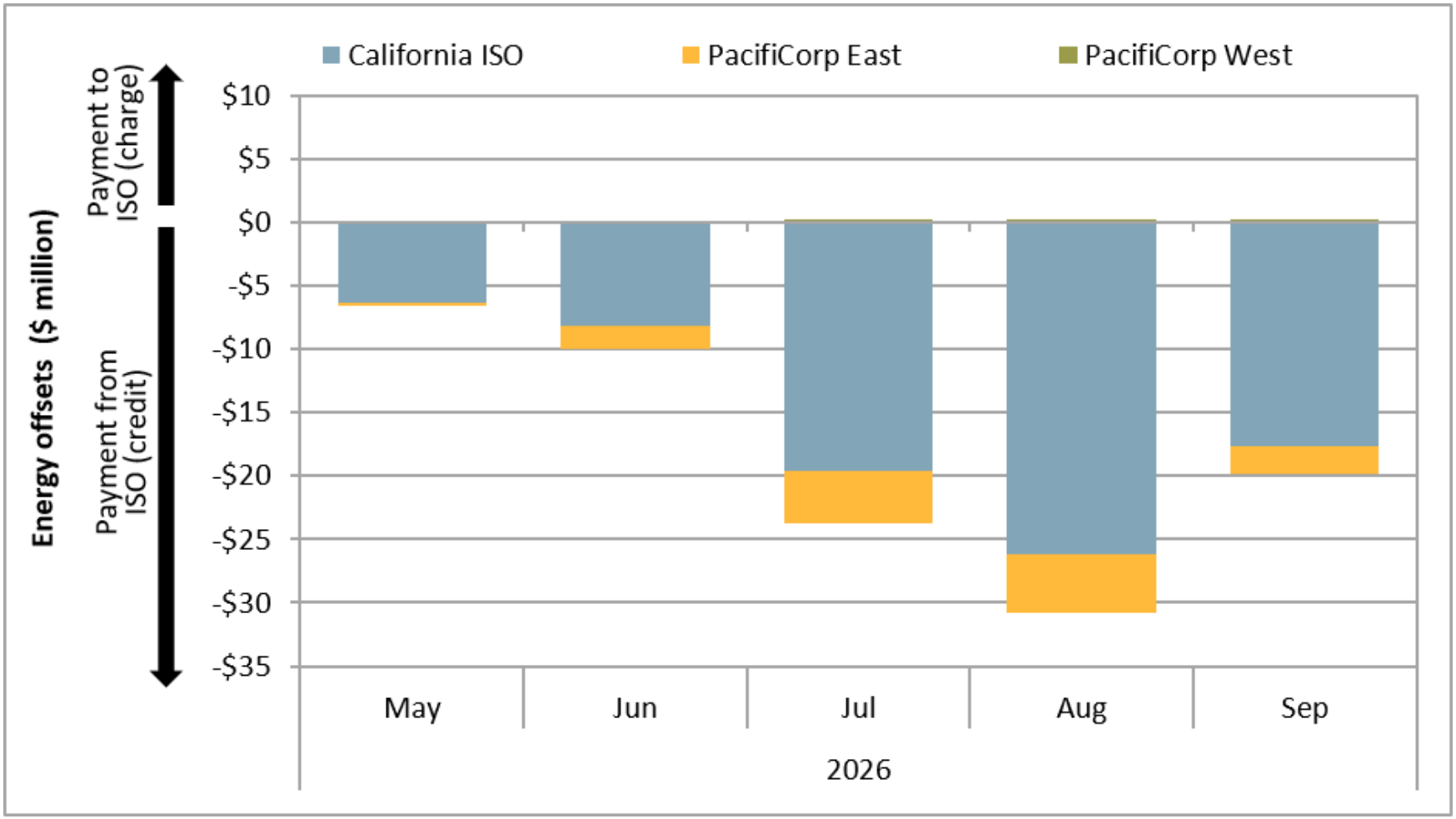
Since EDAM launch, growth in charge for energy portion, decrease in credit for congestion portion, of real-time imbalance offset for balancing areas only in WEIM

Monthly real-time imbalance offset costs (balancing areas participating only in WEIM)



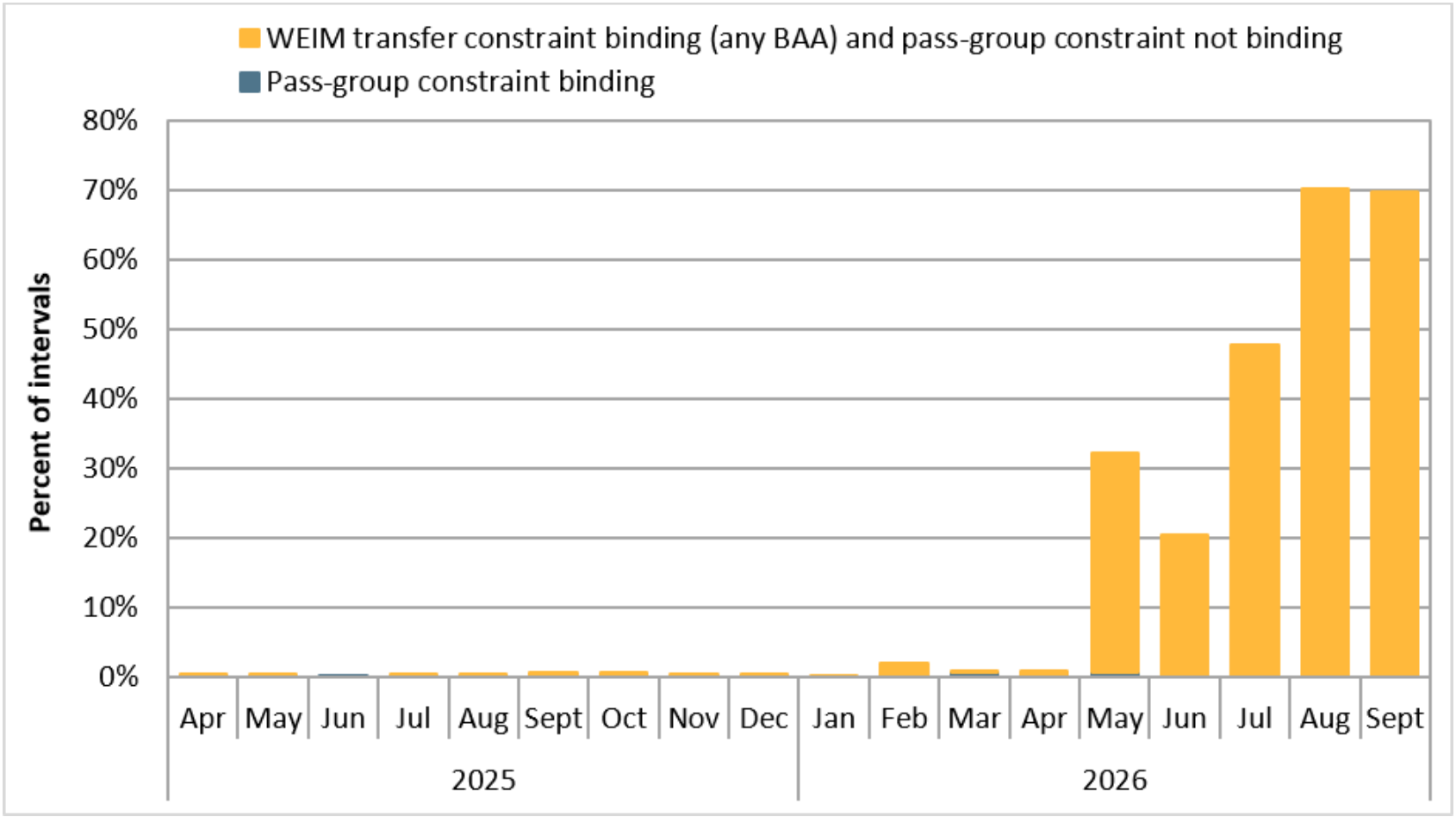
Significant day-ahead energy offset credits since EDAM launch

Monthly real-time imbalance offset costs (balancing areas participating only in WEIM)



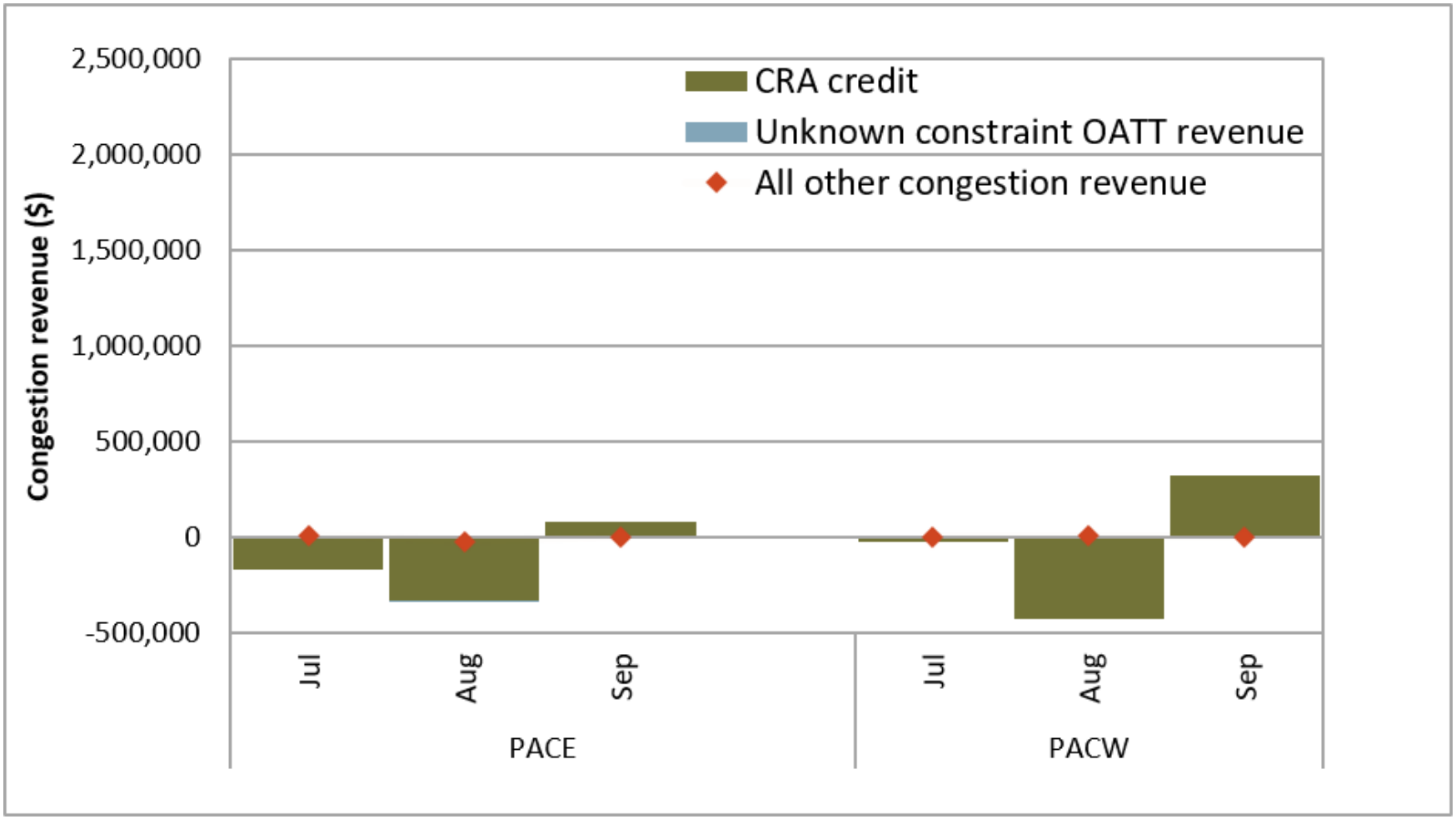
Big increase in frequency of real-time flexible ramping product prices with EDAM launch

Frequency of upward flexible ramping product prices from pass-group or WEIM transfer constraints (15-minute market)



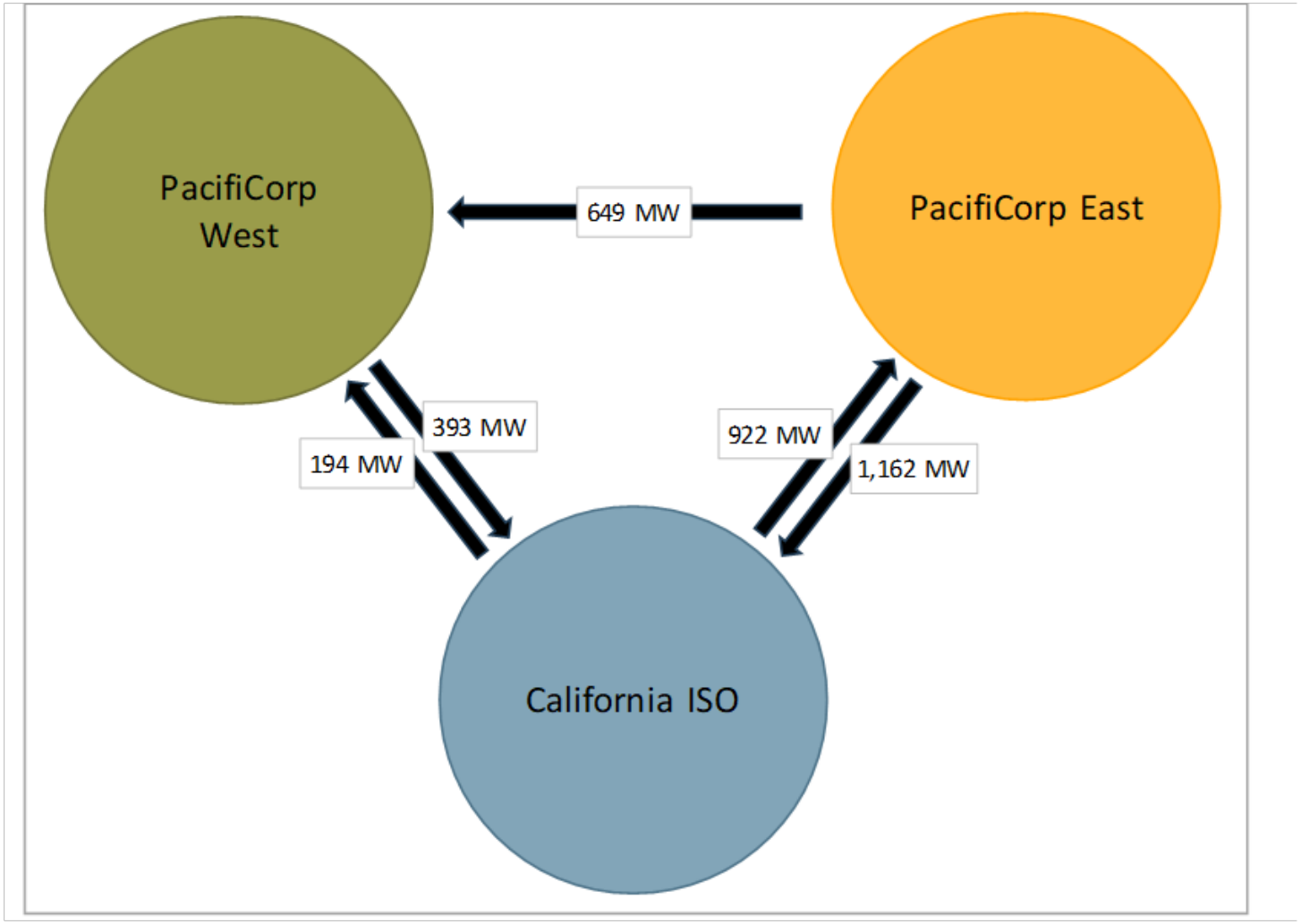
Congestion revenue allocation has been a net payment from PacifiCorp areas to CAISO balancing area

EDAM congestion revenue allocation credit and total congestion revenue (Q3 2026)



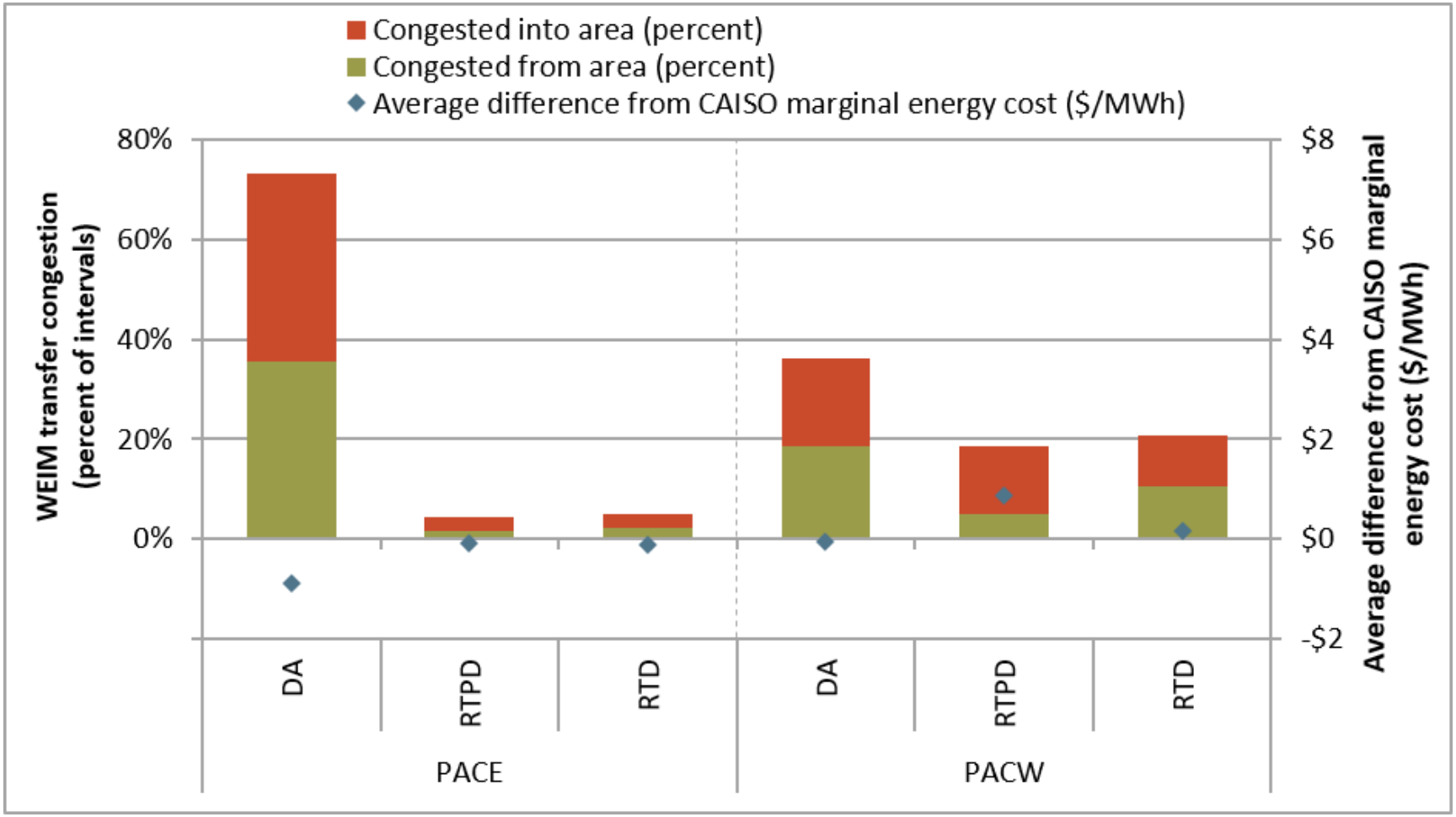
EDAM added transfer capacity between balancing areas to day-ahead market

Average day-ahead market EDAM transfer limits between balancing areas (May–June 2026)



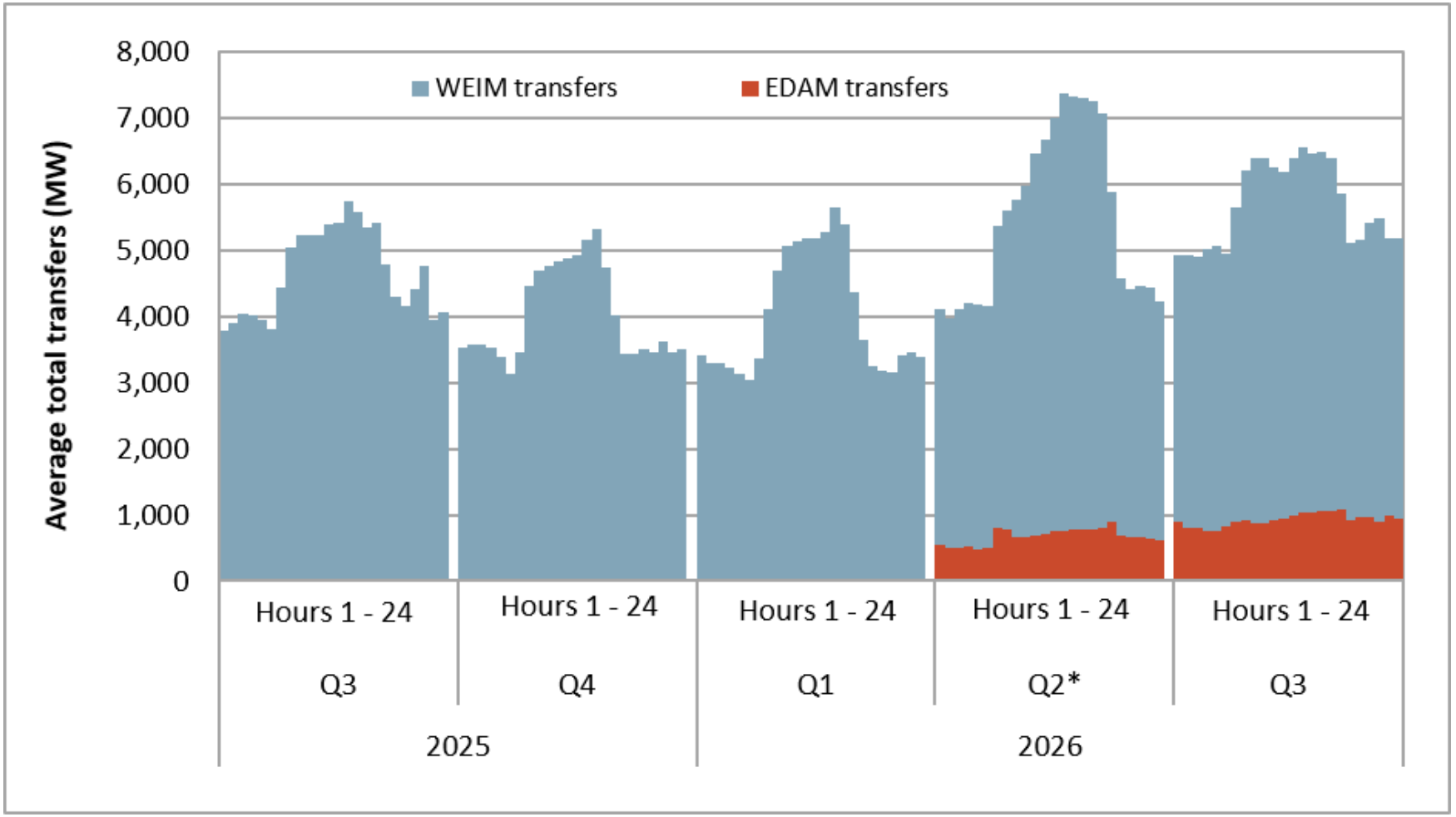
Greater frequency of transfer congestion in day-ahead than real-time

Frequency and impact of EDAM or WEIM transfer congestion — EDAM balancing areas (Q3 2026)



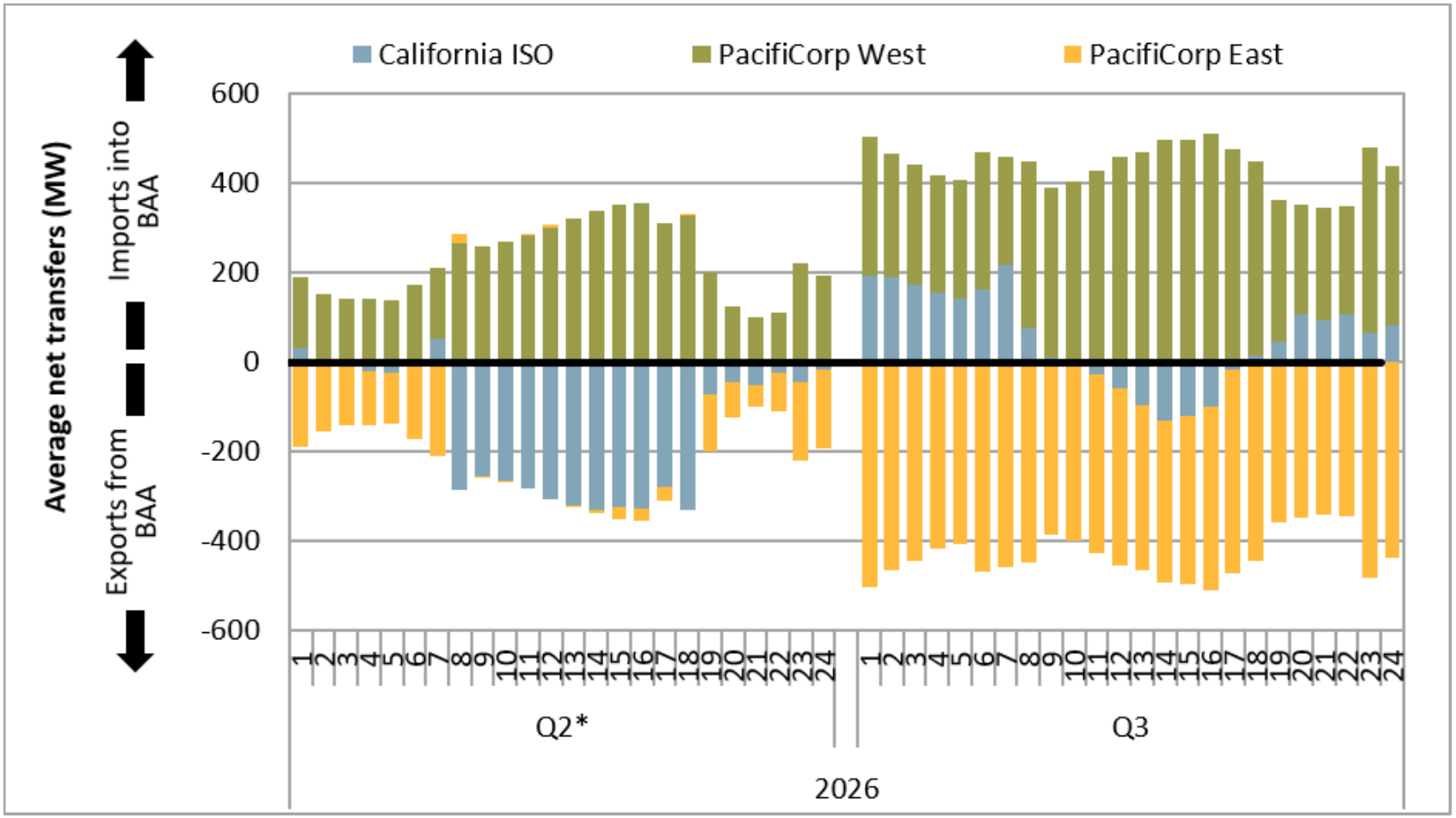
Total EDAM transfers averaged 930 MW in Q3 2026

Average EDAM and 5-minute market WEIM transfer volume by hour and quarter



Net average EDAM transfers from PacifiCorp East into PacifiCorp West across all hours in Q3

Average day-ahead market EDAM transfers by hour (Q2 2026 – Q3 2026)



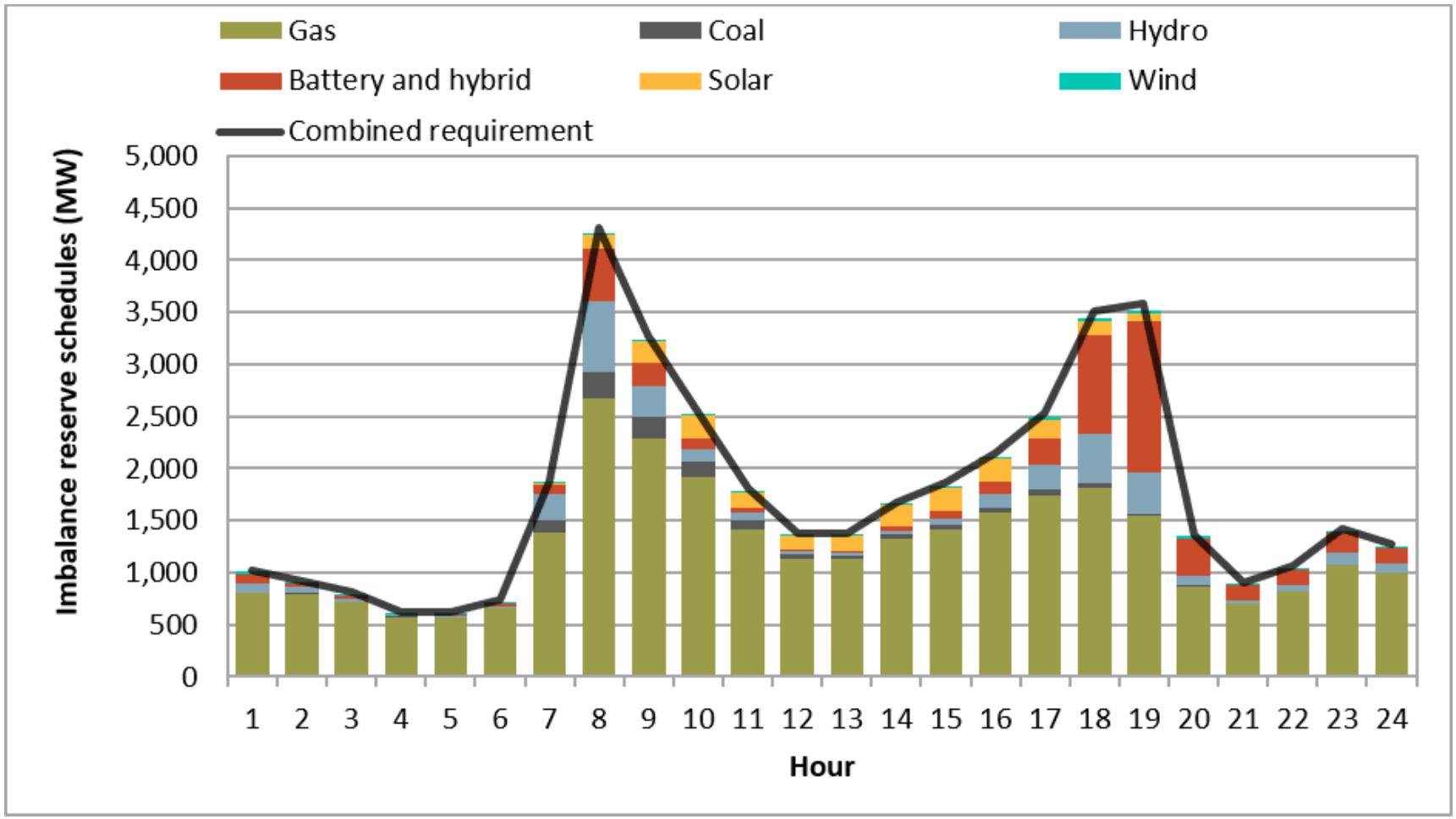
Very infrequent failures of EDAM resource sufficiency evaluation

Frequency of EDAM resource sufficiency evaluation failures (Q3 2026)

	Imbalance Reserve Up	Imbalance Reserve Down	Regulation Up	Regulation Down	Spinning Reserve	Non-Spinning Reserve
CAISO	0%	0%	0%	0%	0%	0%
PacifiCorp East	0%	0%	.1%	0%	0%	0%
PacifiCorp West	0%	0%	0%	0%	0%	0%

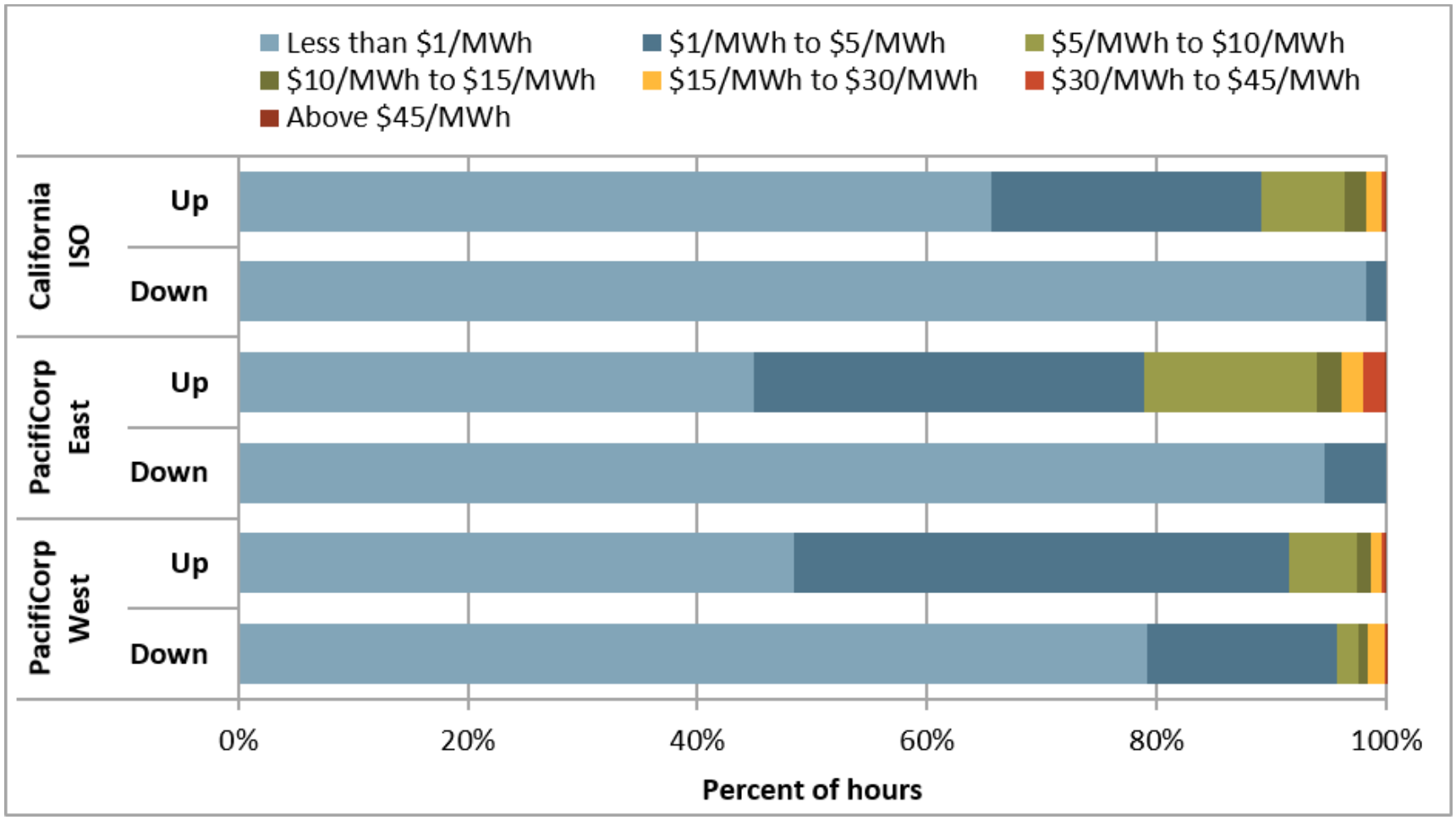
70% of upward imbalance reserve requirements met by gas

Average upward imbalance reserve procurement by fuel type (Q3 2026)



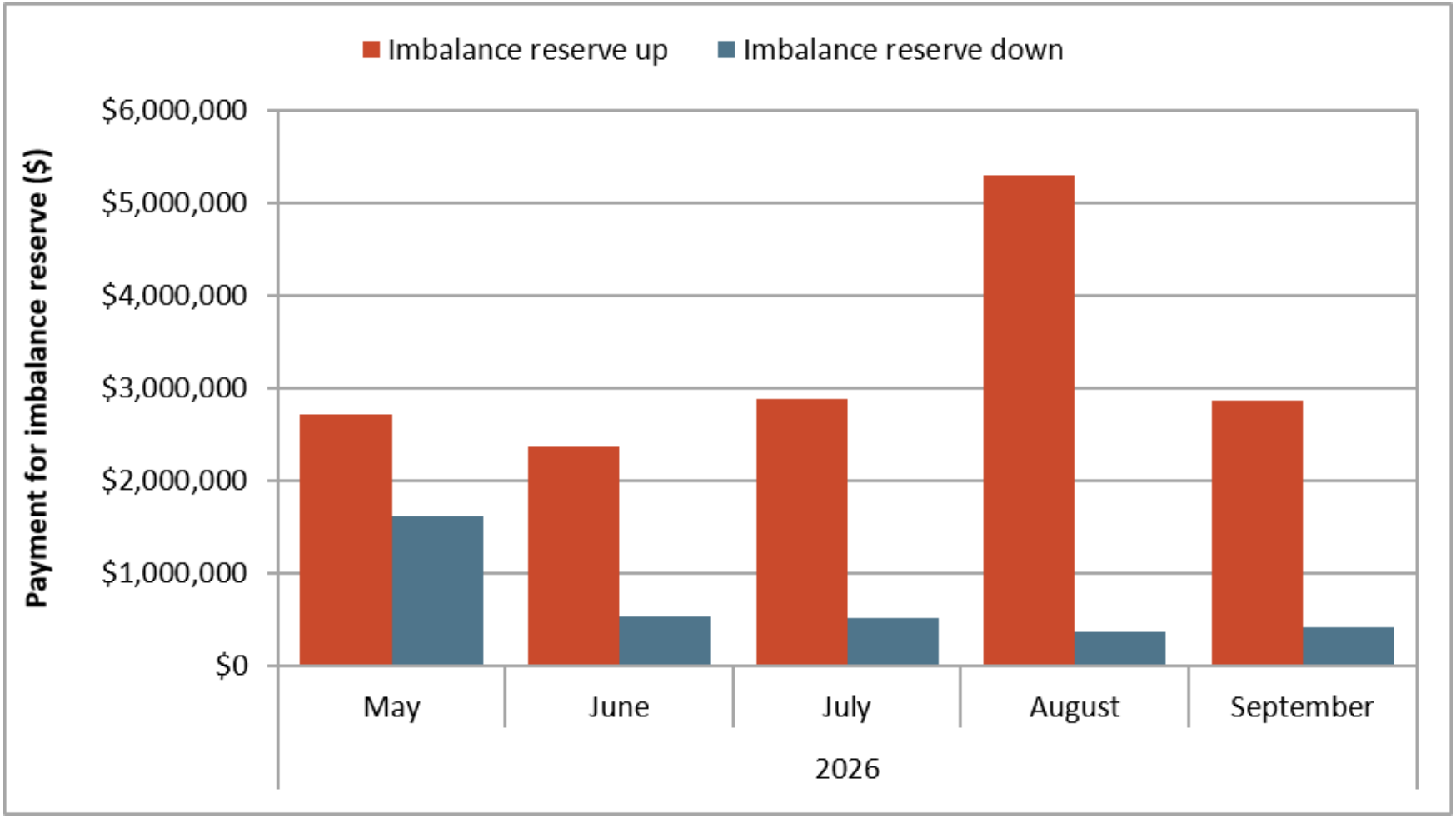
Low frequency of high imbalance reserve prices

Frequency of imbalance reserve prices by price range (Q3 2026)



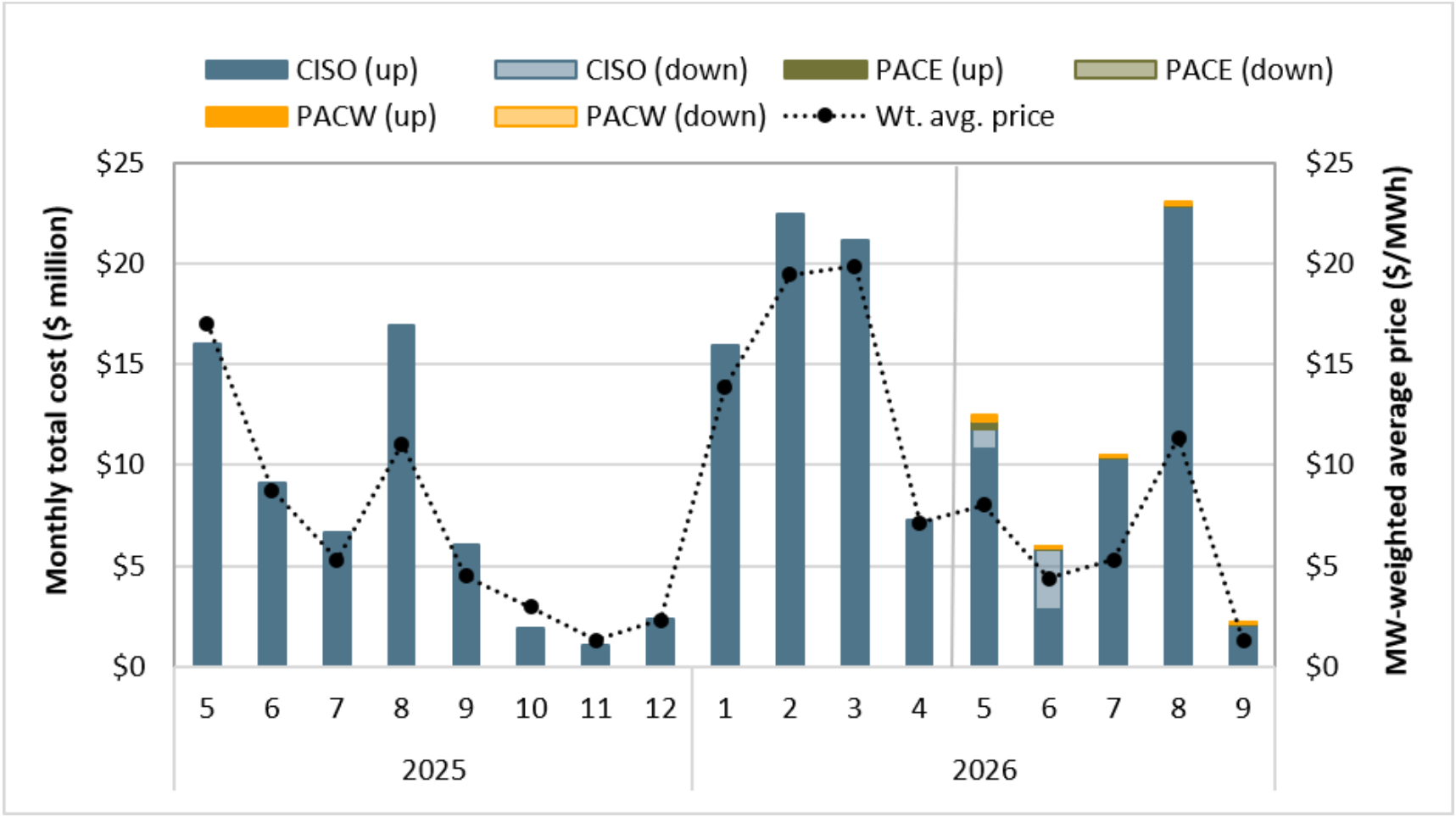
Imbalance reserve costs were reasonable in Q3

Total monthly payments for imbalance reserve by direction (Q2 and Q3 2026)



Post-EDAM Residual unit commitment costs similar to pre-EDAM

Monthly RUC costs and weighted average price (May 2025 – September 2026)



For more information …..

- Q3 2026 report on market issues and performance
  - https://www.caiso.com/documents/2026-third-quarter-report-on-market-issues-and-performance.pdf
- Department of Market Monitoring webpage
  - http://https://www.caiso.com/market-operations/market-monitoring
- CAISO Tariff, Appendix P
  - https://www.caiso.com/documents/appendix-p-california-iso-department-of-market-monitoring-as-of-jan-6-2025.pdf
- Email questions to:
  - Ryan Kurlinski, rkurlinski@caiso.com
  - DMM, DMM@caiso.com