

Briefing on CRR Implementation for EDAM

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Nuances in timing between CRRs and EDAM

EDAM go live as of now is May 2026 (PACW and PACE)

CRRs will start to settle by EDAM go live

However, CRRs are released earlier than EDAM go live

- CRR process start with the annual cycle for 2026 in July 2025
- This is followed by monthly process that runs about six weeks in advance of the trading month

Accounting of parallel flows

Current DAM and WEIM uses full network model (FNM) that includes BAAs outside of CISO BAA

- DAM accounts for parallel flows in the congestion management but does not price them or collect rents

EDAM will continue to use same FNM but with resources participating for PACW and PACE

- EDAM will reflect the impact of parallel flows from PACW and PACE in congestion management and will price them and collect rents

Current CRR model uses the same FNM that includes BAAs outside of CISO BAA

- Currently, there is no explicit accounting of parallel flow in the CRR release process (only approximate reduction of transmission capacity to account for loop flows)

Current
challenges to
make CRR release
process accurate

Accounting for parallel flows

- Three possible ways (next slide)

Reflect model changes added with EDAM for Scheduling Point locations (non-EDAM GAPS)

- This model would require system changes
- Not feasible to implement in time for the annual process

Options for modeling parallel flows in CRR process for EDAM

Status quo: Global derate across CAISO transmission constraints

Account explicitly and only for OATT rights in PACW/PACE

- Model the volume of OATT rights with sources and sinks
- OATT rights not registered yet in Master File
- OATT rights could be treated similarly to TOR/ETC

Comprehensive solution: model all supply/demand in all BAAs in the FNM

- Currently in effect in DAM and in the EDAM design for non-EDAM BAAs
- Add in the SFT a balanced CRR nomination for each non-CISO BAA from the BAA GAP to the BAA LAP, similarly to TOR/ETC
- Requires data import in new CRRS and significant manual effort (medium risk)

CRR implementation path

CRR 2026 Annual Process (on July 2025)

- Stay with status quo

CRR May 2026 Monthly Process

- Implement changes to support the SGAP-Tie model used in EDAM
- Comprehensive solution for parallel flows with initial simplification
 - Implement balanced CRR nomination for each non-CISO BAA from the BAA GAP to the BAA LAP
 - Harvest historical BAA demand forecast for CRR scope
 - Harvest GAP/LAP distribution from the SE for the CRR scope
 - Ignore transmission constraints outside CISO BAA (insufficient controls for effective congestion management)

Potential CRR future enhancements

CRR Enhancements Policy Initiative

- Support all GAP-Tie combinations
- Introduce CRR bids for CRR nominations and power balance constraints for non-CISO BAAs
- Enforce transmission constraints in EDAM BAAs
- Potentially support Financial Rights in EDAM BAAs