



California ISO

Extended Day-Ahead Market Performance

August report

Market Performance and Advanced Analytics

September 28, 2026

Housekeeping



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Please keep comments brief and avoid repeating points already made to ensure everyone has an opportunity to participate in a robust discussion.



You can access Closed Captioning and the Transparency Viewer using the controls located at the bottom of the Webex screen.

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Please remember to state your name and affiliation before making your comment.



If you are connected to audio through your computer or used the 'call me' option, select the raise hand icon located on the bottom of your screen. Start speaking a couple of seconds after you're unmuted.



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Executive Summary

- Overall, day-ahead market continues to perform well
- However, results should be viewed as preliminary and subject to adjustments
 - Results from May through August reflect a transition to a new market design
 - Market participants adapting and learning about the EDAM/DAME features
 - Ongoing resolution of identified issues in market outcomes and settlements
 - Summer conditions for the month of August reflected in market trends
- This report provides an overview of market performance during August.
- This is the fourth of six monthly performance reports

Executive Summary

- Summer conditions increased prices and shifted trade patterns, while EDAM areas maintained sufficient supply to meet load obligations
- The ISO area reached its second-highest load of the year, peaking at 47,140 MW on August 26
- Day-ahead energy prices increased across participating BAAs, averaging \$53/MWh in CAISO, \$46/MWh in PACE, and \$43/MWh in PACW
- EDAM transfer volumes increased by 70% in August, demonstrating the market's ability to adapt to changing system conditions
- During peak regional demand, ISO-sourced intertie exports reached 8,600 MW, supporting load across both organized and non-organized market areas

Executive Summary

- Total CAISO wholesale energy costs increased from \$0.95 billion in July to \$1.3 billion in August, averaging \$59.3/MWh
- Imbalance reserve procurement significantly reduced manual operator adjustments, lowering intervention frequency from 65% to 40% of intervals and reducing average peak adjustments from 3,390 MW in 2025 to 400 MW
- Congestion increased to \$74.5 million in August, driven entirely by CAISO constraints and predominantly from southbound flows
- PAC received a net congestion revenue allocation of -\$680K in August, reflecting chargebacks associated with original congestion payment from providing counterflows

Executive Summary

- CRR revenue adequacy has remained above 100% (surplus) since May, while CRR auction efficiency declined to 31% in August
- Since EDAM launch, monthly costs have averaged approximately \$4 million for imbalance reserves and \$9 million for reliability capacity
- Based on early EDAM performance assessments, the ISO is implementing a storage management enhancement in the RUC process effective October 1, 2026
- 56.9 percent of Imbalance reserves in EDAM footprint was used to meet realized uncertainty in the peak hour in August, with the WEIM footprint providing the remaining flexibility
- Three market issues were identified since the last report, including impacts to BCR and the treatment of export self-schedules

Stakeholder comments on August report and analysis

- Pacific Gas & Electric Company and TransAlta Energy submitted written comments
- The ISO has provided responses in the August report.
- As part of the ISO's commitment to transparency and to incorporate suggestion from participants' feedback, the August report now includes additional metrics and analysis, including:
 - Energy awards profiles, IR utilization,
 - IR congestion, congestion revenue allocation breakdown,
 - CRR adequacy and efficiency, net transfers for all products.

August report includes a section of summer conditions

- The ISO will continue to expand the scope of analysis for EDAM/DAME in future reports

PG&E' comments

PG&E requested additional metrics –

- Assessment of causal EDAM effects on market performance,
- Imbalance Reserve utilization and value assessment and performance metric harmonization and interpretation related to real-time offsets and congestion analysis

ISO response: Thank you for the comments and feedback

- The ISO is considering these suggestions and evaluating opportunities to expand the scope of future reports.
- The ISO remains focused on assessing IR performance, including IR utilization. The August report includes additional analysis in this area, and the ISO will continue to enhance and expand this assessment in future reports.
- Regarding the evaluation of EDAM and DAME design changes, the ISO is open to exploring additional approaches for assessing their impacts. However, given the complexity of market outcomes and the many factors that influence them, the ISO is not optimistic that a statistical analysis alone can reliably isolate and quantify the causal effects of these design changes
- Analysis on market power mitigation and storage resources may be considered in the future

PG&E' and TransAlta' comments

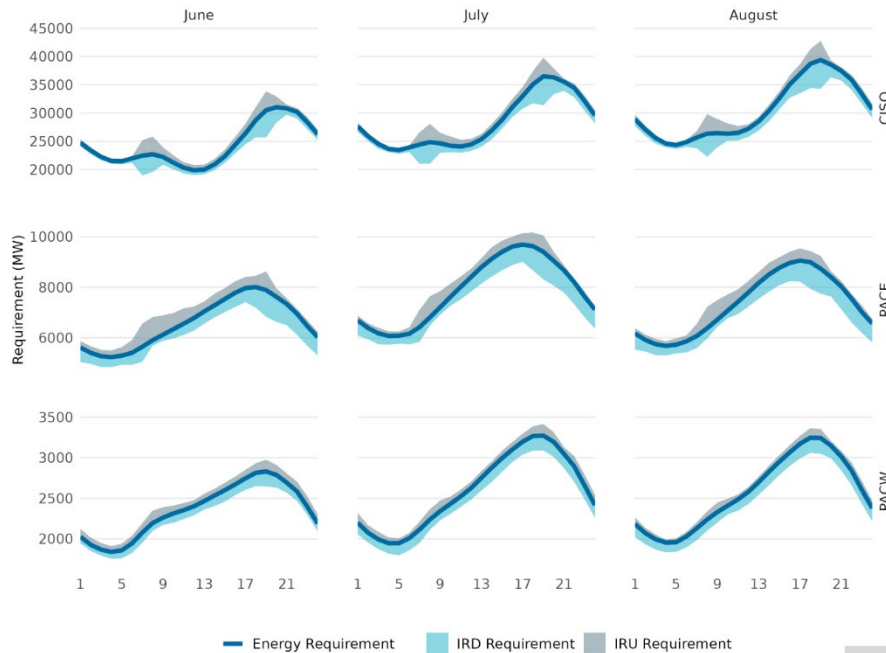
- TransAlta requested a deeper review of the price differences between IRU and IRD prices and the relationship between IRU/IRD and RCU/RCD products
- TransAlta Energy would also like to see a breakdown of congestion revenue flows by BA and a decomposition to identify congestion revenue impacted by loop flow, more information on transfer capacity and intertie pricing

ISO response: Thank you for the comments and feedback

- The ISO is considering these suggestions to expand the analysis in future reports
- August report includes now additional analysis on congestion including breakdown by area and the ISO will continue to further analyze
- Imbalance reserve up and down are different products with their bid set
- Price differences reflect resource availability and system conditions.
- Upward flexibility is generally more valuable during peak demand periods

Market Performance for August

All areas in EDAM had sufficient supply to meet their load obligations during high-load summer conditions



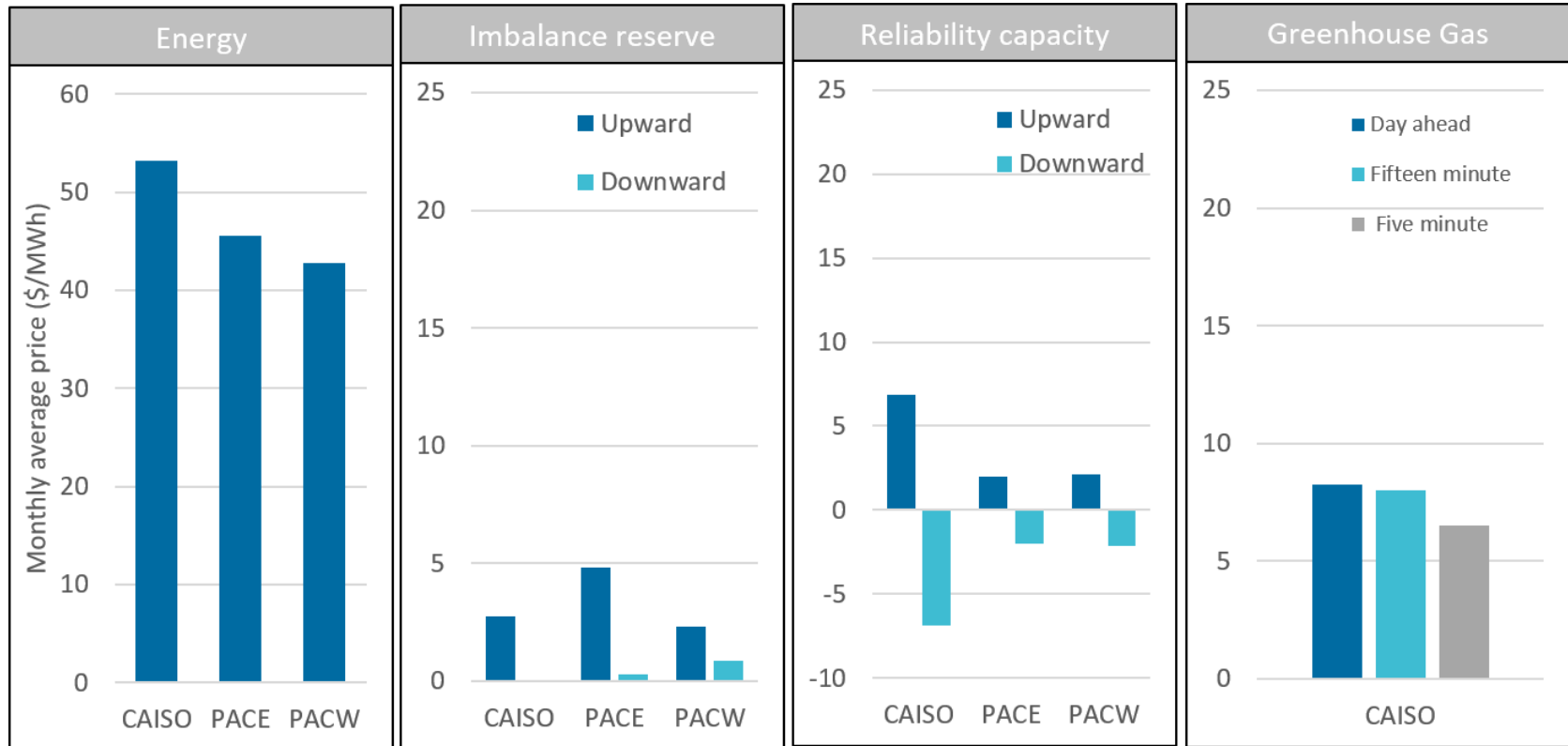
The extended day-ahead market includes a resource sufficiency evaluation

In August, all areas passed the test all hours

	IRU RSE Passing Rate (%)				IRD RSE Passing Rate (%)			
BAA	May	June	July	August	May	June	July	August
CAISO	100	100	100	100	100	100	100	100
PACE	100	100	100	100	100	100	100	100
PACW	98.92	100	100	100	99.87	100	100	100

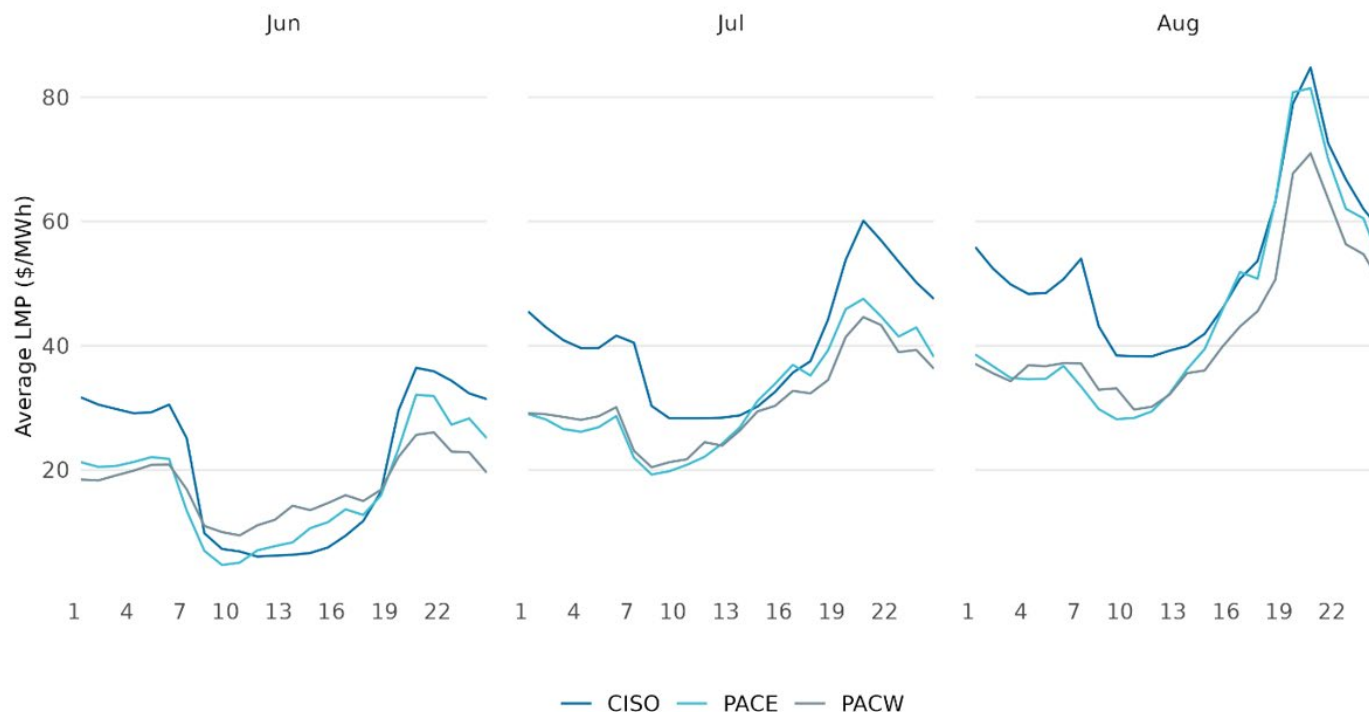
*The June 17 PACE RSE failure was deemed invalid due to the consideration of commitment costs in the RSE and is excluded from the June statistics.

Prices for all commodities are within expected economic ranges and seasonally consistent in August



The extended day-ahead market prices show explicitly the economic value of flexibility, reliability reserves and greenhouse gas

Energy prices increased through the summer reaching an average price of \$83 in peak hours of August



ISO area prices remained higher than PAC prices during peak hours, partly due to the GHG price contribution. All EDAM BAAs reached their highest LMP levels in August, especially during evening peak hours

MEC and GHG components increased in August leading to higher LMPs

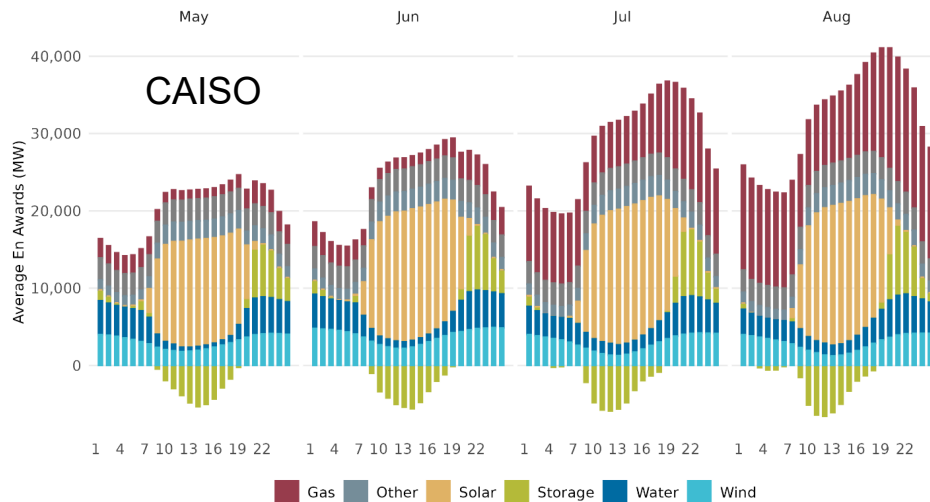
EDAM BAA MECs increased by 20 percent from July to August

GHG increase for CAISO DLAPs was greatest in FMM and RTD

Congestion components increased in August but continued to be southbound like in July

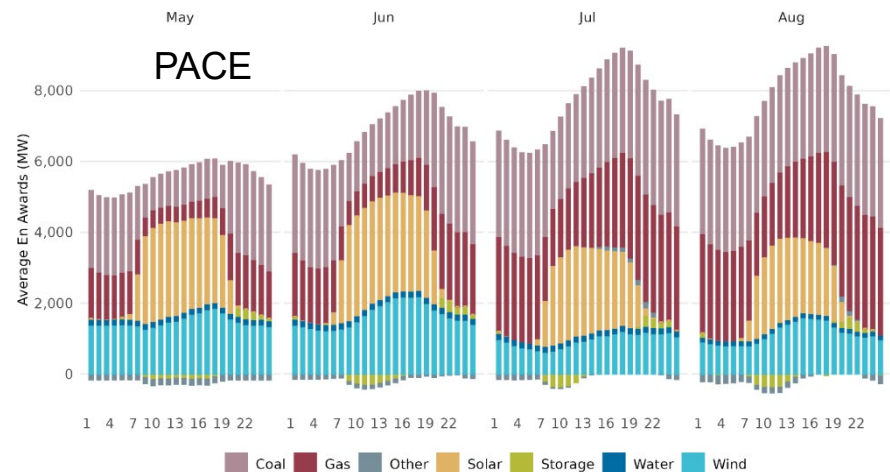
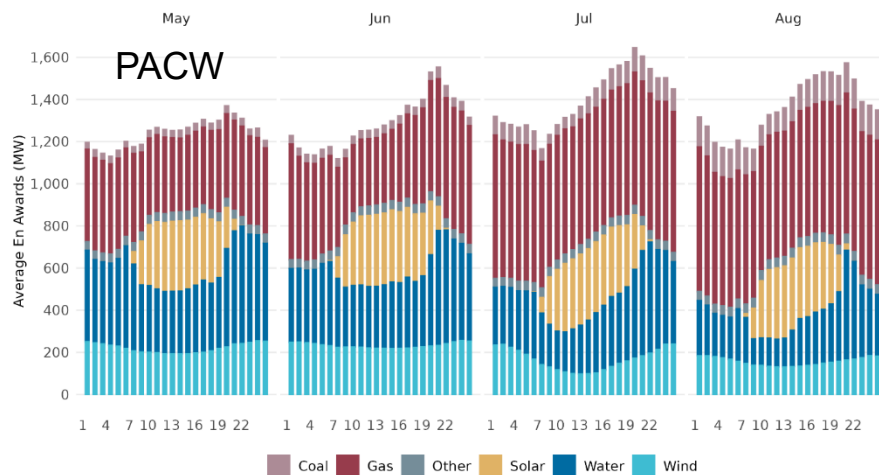


Hourly energy profile evolved and increased as system faced high load conditions in August

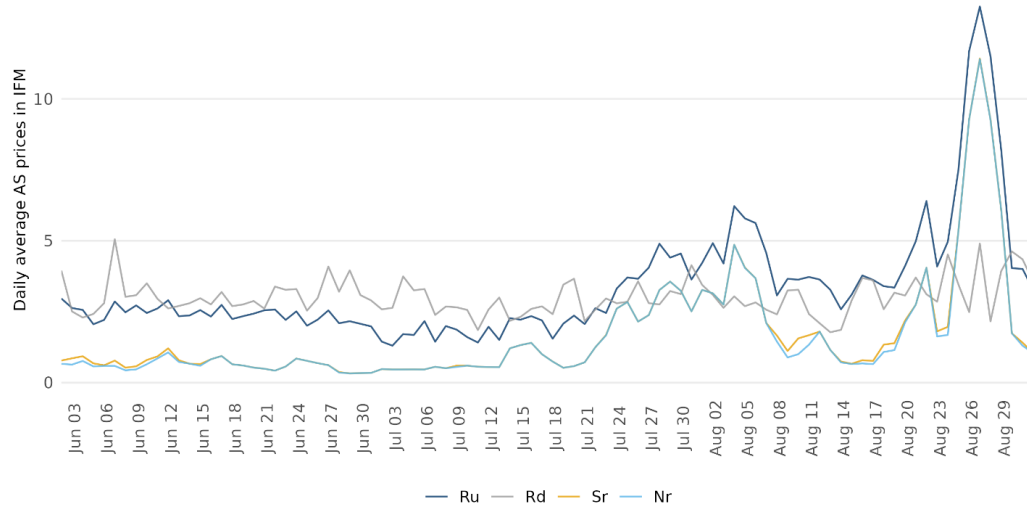


Total supply increased across EDAM as August observed higher loads

Gas generation played an important role in meeting evening demand



AS prices remained within typical ranges for all commodities



AS prices remained within typical ranges for all four commodities in August, with slightly elevated prices during the high heat days reflecting summer conditions

Average price of imbalance reserve up was less than the average prices of regulation up and spin in August

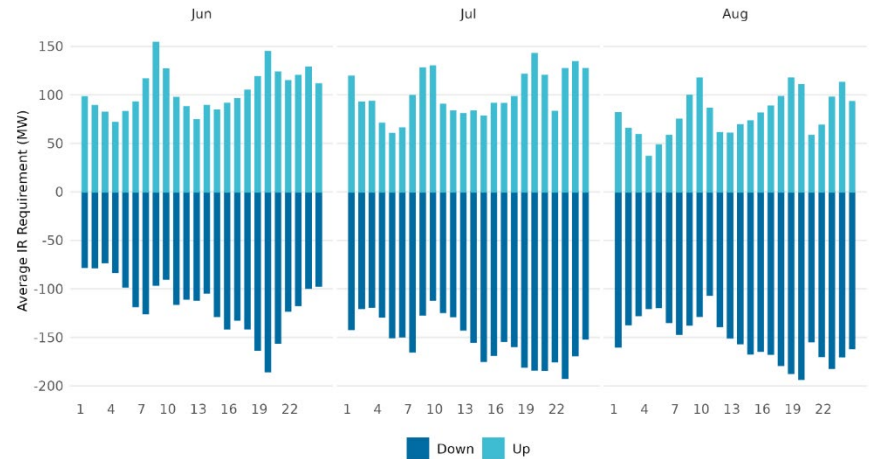


Imbalance reserve prices increased in August up to an average of \$23 in peak hours

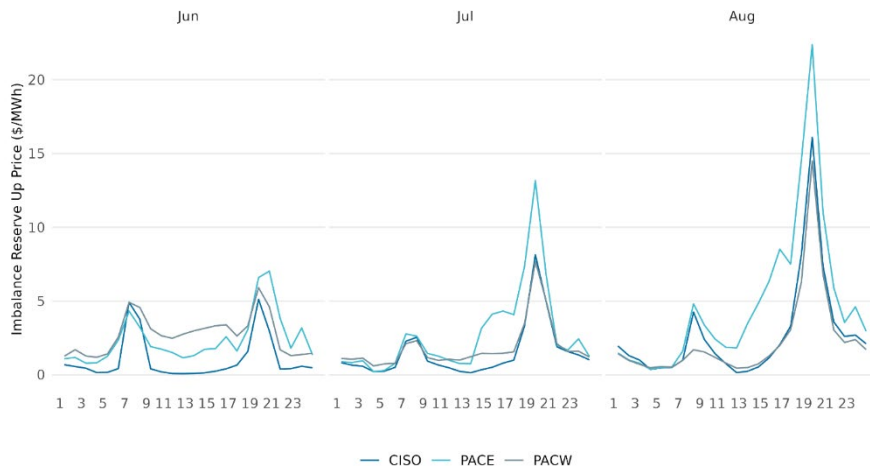
Requirement levels vary according to area size, which were similar from May to August

Prices follow the pattern of higher requirements in the morning and evening peaks

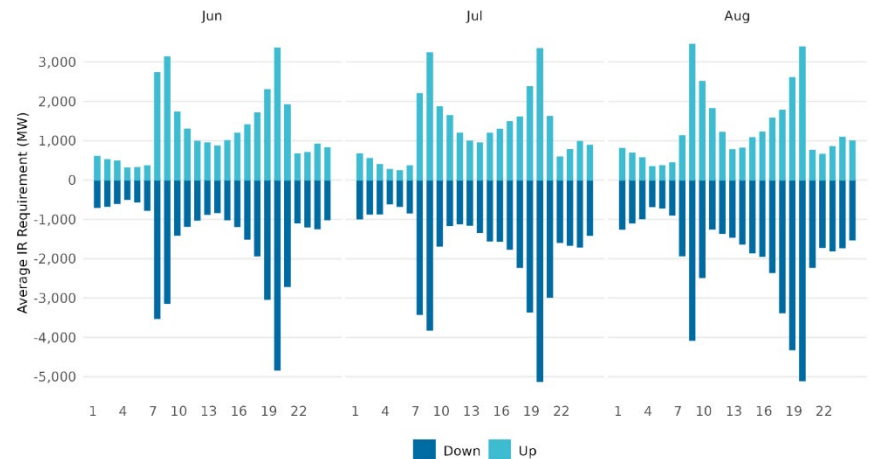
IR requirements for PACW



IRU Prices



IR requirements for ISO

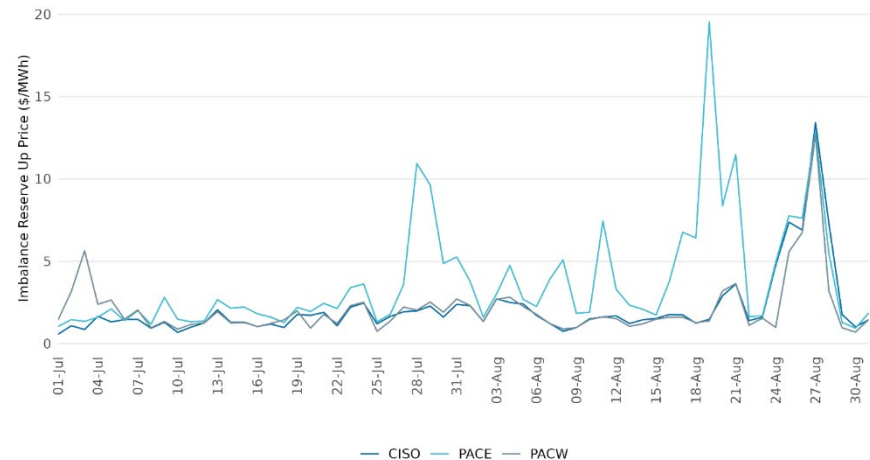


Imbalance reserve down prices were more volatile and lower for CISO and PACE but higher for PACW

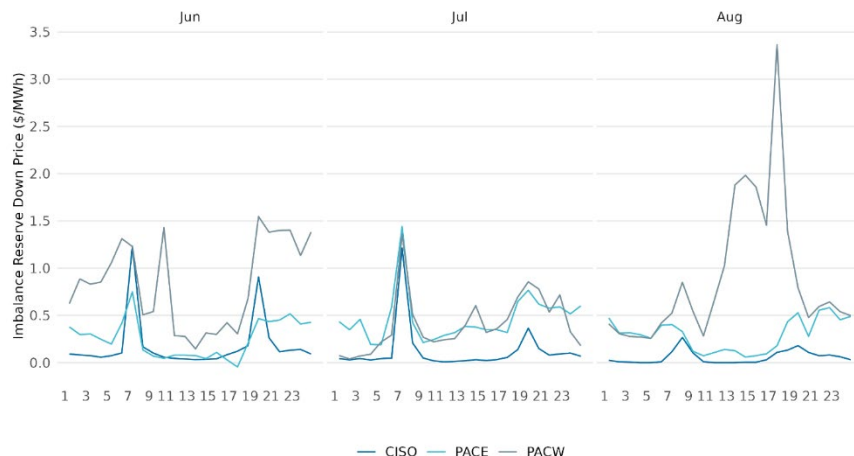
IRU prices were higher than IRD as expected with the maximum average price lower than \$3 in peak hours

Prices separation between areas was higher in August, reflecting the economics of each area

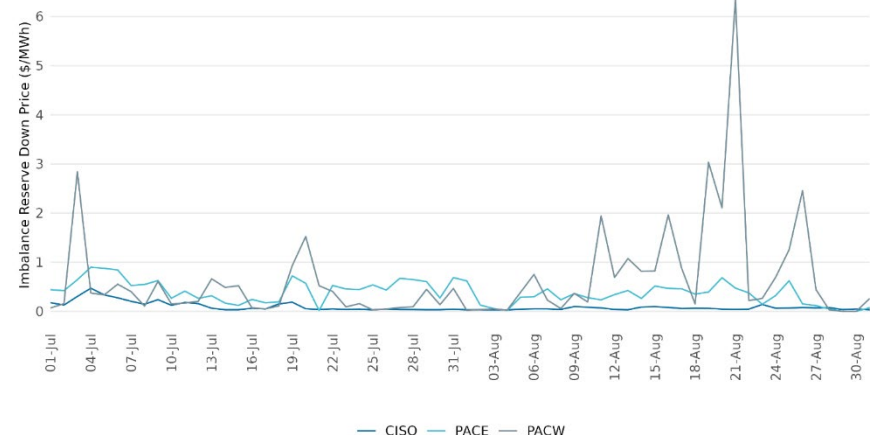
Imbalance Reserve Up (daily)



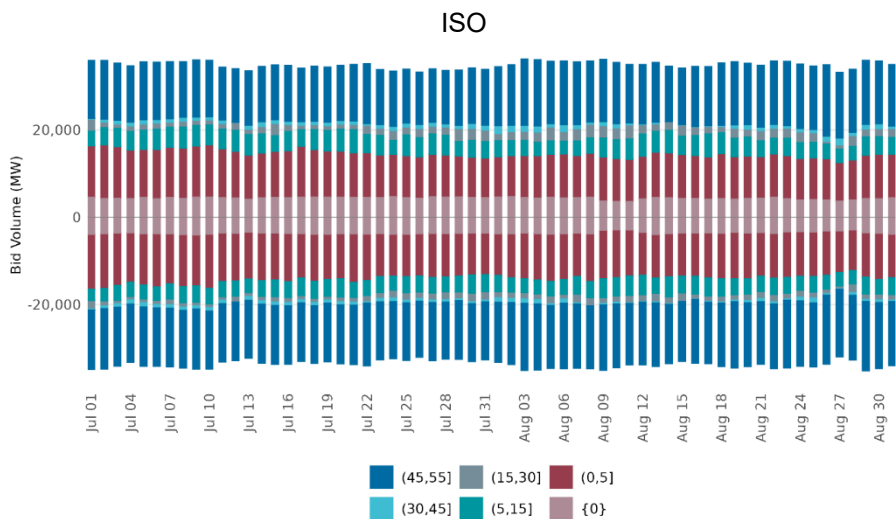
IRD Prices



Imbalance Reserve Down (daily)

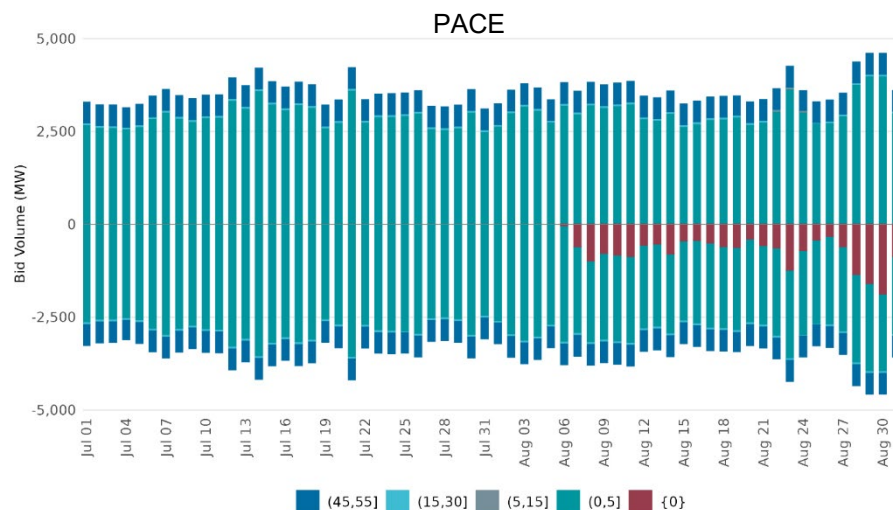
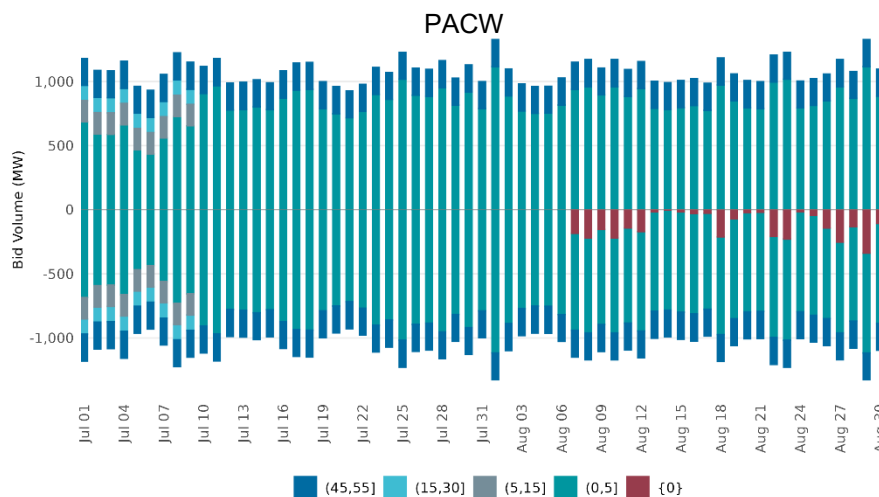


The bid volume of imbalance reserves remained stable with few variations in August depending on the area

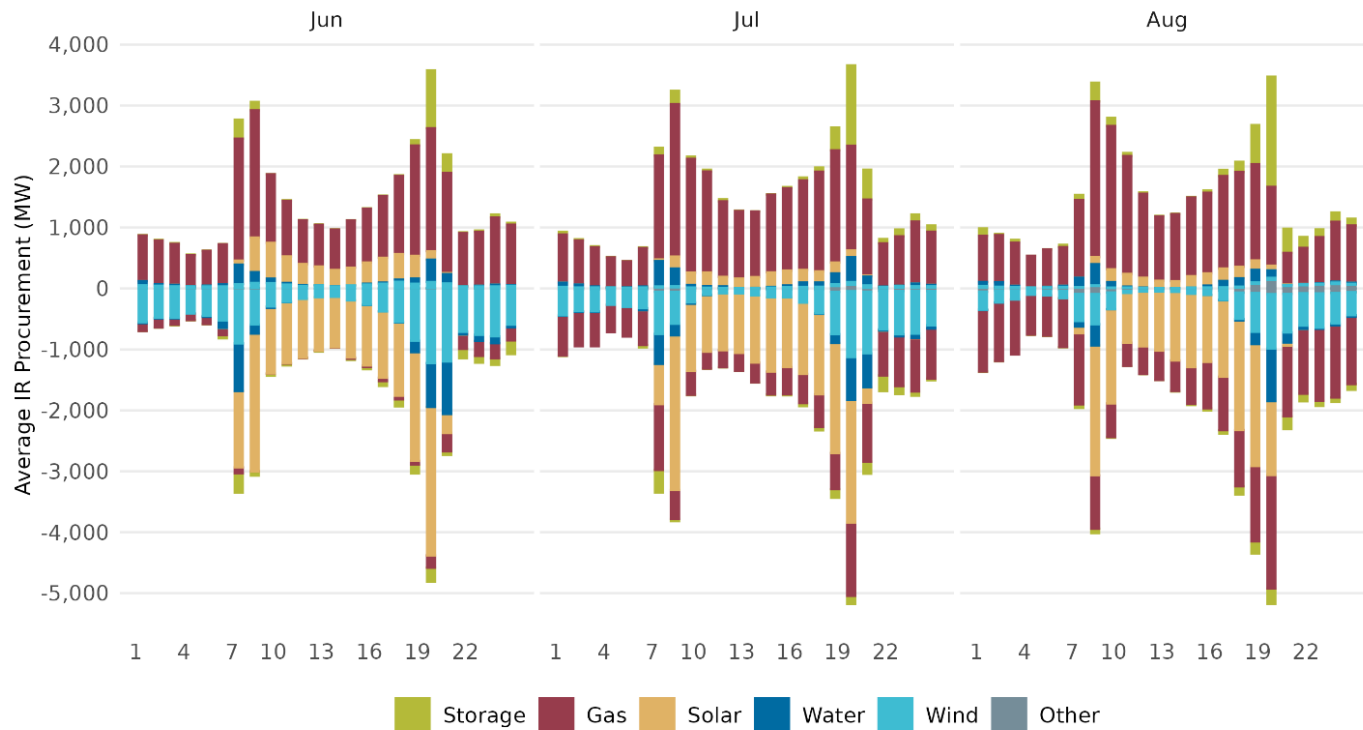


In the ISO area, the daily average bid volume and price ranges for imbalance reserve remained through August

PACE and PACW showed variations in both volumes and price ranges, and shifted more bids into low-price ranges



76 percent of imbalance reserve up was procured from gas resources in CAISO area



In the ISO area, gas followed by solar was the primary supply supporting imbalance reserves. Storage resource provide minimal capacity in peak hours

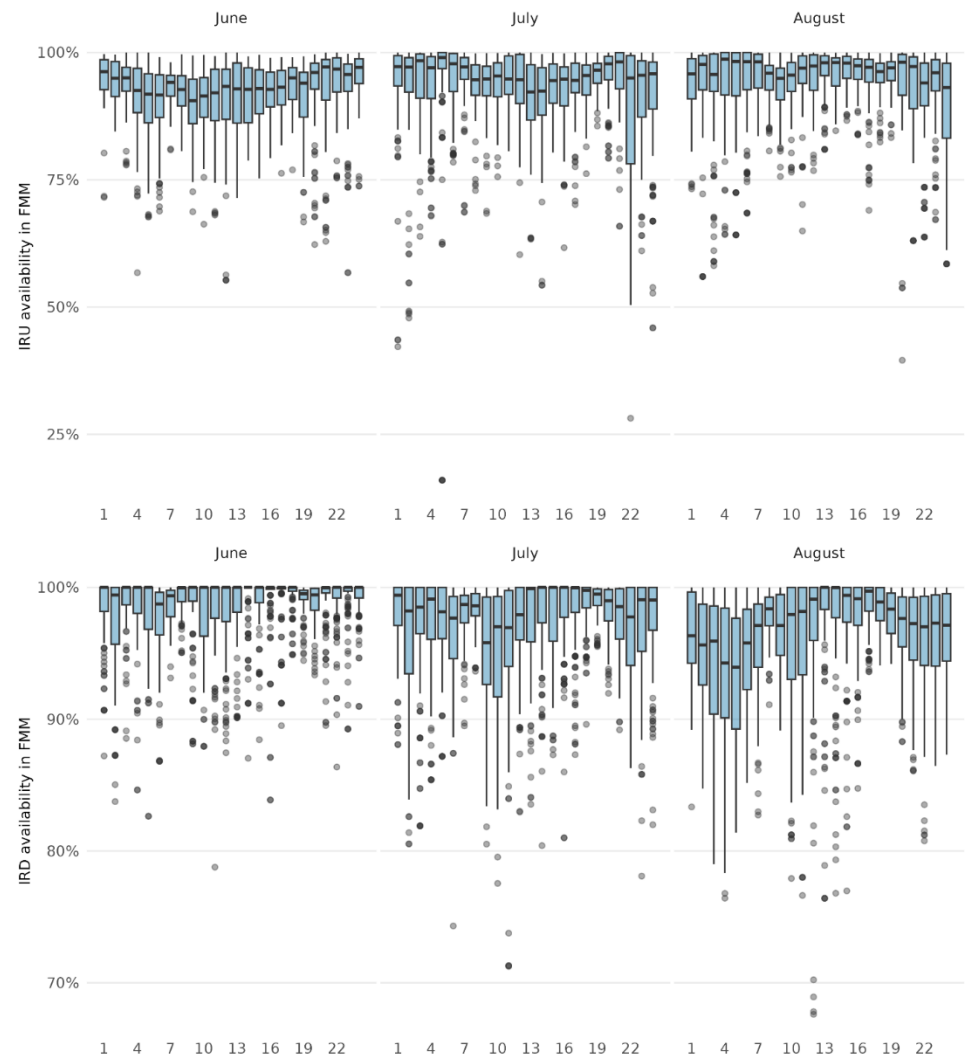
In the PACE area, coal complemented with transfers were the main sources of imbalance reserves, while PACW was mainly supported by transfers and hydro

Real-time IR capacity availability generally aligns with day-ahead IR procurement.

Availability is measured as the real time available capacity corresponding to IR awards in the EDAM footprint, expressed as a percentage of imbalance reserve procurement

In the upward direction, over 80% of IR capacity has been made available

In the downward direction, the availability exceeds 95% majority of the time



Imbalance reserve real-time utilization

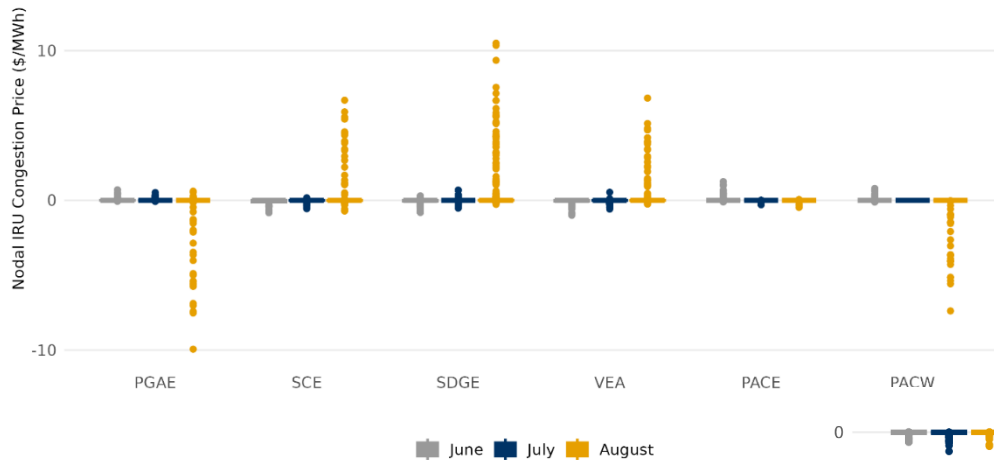
- Utilization depends on real time conditions
 - Realized uncertainty from forecast
 - Availability
 - Deliverability
- Measure utilization
 - Regular Gen, Import, Export
 - Resource level FMM to IFM delta energy schedule
 - Compare to the day-ahead corresponding IR / RC awards
- Other system conditions that drive real time schedule
 - Outages, congestion
 - Access to WEIM transfer, loss, load bias
 - Prices

In August, the imbalance reserve up utilization relative to realized uncertainty is up to 56.9 percent in hour ending 19 for EDAM footprint



The combined IRU and RCU utilization relative to realized uncertainty and reliability capacity target is up to 47.3 percent in hour ending 19

Congestion components for IR prices show mild variation most of the time

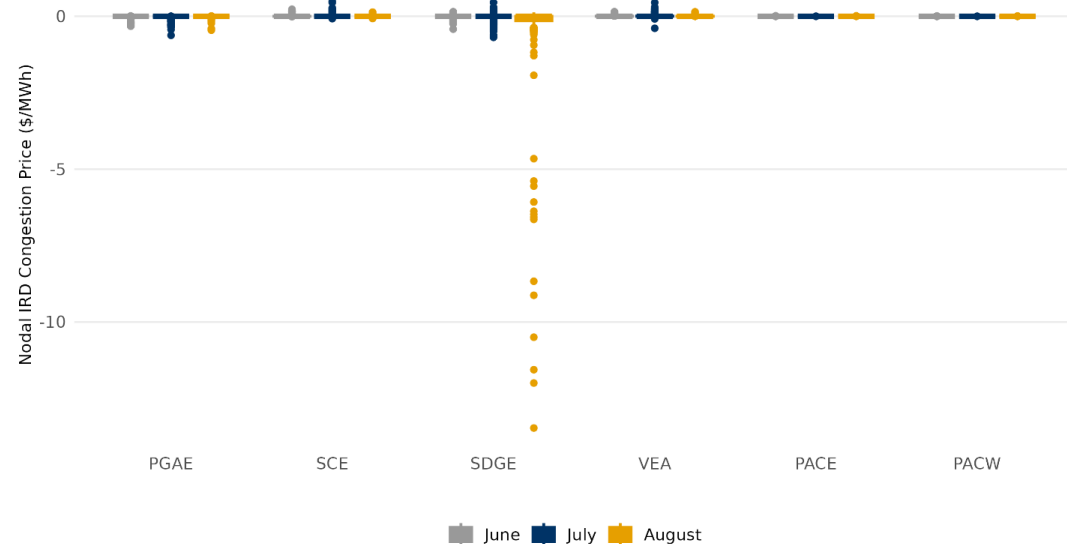


Congestion component of IRU/IRD marginal prices is impacted only by IRU/IRD deployment scenarios

IRU/IRD pricing at the DLAP/ELAP level is not significantly impacted by congestion.

- Contingencies are not enforced in IR deployment scenarios

This could strand procured IR as contingencies are enforced in RT

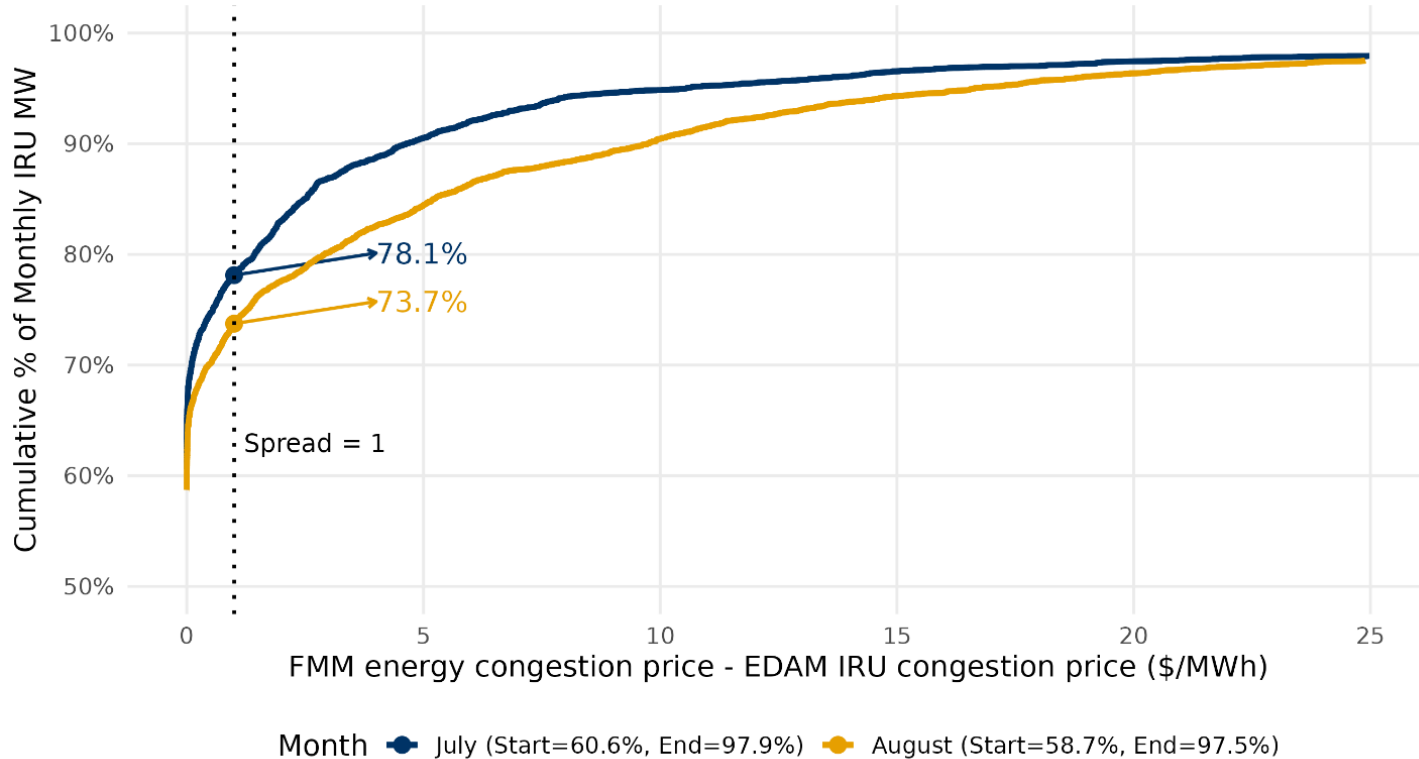


Real time observed congestion from contingency constraints relative to what IR was assessed for in the day-ahead market in the deployment scenarios

August 2026 Average Congestion Costs by Constraint		Contingency	PACE			PACW			PGAE			SCE		
BAA	Constraint Name		Base	IRU	FMM	Base	IRU	FMM	Base	IRU	FMM	Base	IRU	FMM
CISO	30060_MIDWAY_500_24156_VINCENT_500_BR_2_3	Y	(0.01)		(0.06)	(0.55)		(2.64)	(0.75)		(3.58)	0.54		2.69
CISO	30060_MIDWAY_500_24156_VINCENT_500_BR_1_1	Y	0.01		0.00	(0.37)		(0.36)	(0.51)		(0.49)	0.41		0.40
CISO	30060_MIDWAY_500_29402_WIRLWIND_500_BR_1_2	N	(0.01)	(0.01)		(0.40)	(0.23)	(0.05)	(0.54)	(0.31)	(0.06)	0.41	0.23	0.05
CISO	30750_MOSSLD_230_30797_LASAGUIL_230_BR_1_1	Y							0.34		0.48	(0.23)		(0.28)
CISO	30060_MIDWAY_500_29402_WIRLWIND_500_BR_1_2	Y	0.00			(0.07)		(0.23)	(0.10)		(0.32)	0.08		0.26
CISO	DOSMGO-PNOCHE_230_2_1	Y							(0.25)		(0.37)	(0.14)		(0.29)
CISO	24091_MESA_CAL_230_24076_LAGUBELL_230_BR_2_1	Y	(0.06)			(0.07)		(0.13)	(0.08)		(0.15)	0.09		0.36
CISO	29400_ANTELOPE_500_29402_WIRLWIND_500_BR_1_1	Y	(0.01)			(0.19)		(0.00)	(0.26)		(0.00)	0.19		0.00
CISO	6410_CP5_NG	N	0.00		(0.00)	(0.06)	(0.00)	(0.09)	(0.09)	(0.00)	(0.12)	0.07	0.00	0.09
CISO	6410_CP1_NG	N	0.00		0.00	(0.00)		(0.13)	(0.00)		(0.17)	0.00		0.13
CISO	30765_LOSBANOS_230_30790_PANOCH_230_BR_2_1	Y				0.15		0.01	0.05		0.02	(0.07)		(0.13)
CISO	34418_KINGSBRG_115_34428_CONTADNA_115_BR_1_1	Y							0.06		0.17	(0.03)		(0.07)
CISO	35658_LS_ESTRS_115_35659_NORTECH_115_BR_1_1	Y							0.01		0.18	(0.02)		(0.10)
CISO	24701_KRAMER_230_24601_VICTOR_230_BR_2_1	N							0.05	0.00		(0.09)	(0.00)	(0.09)
CISO	35122_NWARK_EF_115_30630_NEWARK_230_XF_11	Y									0.19			(0.01)
CISO	7430_CP6_NG	N							0.01	0.01	0.07	(0.01)	(0.01)	(0.08)

Contingencies are not enforced for IR deployment scenarios, and this can result in additional congestion observed in FMM that prevent IR to be delivered

Congestion differences between EDAM and WEIM could impact IRU deliverability

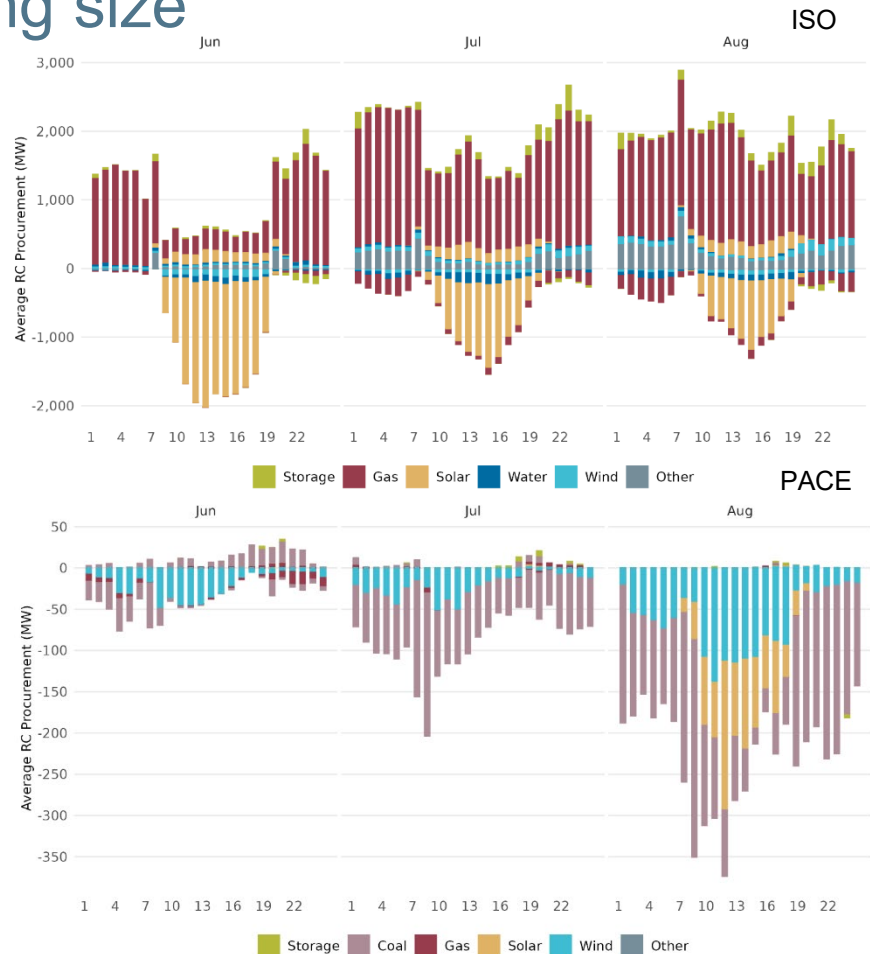
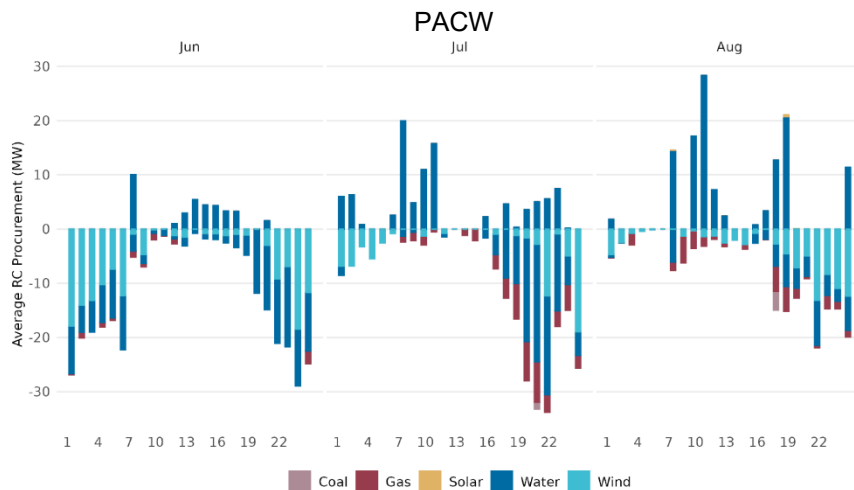


- For August, FMM energy vs EDAM IRU congestion spread is lower by 4.4% at \$1
- Resources procured for IRU experience overall higher congestion in FMM in August compared to July

The level of reliability capacity procured varies largely by area given their corresponding size

Reliability capacity is procured for the difference between the area's load forecast and physical supply cleared in the IFM

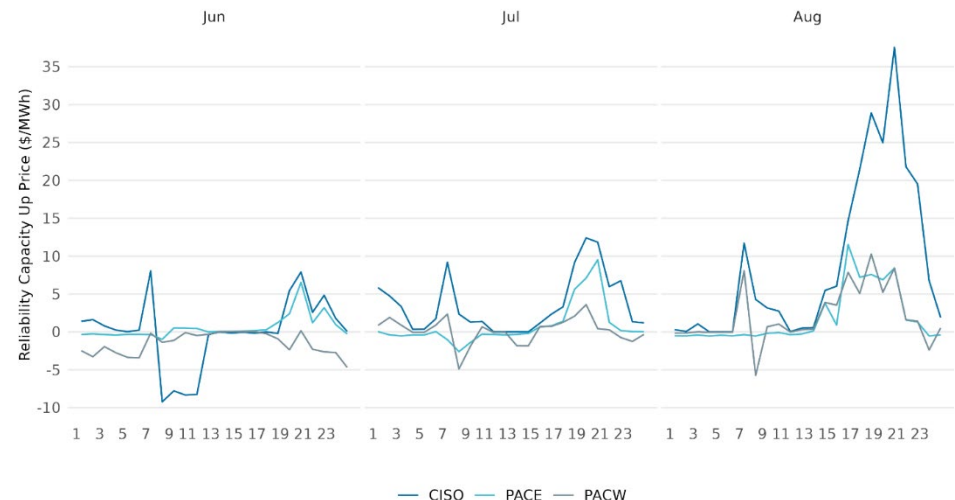
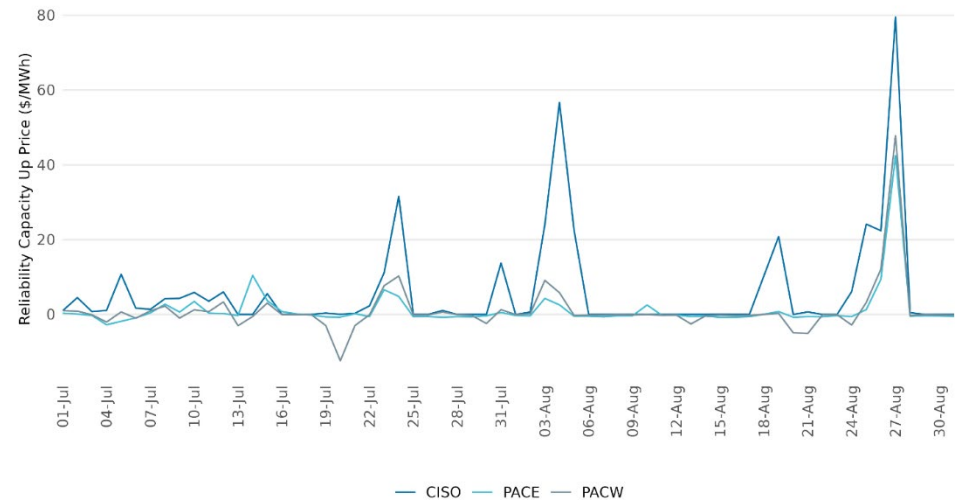
Underbidding of demand in IFM market leads to higher upward capacity procurement



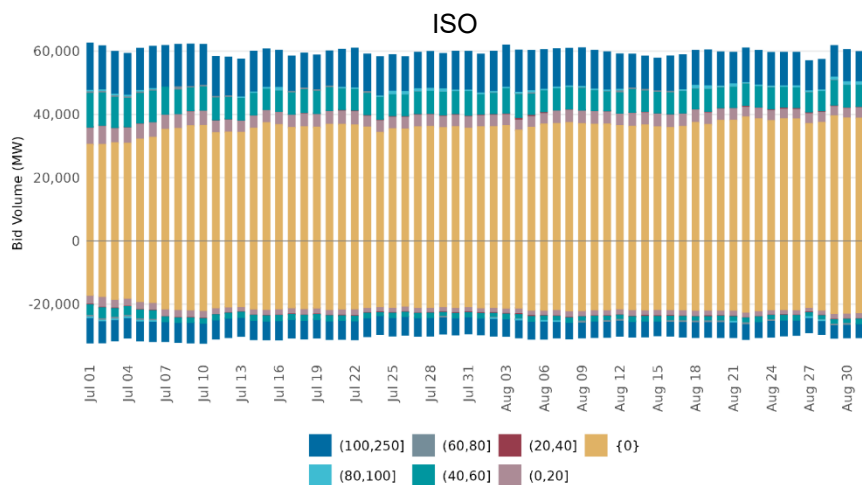
ISO's IRU procurement cleared in August is higher than June and July, and IRD is lower. PACE has higher IRD cleared in August

Reliability capacity prices were highest during the evening hours with CAISO averaging over \$35/MWh

- Prices were higher and more volatile in August compared to July, tracking higher load conditions
- Prices were generally highest during the evening peak for all three BAAs, and in the morning peak for CAISO and PACW
- Prices were zero for CAISO 85% of the time, but spiked from August 24 to 27
- The most significant price separation happened between CAISO and PACE/PACW

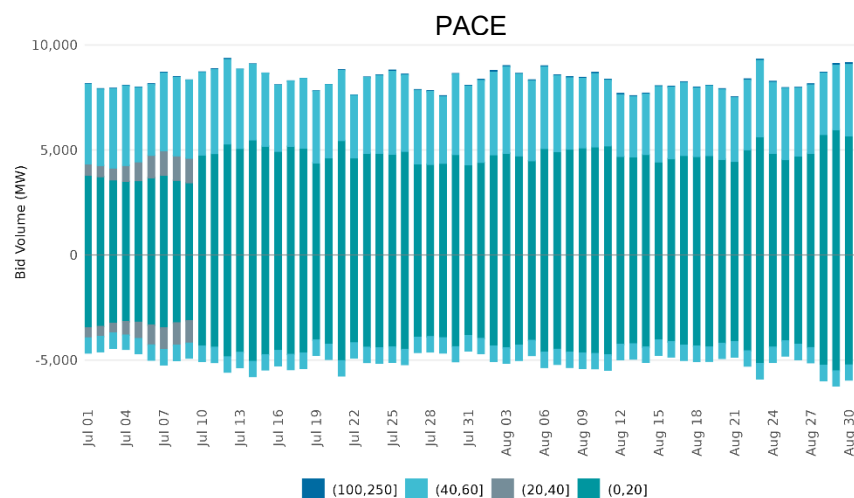
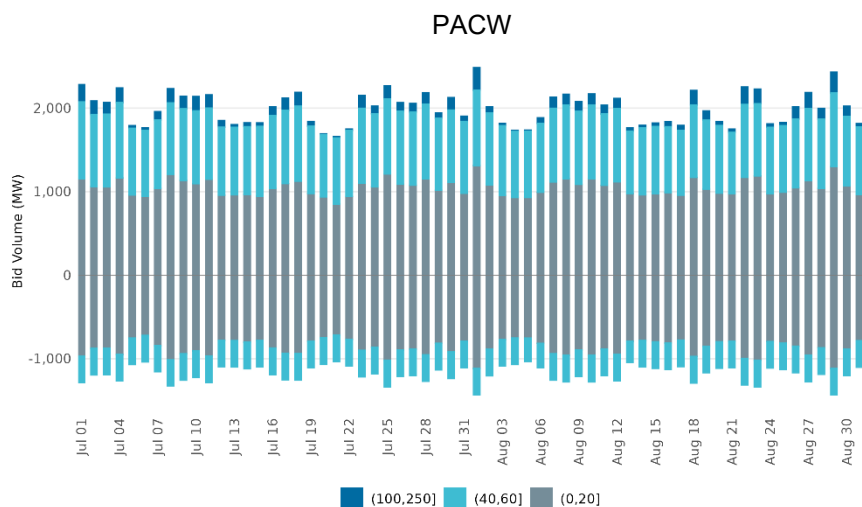


The bid volume of reliability capacity remained stable with few variations in August depending on the area



The volume of supply for upward and downward capacity is asymmetrical

PAC areas show more variations in volume than ISO

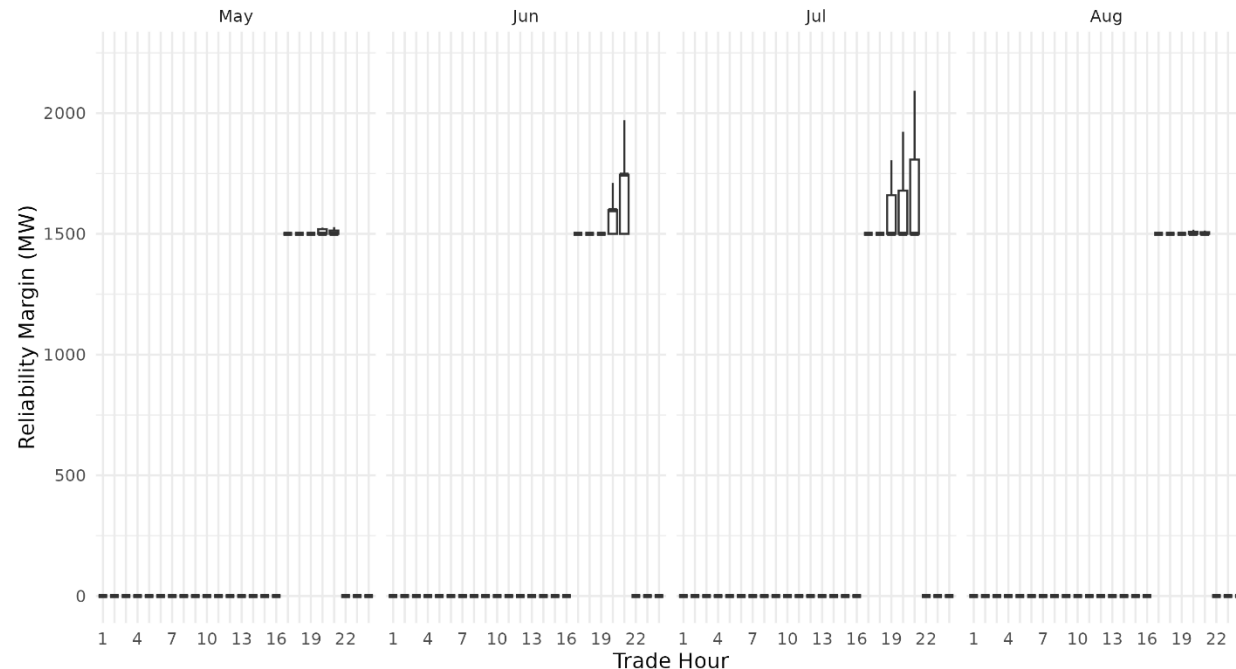


EDAM net export constraint enforced on all days for ISO area only

The net export constraint is an optional tool for BAAs to limit their net transfer exports to their excess RSE-eligible capacity

The constraint can be further tuned using a confidence factor for non-RSE eligible capacity and an additional reliability margin

ISO Reliability Margin, May-August 2026



The ISO reliability margin is set based on the most severe single contingency

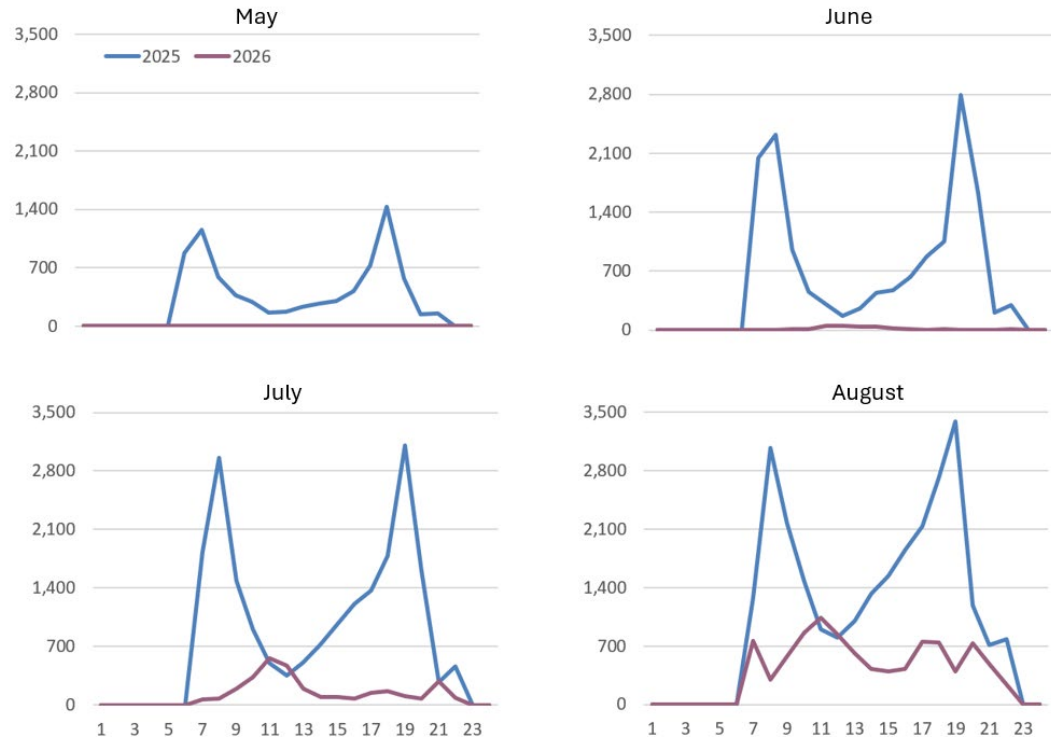
Procurement of imbalance reserves has lowered both the frequency and magnitude of ISO manual adjustments

42% reduction in July
25% reduction in August

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

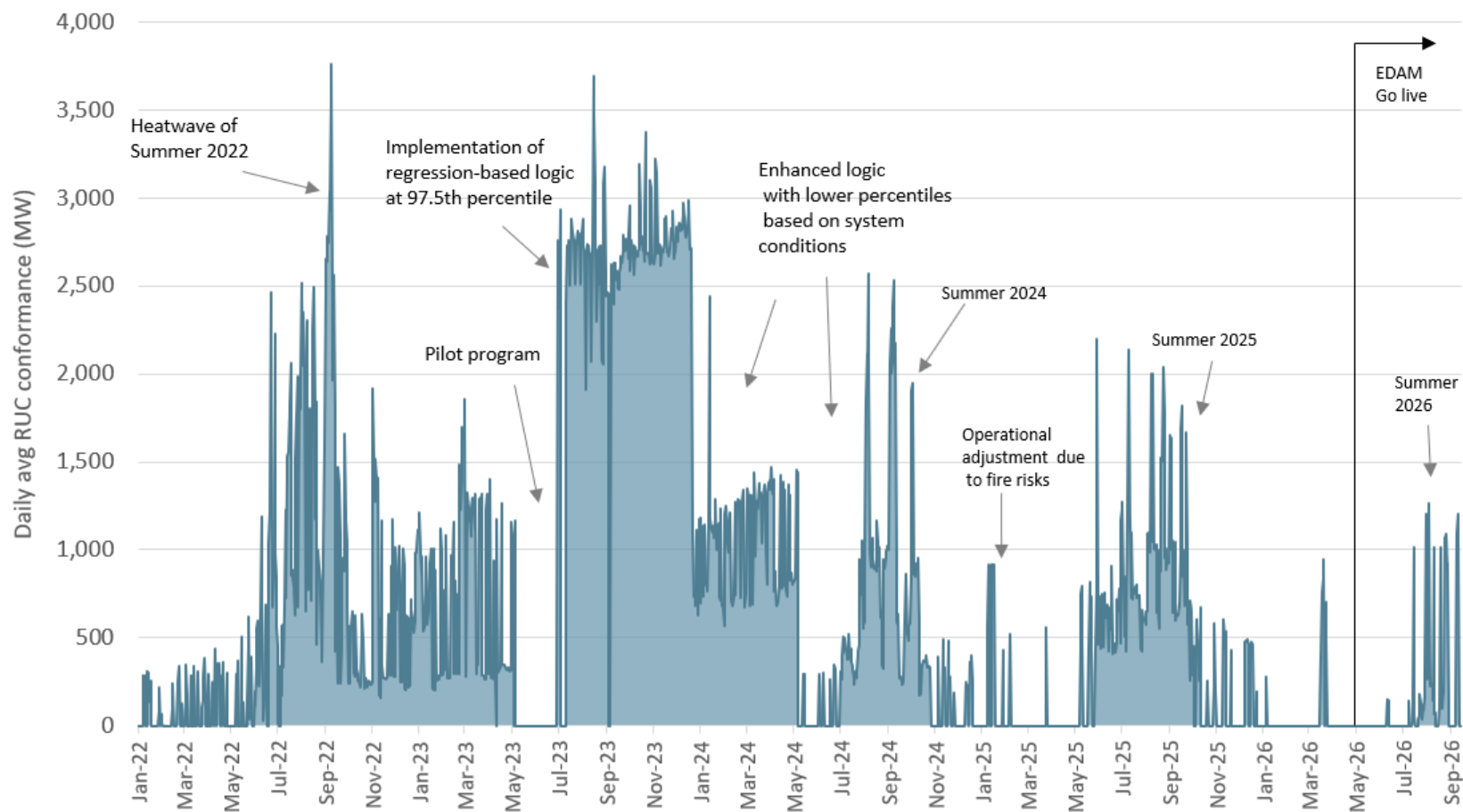
Manual adjustments are still likely when ISO area loads exceed 42,000MW

Hourly average of manual adjustments



The CAISO has laid out the conditions under which it will use the RUC load adjustments in the EDAM BPM based on the load forecast, cleared imbalance reserves, and other operational concerns

The introduction of Imbalance Reserves has reduced significantly the level of RUC adjustments during summer



An enhancement to storage participation in RUC will be effective October 1, 2026 in the EDAM

- The new enhancement will add RCD to the up envelope and RCU to the down envelope in RUC:

$$\left. \begin{aligned} SOC_{i,t}^{(u)} &= \left(\begin{aligned} &SOC_{i,t-1}^{(u)} - EN_{i,t}^{(+)} - \eta_i EN_{i,t}^{(-)} - ARU_t RU_{i,t} \\ &- AIRU_t IRU_{i,t} - ARCU_t RCU_{i,t} + \eta_i ARCD_t RCD_{i,t} \end{aligned} \right) \geq \underline{SOC}_{i,t} \\ SOC_{i,t}^{(d)} &= \left(\begin{aligned} &SOC_{i,t-1}^{(d)} - EN_{i,t}^{(+)} - \eta_i EN_{i,t}^{(-)} + \eta_i ARD_t RD_{i,t} + \\ &\eta_i AIRD_t IRD_{i,t} + \eta_i ARCD_t RCD_{i,t} - ARCU_t RCU_{i,t} \end{aligned} \right) \leq \overline{SOC}_{i,t} \end{aligned} \right\}$$

- This will allow batteries that provide RCD to use that energy in other intervals to provide RCU
- This change was included in the Market Operations BPM as part of PRR 1678 and will go live for DA trade date October 1, 2026

Simple resource example of how this feature works

Battery Characteristics:

Pmax = 10 MW
Pmin = -10 MW
SOC max = 10 MWh
SOC min = 0 MWh
Efficiency = 1
Init SOC = 10 MWh

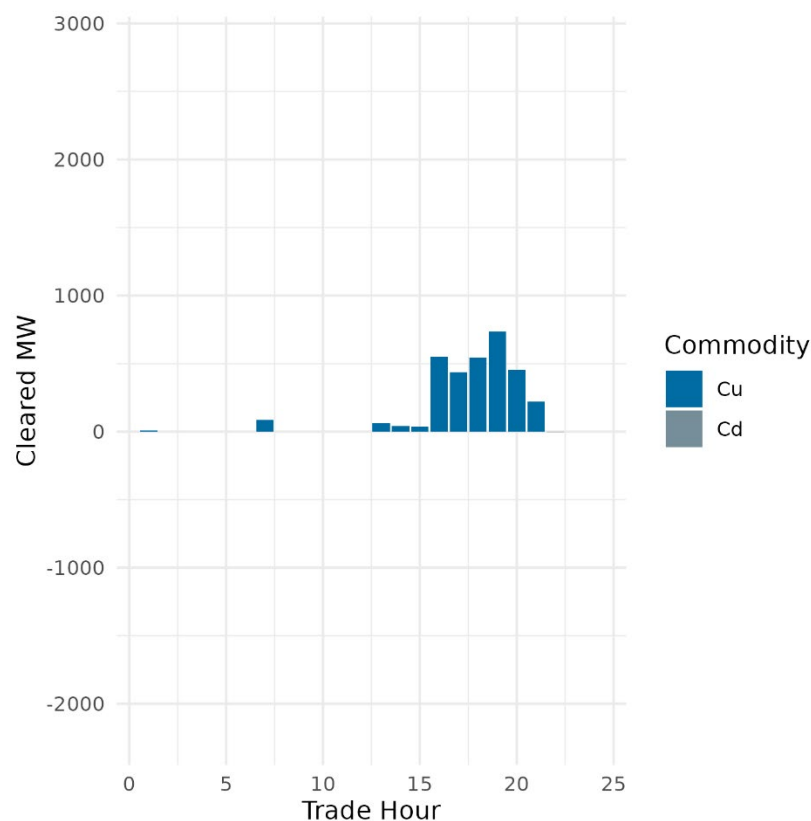
Simple Example:

- IFM has 10 MW dispatch in HE 21
- RUC sees higher prices in HE 20, resource gets 10 MW of RCU in HE 20 and 10 MW of RCD in HE 21

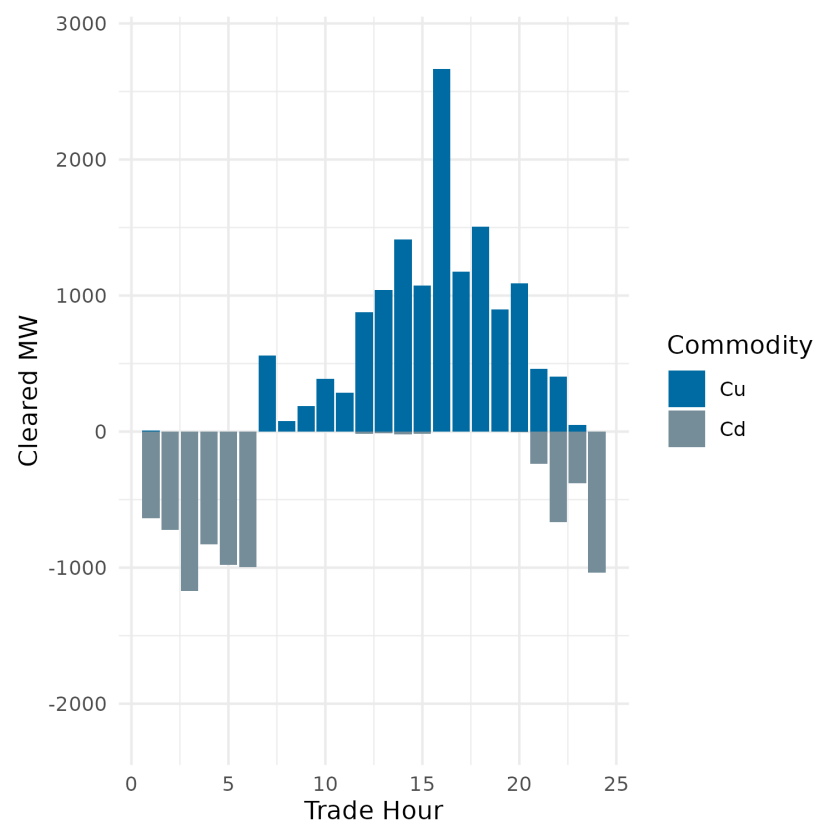
		HE 19	HE 20	HE 21
IFM	IFM Energy	0	0	10
	IFM SOC	10	10	0
RUC	RCU	0	10	0
	RCD	0	0	10
	SOC_U ($\geq$ SOC min)	10	0	0
	SOC_D ($\leq$ SOC max)	10	0	0

With the feature enabled, RUC is able to charge the batteries in the morning and late evening hours to provide additional capacity over the peak hours

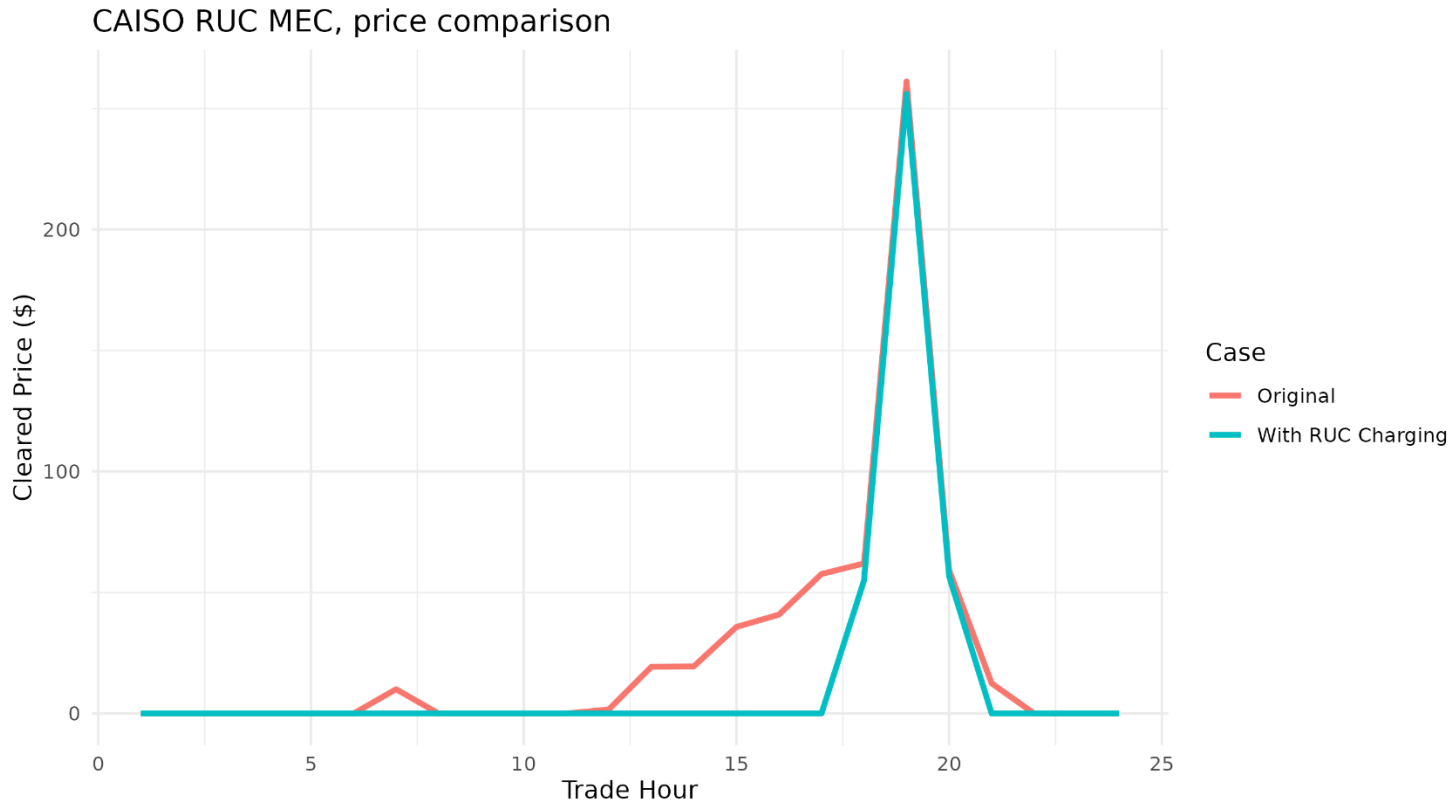
No RUC Charging (Original)



With RUC Charging (Feature Enabled)



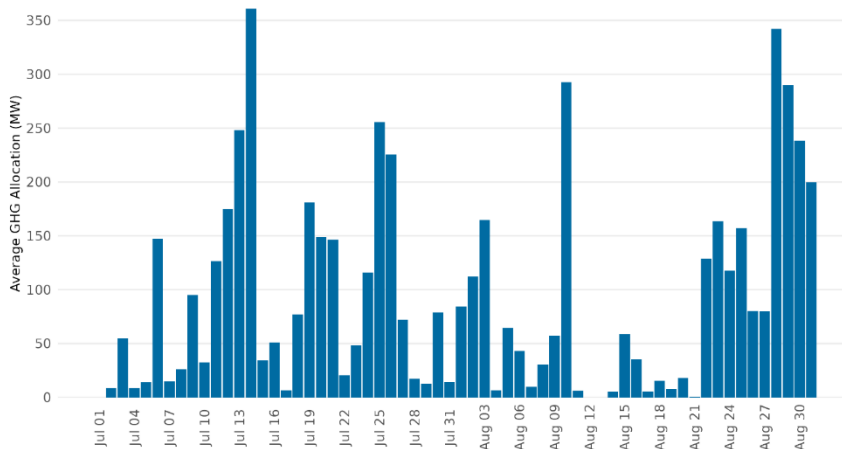
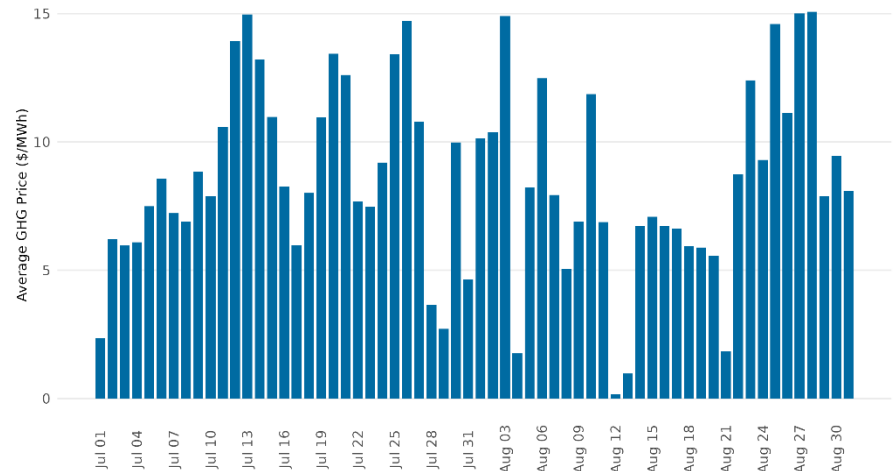
Trade date 9/9 was compared to a counterfactual with this feature turned on



Overall, RUC prices were lower with the increased amount of RUC capacity

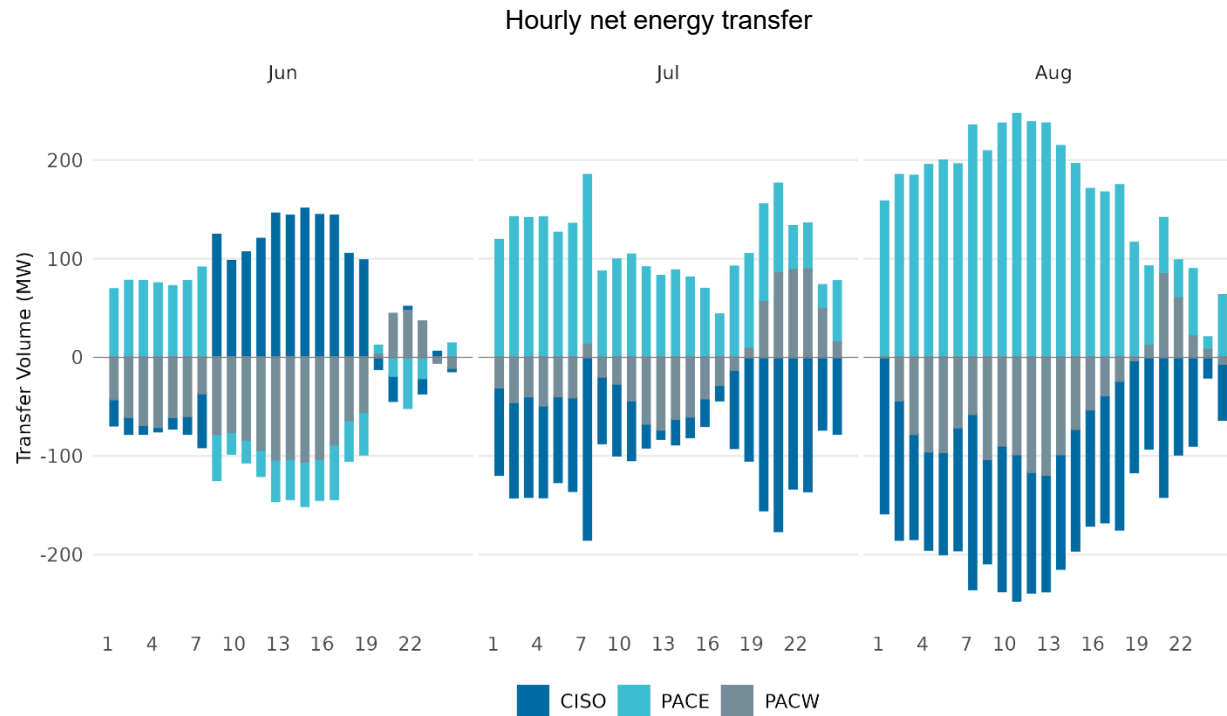
Daily average greenhouse gas allocation reached a maximum of 342 MW on Aug 28

- Average GHG price in August was \$8.25/MWh, slightly lower than July's \$8.86/MWh



- Average GHG allocation in August was 90.81 MW, very close to the 90.97 MW observed in July

Transfer capability available among areas is enabling the economics of the larger market footprint



Net energy transfer among three BAAs increased by 70% compared with July

The ISO remained net exporter (+) in June but switched to net importer (-) in July and August

The PACE increased energy exports and in July and August

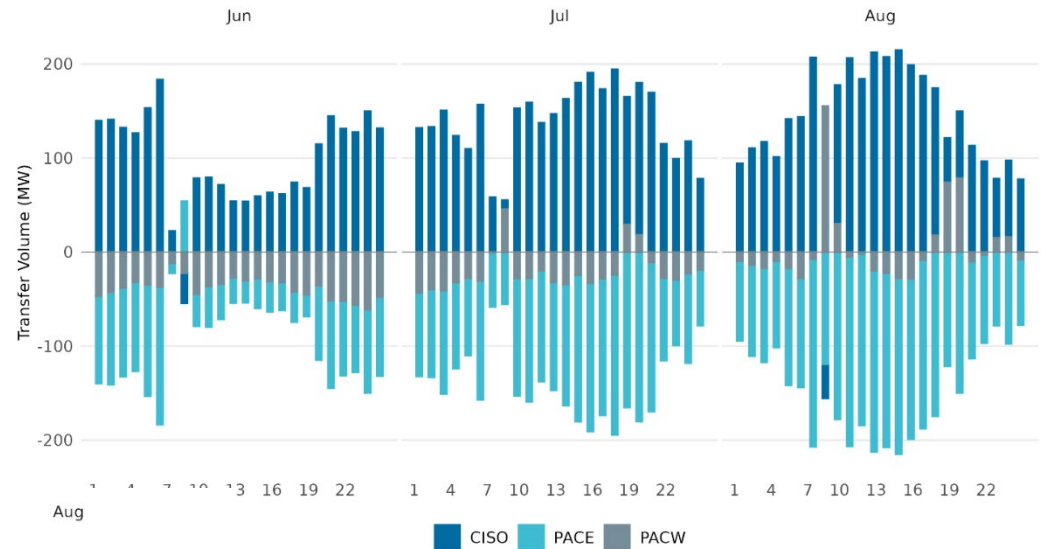
The PACW remained high demand for imports across three months

The EDAM is also finding economic transfers for imbalance reserves for both directions

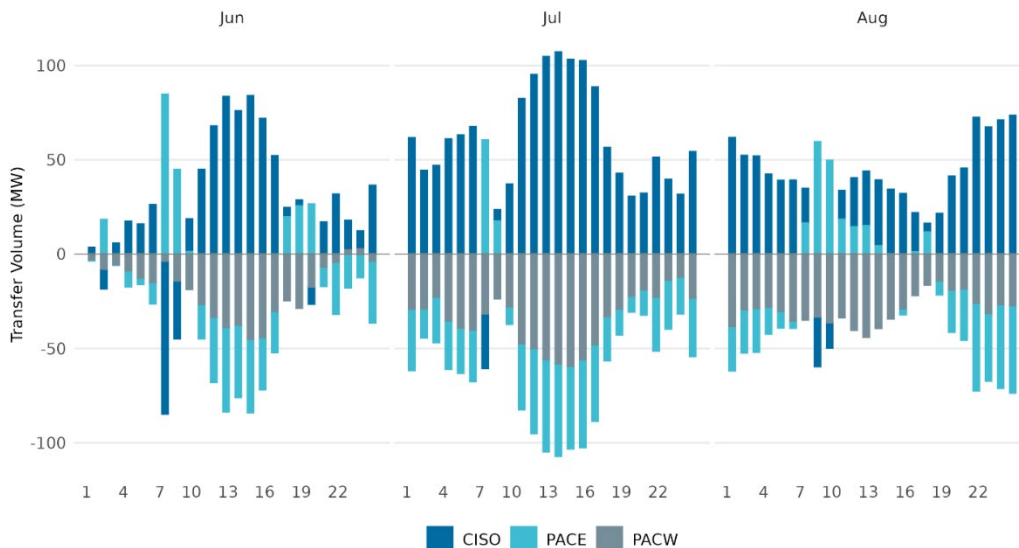
CAISO was an IRU net exporter

PACE and PACW were net importers and increased volume in July and August

Hourly net IRU transfer



Hourly net IRD transfer

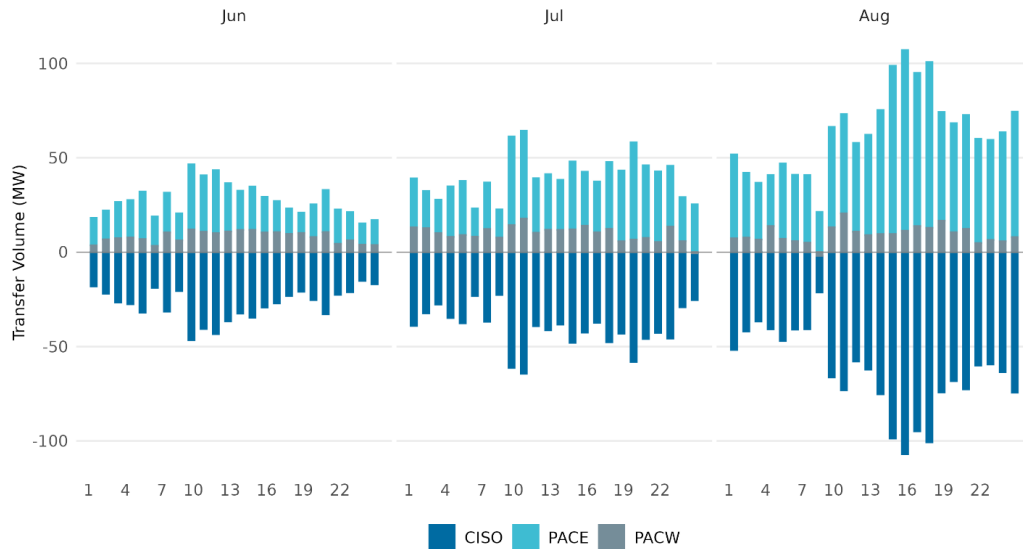


CAISO was an IRD net exporter in three months, while imported in morning peak hours

PACE and PACW were net importers

The EDAM also realized economic transfers for reliability capacity

Hourly net RCU transfer



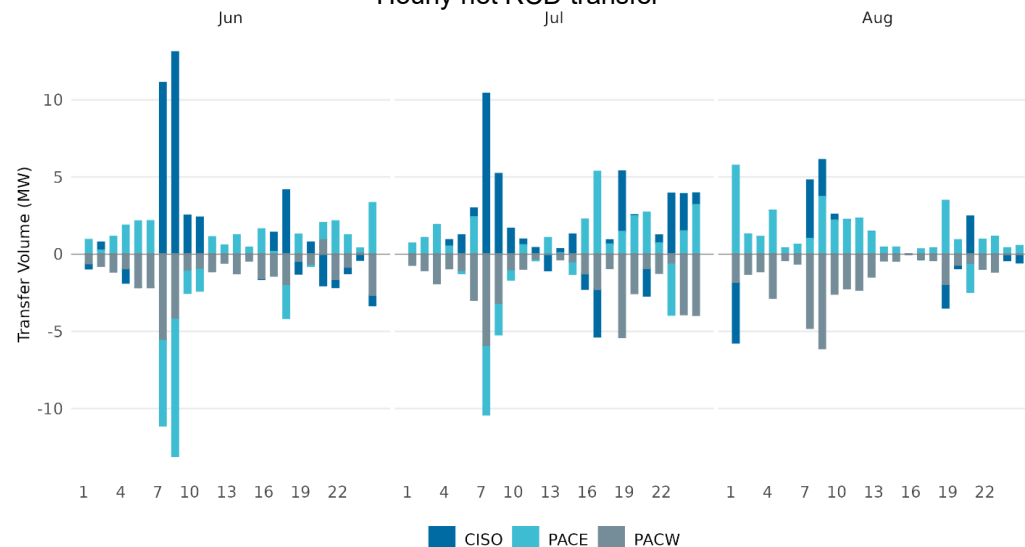
The ISO was a RCU net importer

PACE and PACW were net exporters

Relative to July, RCU transfer volumes increased by 58 percent in August

RCD net transfer showed relatively small volumes across the three BAAs
Several notable spikes in morning peak hours

Hourly net RCD transfer

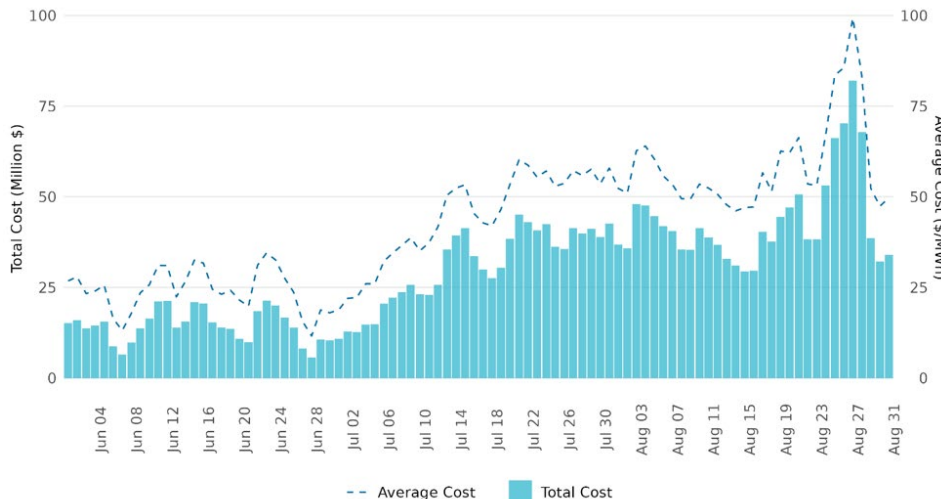
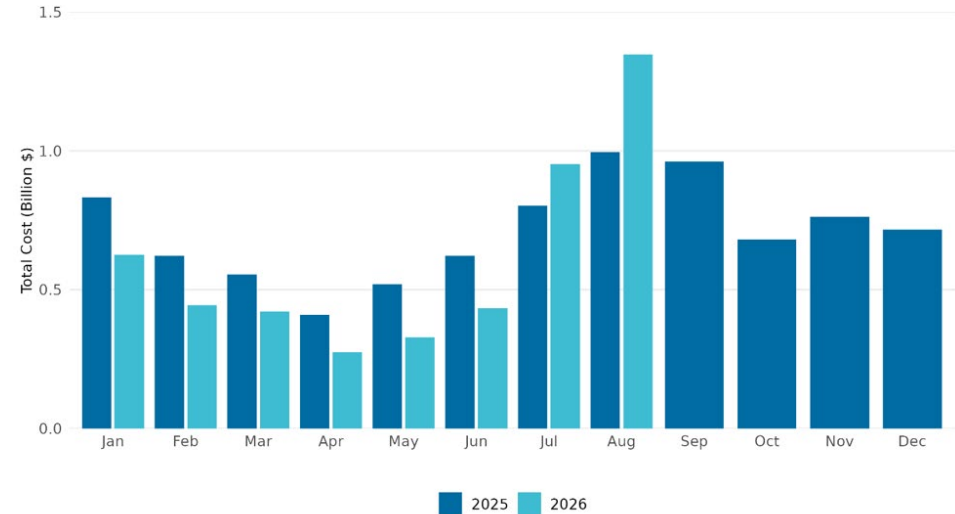


Settlements data such as costs are derived from the first T+9BD cycle and is subject to adjustments

- The ISO is actively investigating several issues and disputes that may affect different settlements components as reflected in the T+9 calculations
- As these reviews are taking place, the ISO has and will continue to implement corrections and adjustments as needed
- Fixes for several issues are now being reflected in T+70 true-up and future T+9 calculations
- The metrics provided in this monthly report about different costs are preliminary and subject to change
- Price corrections implemented within the 10BD window may not be reflected in this preliminary cost information

ISO total market costs continue to follow seasonal and longer-term trends with no significant impact from EDAM

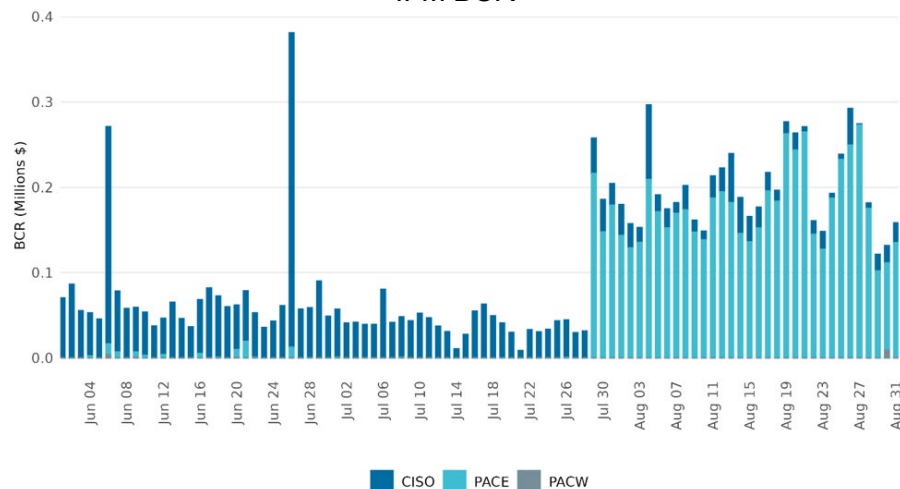
- Total costs increased in August to \$1.3 billion, consistent with historical trends
- August has surpassed total costs from this period last year by 35%
- Highest costs attributed to high-load days in late August



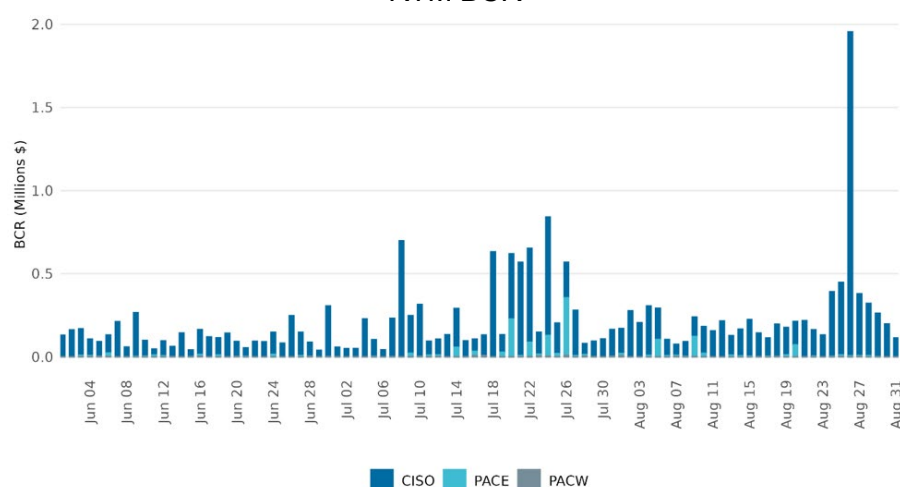
This metric includes cost for energy and AS from both day-ahead and real time markets, bid cost recovery, offsets and now the cost of imbalance reserves and reliability capacity

For CAISO area, IFM BCR continues a declining trend, down by 40 percent in August

IFM BCR



RTM BCR



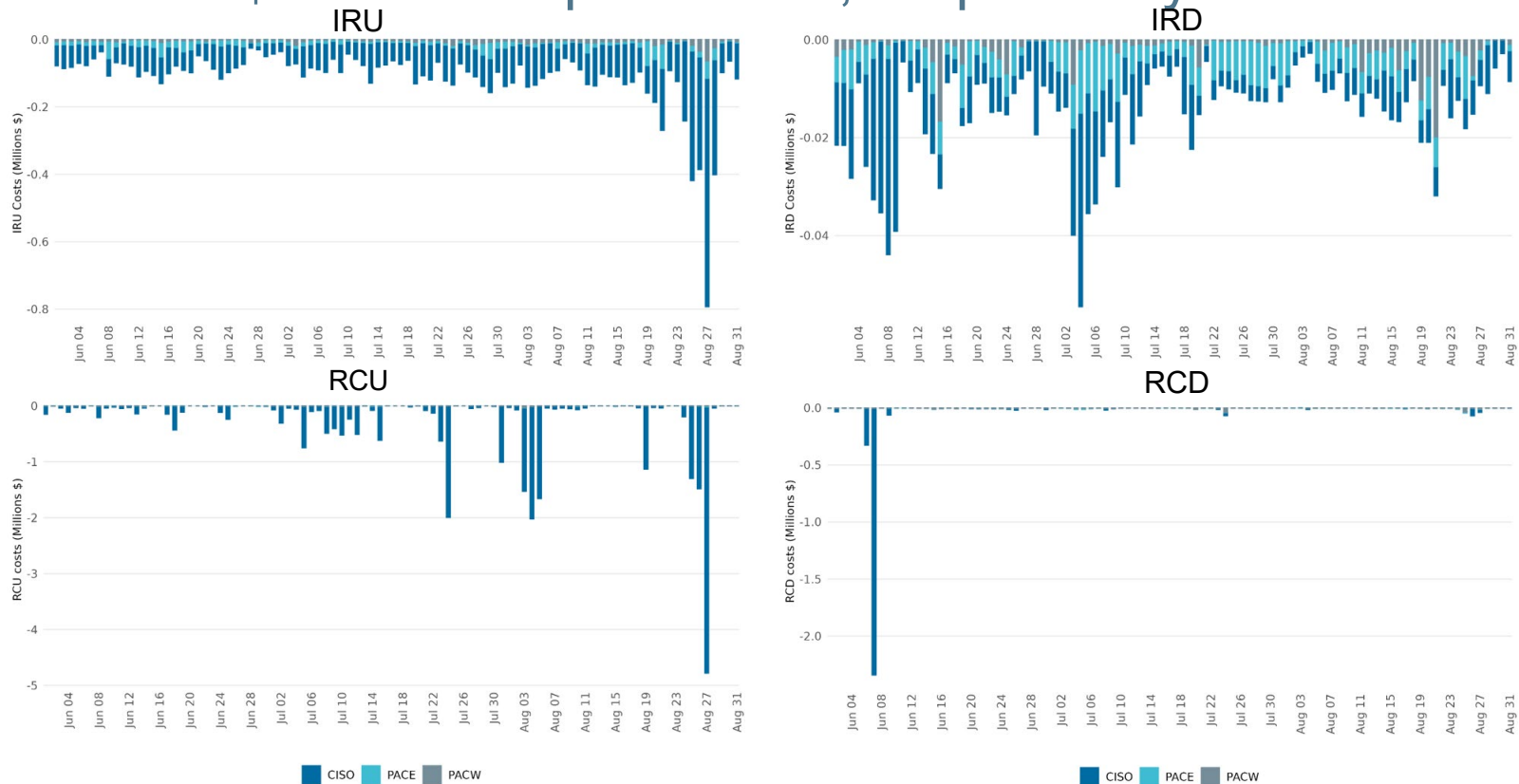
BCR (Million \$)

Area	IFM				RTM			
	May	June	July	August	May	June	July	August
CISO	3.17	2.22	1.23	0.72	8.06	3.57	7.03	7.8
PACE	0.36	0.08	0.55	5.45	1.41	0.12	0.99	0.43
PACW	0.1	0.01	0	0.01	0.26	0.03	0.06	0.03

The increasing BCR in PACE for July 29th – Aug 31st is due to an issue currently being assessed for correction

CISO RTM BCR spike on Aug 26th attributed primarily to storage resources

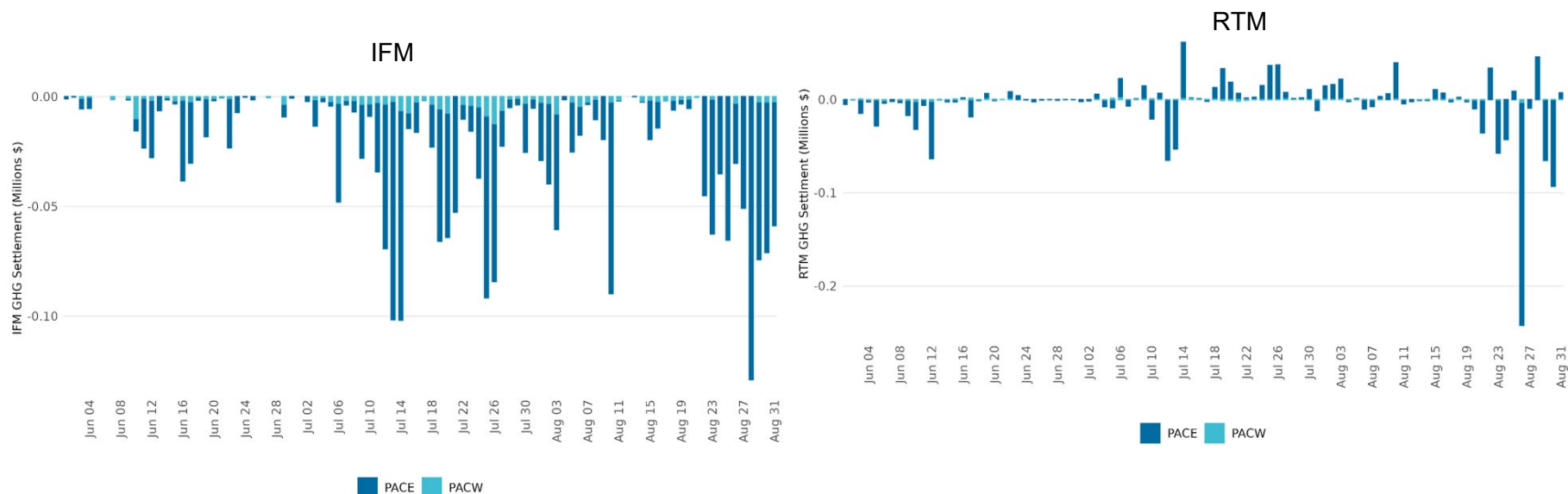
For EDAM footprint, IR and RC costs are on average \$4 million and \$9.2 million per month, respectively



PACE has five days with positive settlement values. These are days impacted by data and calculation issues currently being addressed.

	IRU Total Costs (\$million)				IRD Total Costs (\$million)				RCU Total Costs (\$million)				RCD Total Costs (\$million)			
BAA	May	June	July	Aug	May	June	July	Aug	May	June	July	Aug	May	June	July	Aug
CAISO	-2.11	-1.73	-2.39	-4.47	-1.28	-0.36	-0.28	-0.16	-8.09	-1.53	-8.16	-14.5	-0.87	-2.82	-0.06	-0.12
PACW	-0.37	-0.10	-0.16	-0.32	-0.215	-0.06	-0.03	-0.09	-0.22	-0.01	-0.01	-0.04	-0.02	-0.05	-0.07	-0.05
PACE	-0.17	-0.49	-0.34	-0.51	-0.164	-0.12	-0.20	-0.12	-0.32	-0.03	-0.03	-0.03	-0.003	-0.01	-0.05	-0.06

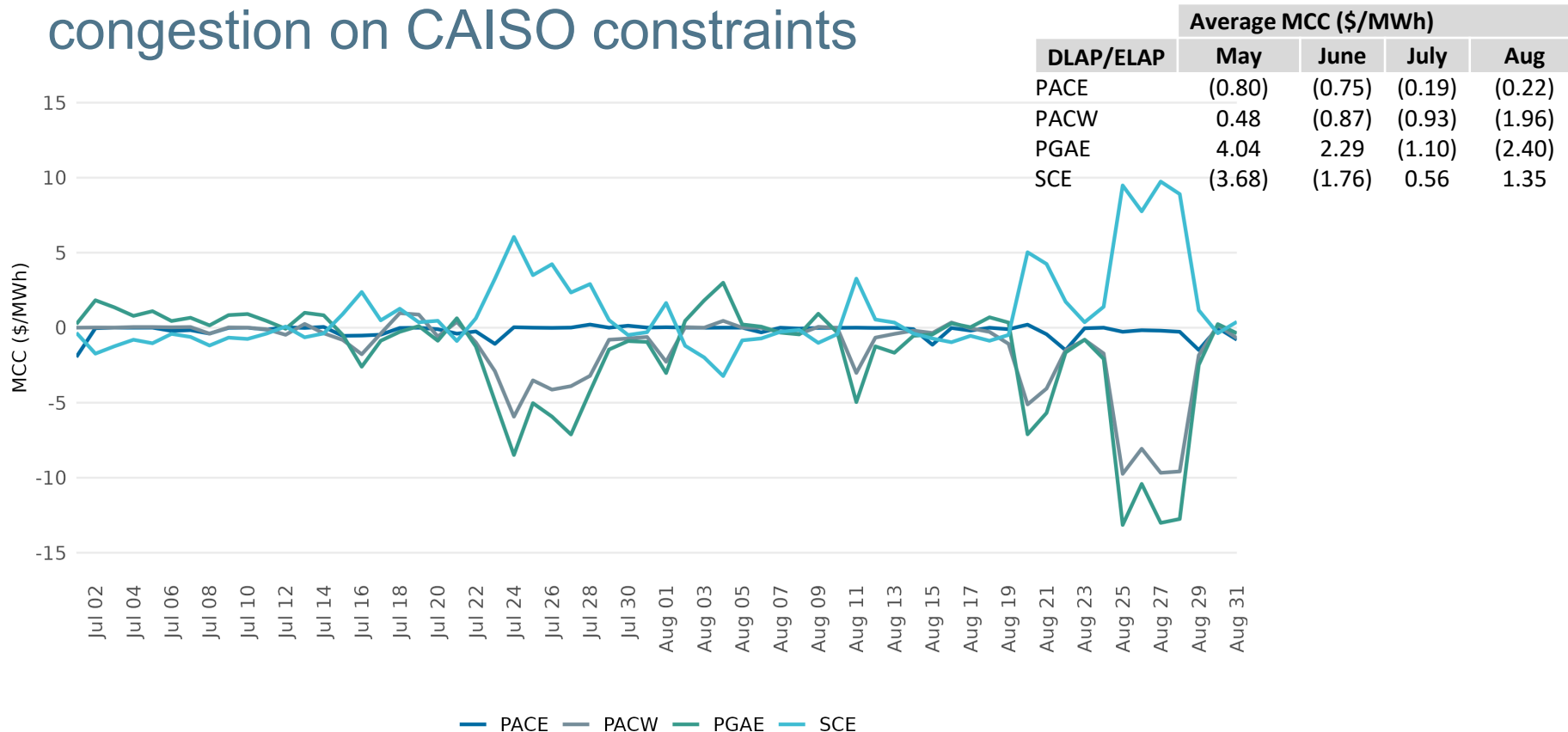
GHG settlement in August was \$1.3 million, up from July's \$0.84, a 37 percent increase



	IFM GHG Costs (\$ million)				RTM GHG Costs (\$ million)			
BAA	May	June	July	Aug	May	June	July	Aug
PACW	-0.01	-0.03	-0.11	-0.05	0.0005	-0.002	0.005	-0.001
PACE	-0.28	-0.20	-0.86	-0.92	-0.18	-0.18	0.12	-0.37

Negative values indicate a payment to the Scheduling Coordinator and positive values, which will only occur in RTM, indicate a buyback amount

Southbound congestion increased in August due mainly to congestion on CAISO constraints



- Congestion led to higher prices in the south and lower prices in the north
- August congestion prices are largely attributed to 500KV elements that connect Northern and Southern California
- High congestion prices in late August are linked to an outage
- PACW congestion costs followed a trend similar to that of Northern California, as PACW is geographically closer to the region

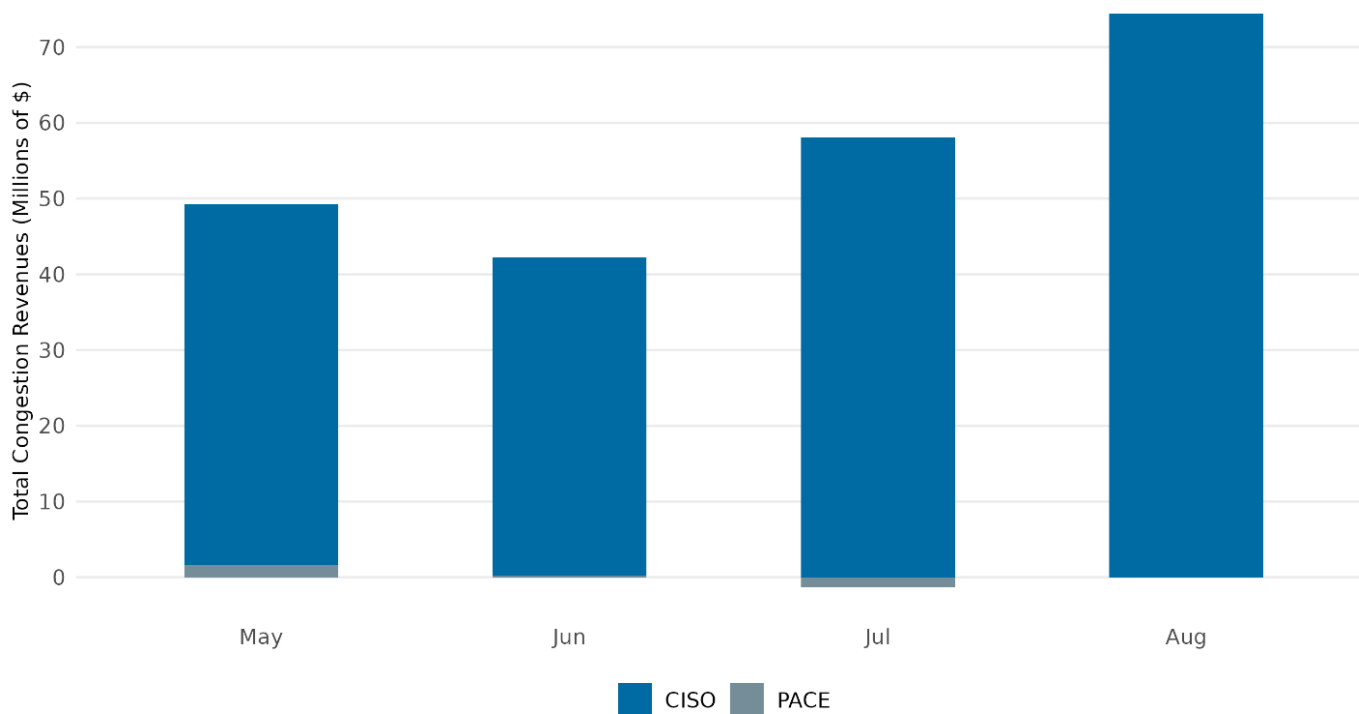
Average congestion impacts across EDAM areas in August are limited to CISO area constraints

Congestion Price Impact (\$/MWh)												
Cause of Congestion	June				July				Aug			
	PACE	PACW	PGAE	SCE	PACE	PACW	PGAE	SCE	PACE	PACW	PGAE	SCE
CISO	-0.82	-0.90	-1.04	0.58	-0.19	-0.92	-1.04	0.58	-0.22	-1.96	-2.40	1.35
Base	-0.71	-0.74	-1.09	0.64	-0.19	-0.92	-1.09	0.64	-0.21	-1.73	-2.11	1.16
IRD	-0.02	-0.05	0.02	-0.01	0.000	0.000	0.02	-0.01	0.000	0.000	0.01	0.00
IRU	-0.002	-0.11	0.03	-0.05	-0.002		0.03	-0.05	-0.007	-0.23	-0.31	0.19
PACE	0.08	0.03	-0.05	-0.05			-0.05	-0.05				
Base	0.02	0.01	-0.05	-0.05			-0.05	-0.05				
IRD	0.01											
IRU	0.04	0.03	-0.001	-0.001			-0.001	-0.001				

**Calculated by sum of mcc impact / total number of intervals for the month*

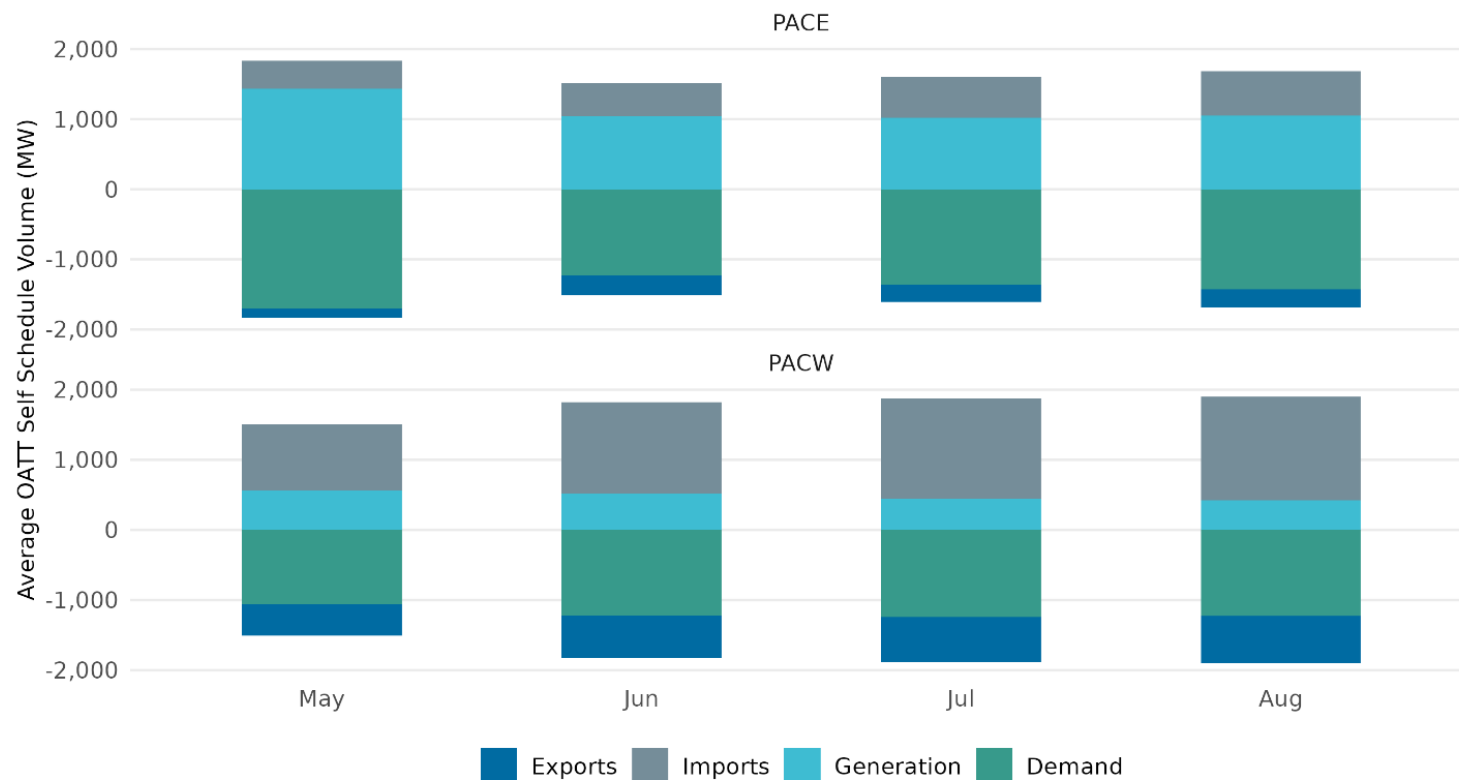
- In August, CISO constraints, on average, impacted PACE ELAP prices by -\$0.22 and PACW ELAP by -\$1.96
- Congestion arose largely from energy product while IR congestion was minimal
- There was no PAC area congestion for flow-based constraints

Total EDAM congestion revenues in August were \$74.5M due to CISO area constraints



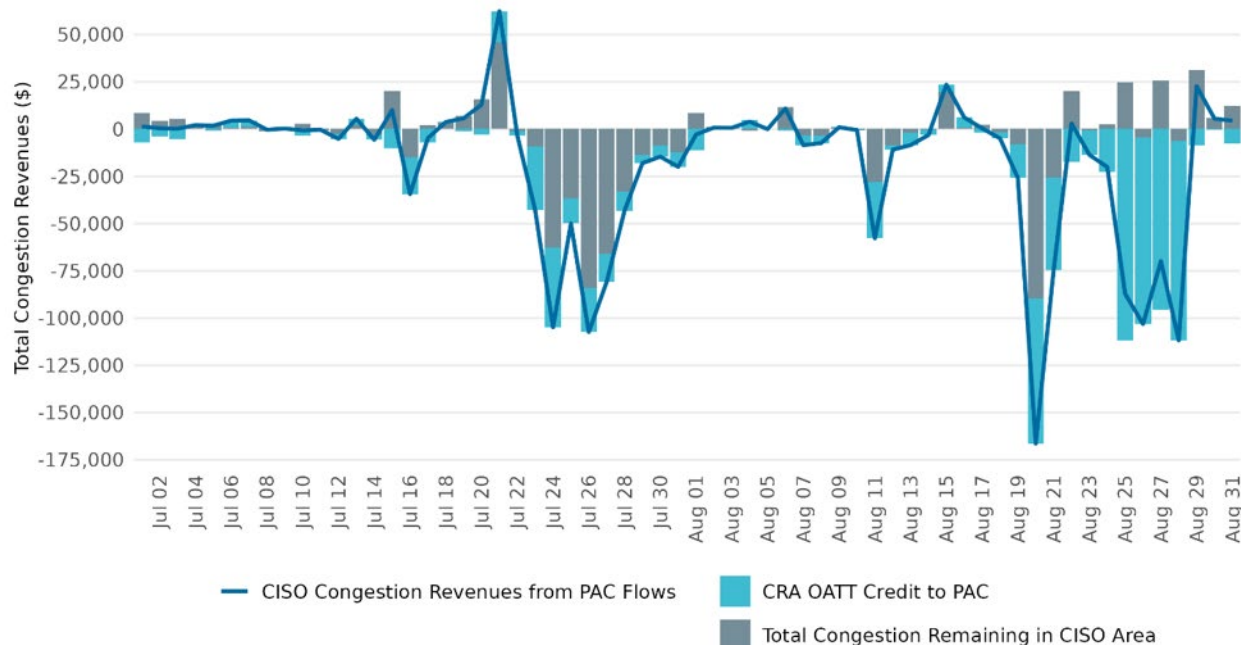
Over 99 percent of collected congestion revenues in EDAM arose from CAISO constraints

The volume of CRA eligible self-schedules remains steady since EDAM implementation



The proportions of OATT balanced self-schedules to overall self-schedules for PACE and PACW were 41% and 63% in August

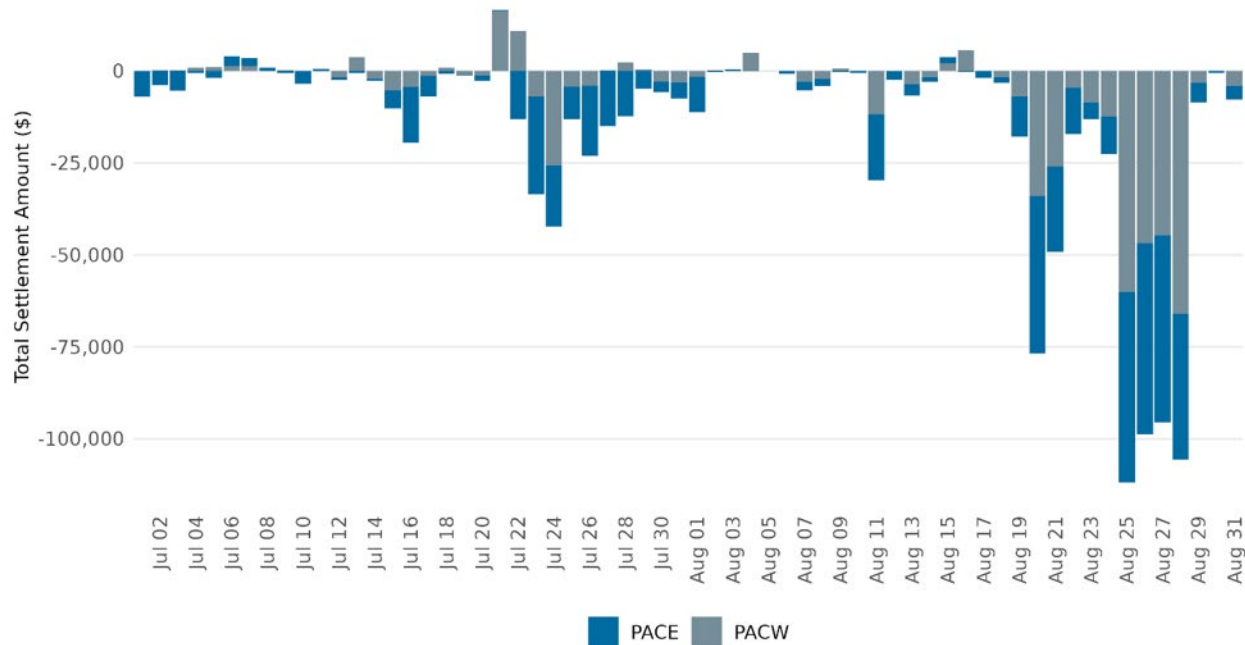
Congestion revenues from PAC transactions on CISO constraints in August was -\$694k (payments)



- Totals include both revenues allocated back to PAC for OATT credits as well as congestion revenues from non-OATT transactions
- About \$680k charged back to PAC for self schedules associated with OATT rights leaving approximately -\$14k (payment to PAC) in the CAISO area

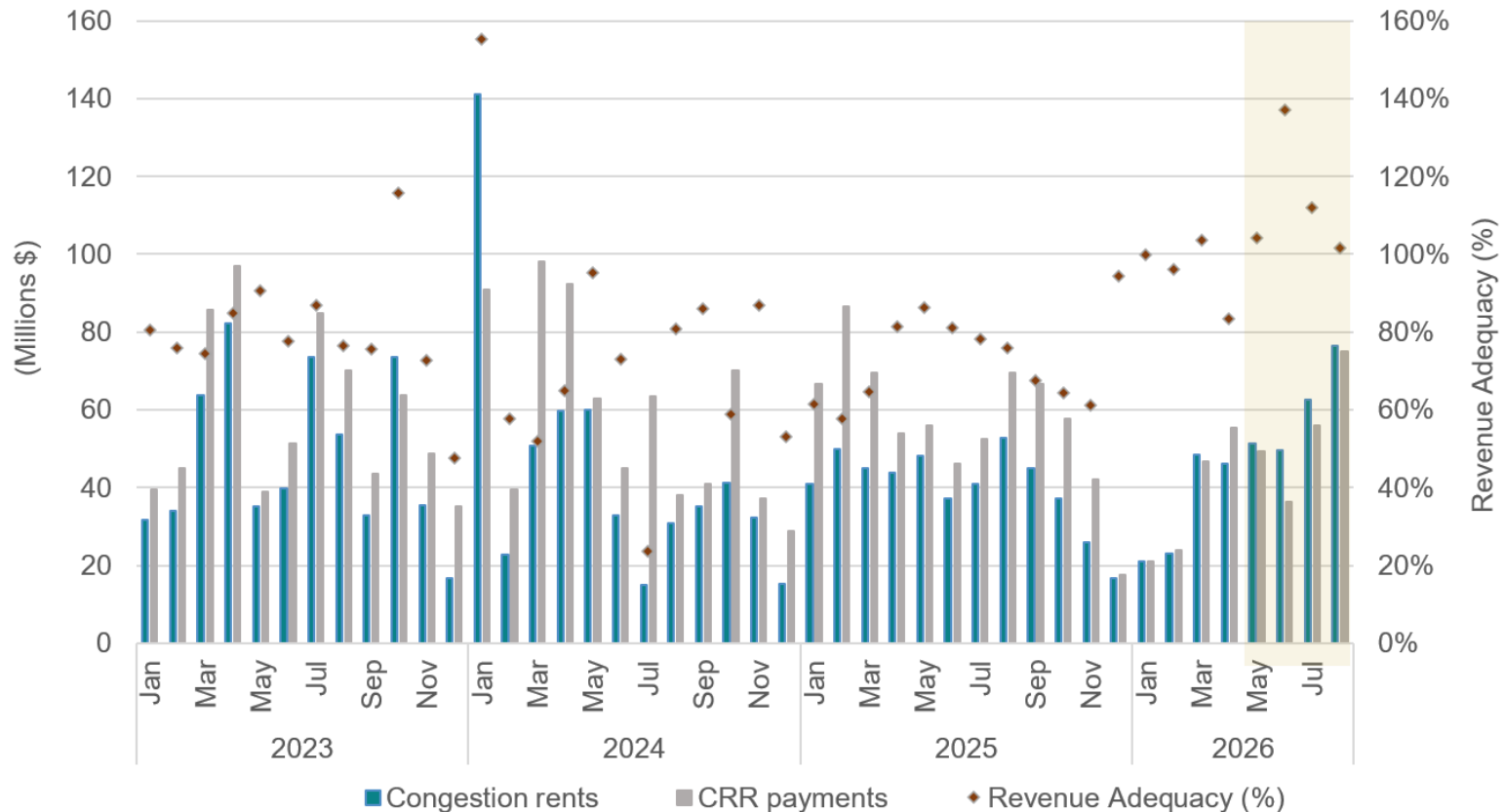
Revenue allocation for parallel flows from exercised transmission rights on CISO constraints totaled \$680k

Estimated congestion revenue allocation to PAC areas from OATT credits



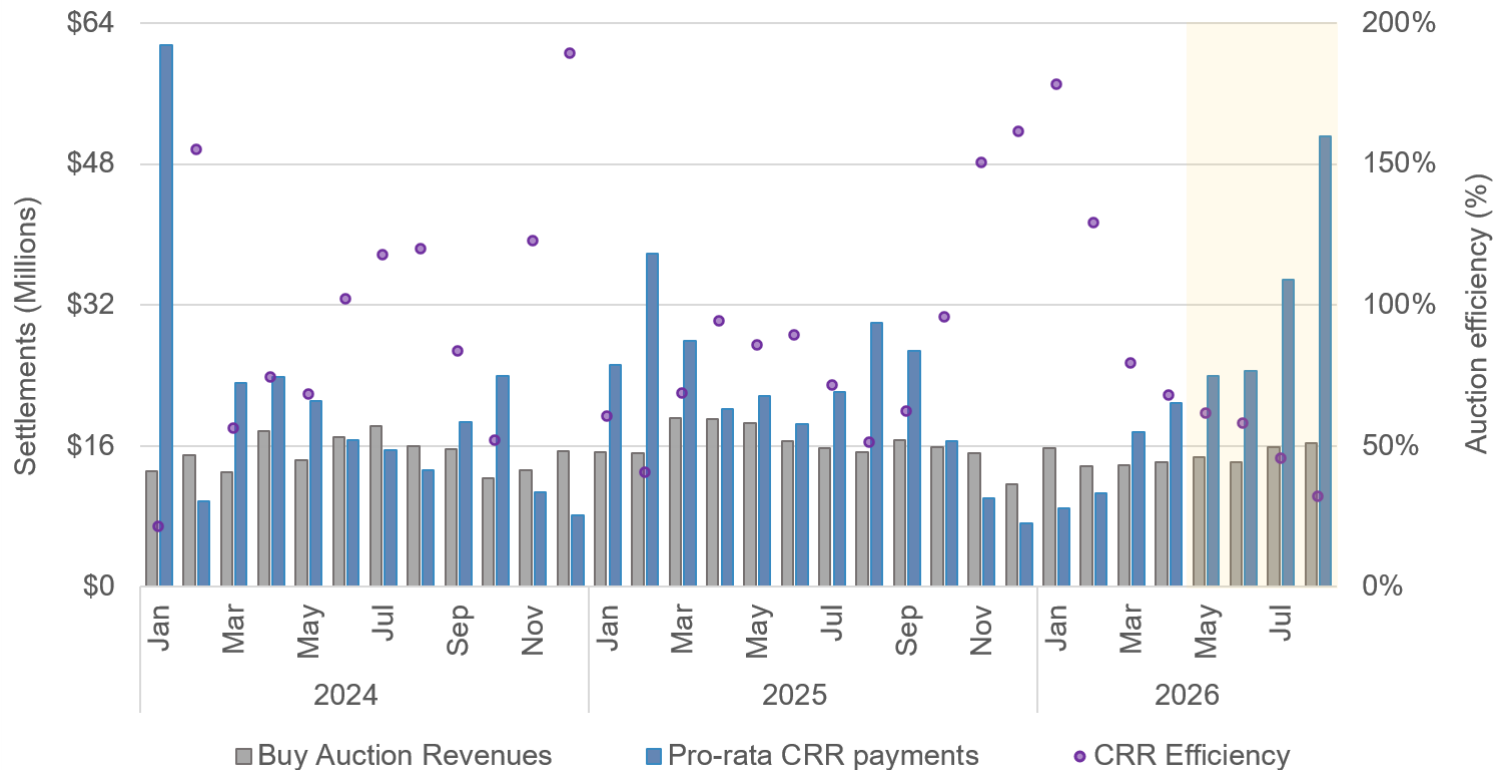
- Negative values reflect a charge back to PAC due to their schedules originally receiving congestion payments for providing counterflow to congestion in CISO areas
- -\$350k for PACE and -\$330k for PACW in August

CRR revenue adequacy has been over 100% at the system level since EDAM launched



There is minimal impact on CRR revenue adequacy from the EDAM implementation given the low levels of congestion revenues involved so far in the congestion revenue allocation process

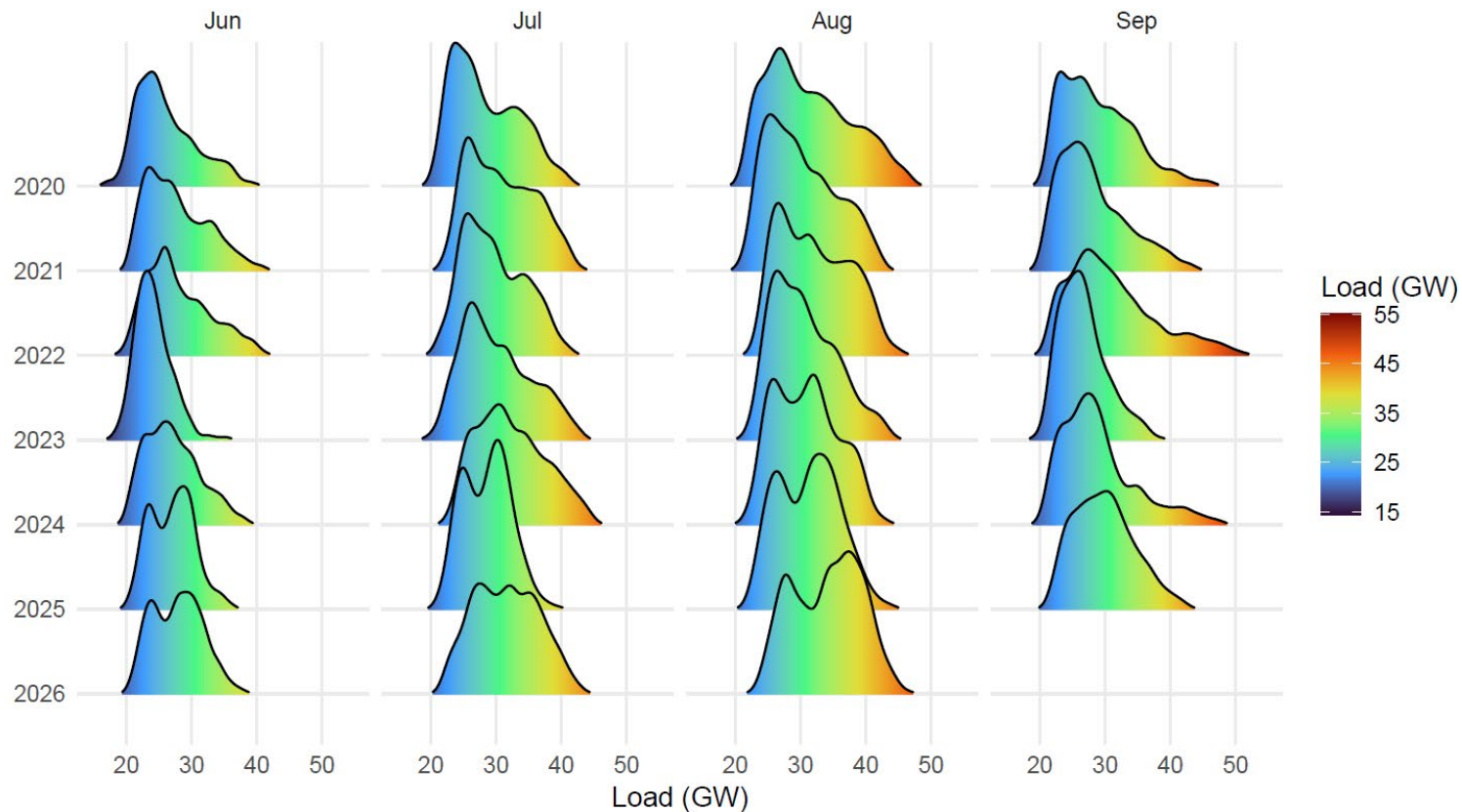
CRR auction efficiency continues to decline in recent months, reaching 31percent in August



This outcome is mainly due to higher congestion rents while steady levels of auction revenues and not driven by EDAM implementation

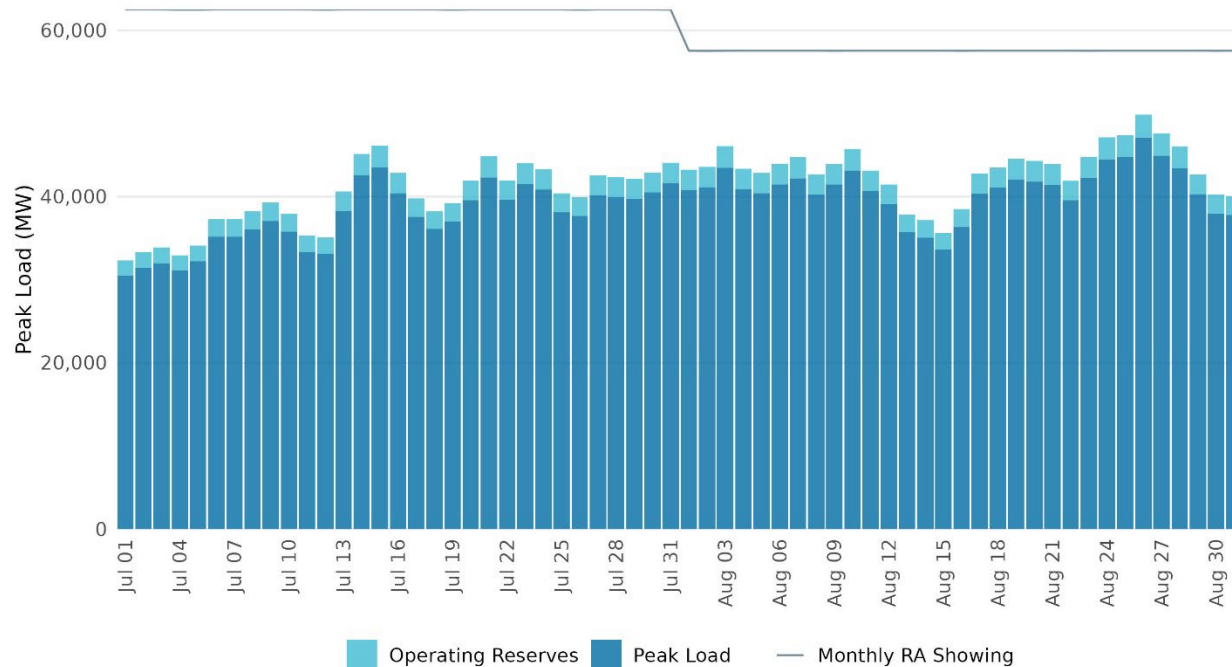
SUMMER CONDITIONS

The ISO peaked at 47,140 MW on August 26



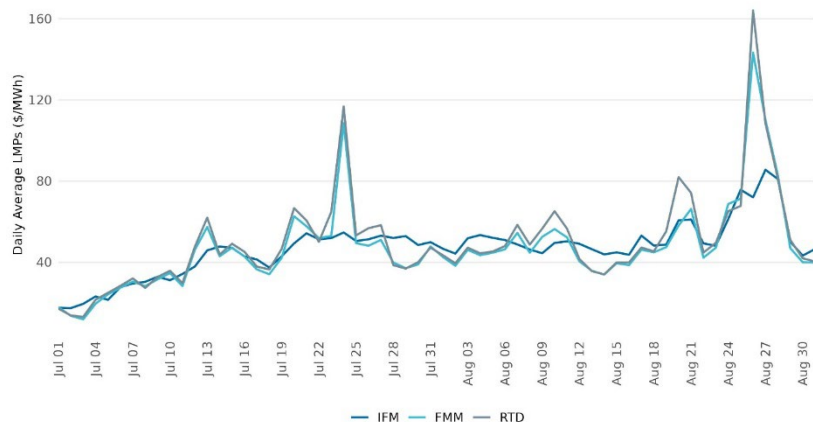
The August 26 peak was higher than the July ISO peak of 43,625 MW and second to the annual peak observed in September 2026

There was sufficient RA supply available in the system to meet CAISO's load conditions



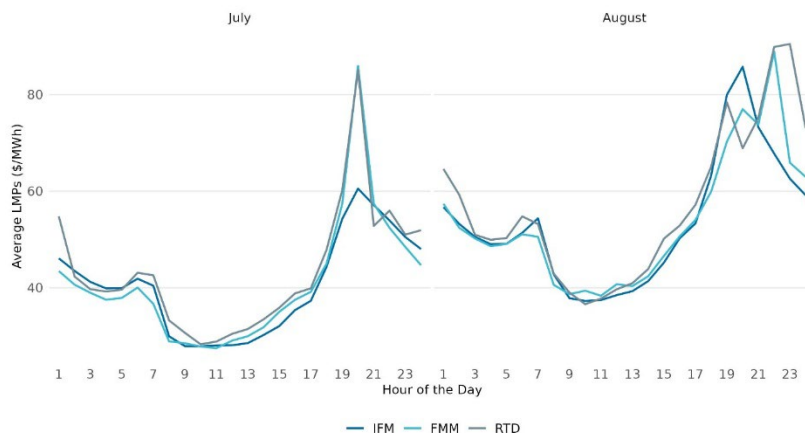
- The highest five-minute average peak load for August was 47,069 MW.
- The August peak exceeded the CEC month-ahead forecast of 45,386 MW.
- Actual load remained below monthly RA showings throughout August, leaving sufficient RA headroom.

ISO market prices increased in August, with peaks occurring on different days and hours across markets



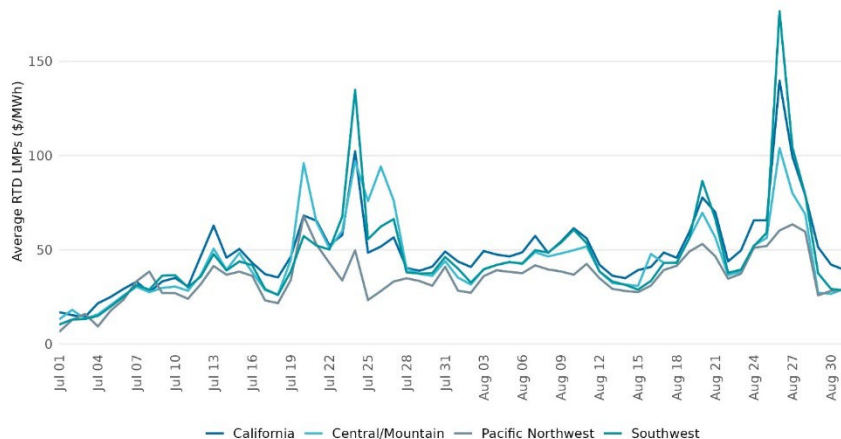
ISO market prices were generally higher in August than in July, reflecting tighter supply-demand conditions

Daily prices peaked on August 27 in IFM and August 26 in FMM and RTD



Hourly prices peaked at HE20 in IFM, HE22 in FMM, and HE23 in RTD in August

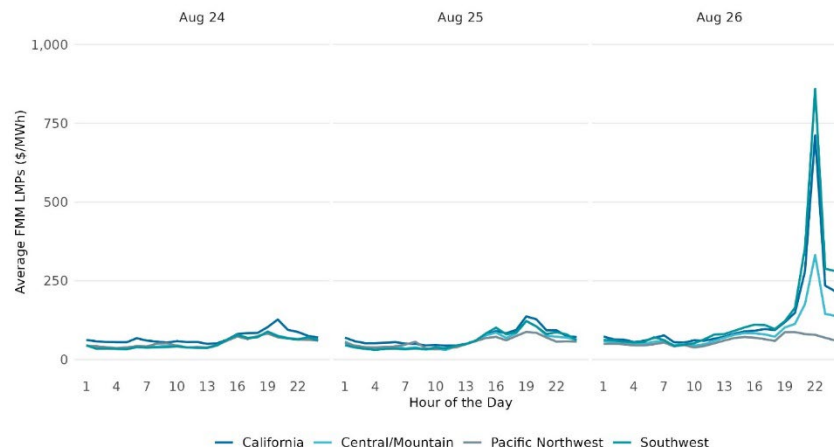
Regional FMM and RTD prices were generally higher in August, with notable increases around August 26



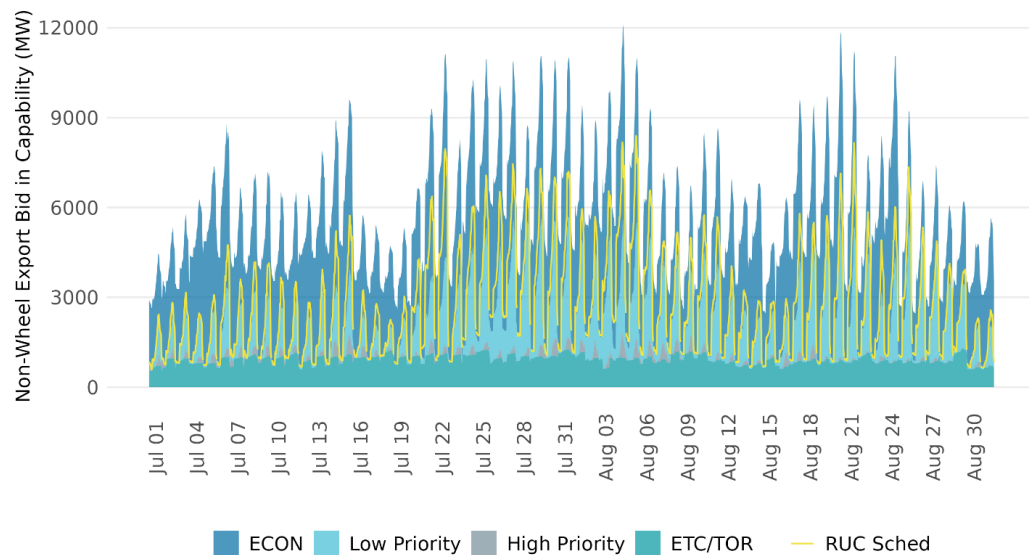
Southwest recorded the highest daily average FMM and RTD prices on August 26

Hourly prices spiked during the evening hours on August 26, particularly in the Southwest

Southwest average hourly prices peaked at \$859/MWh in FMM and \$1,035/MWh in RTD on August 26

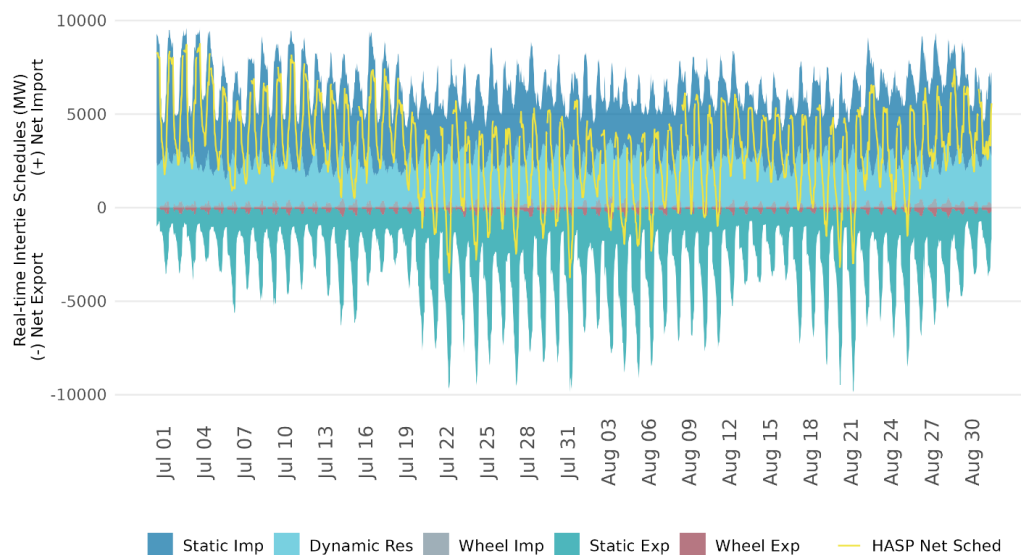


Volumes of exports cleared in July exceeded 8,000 MW

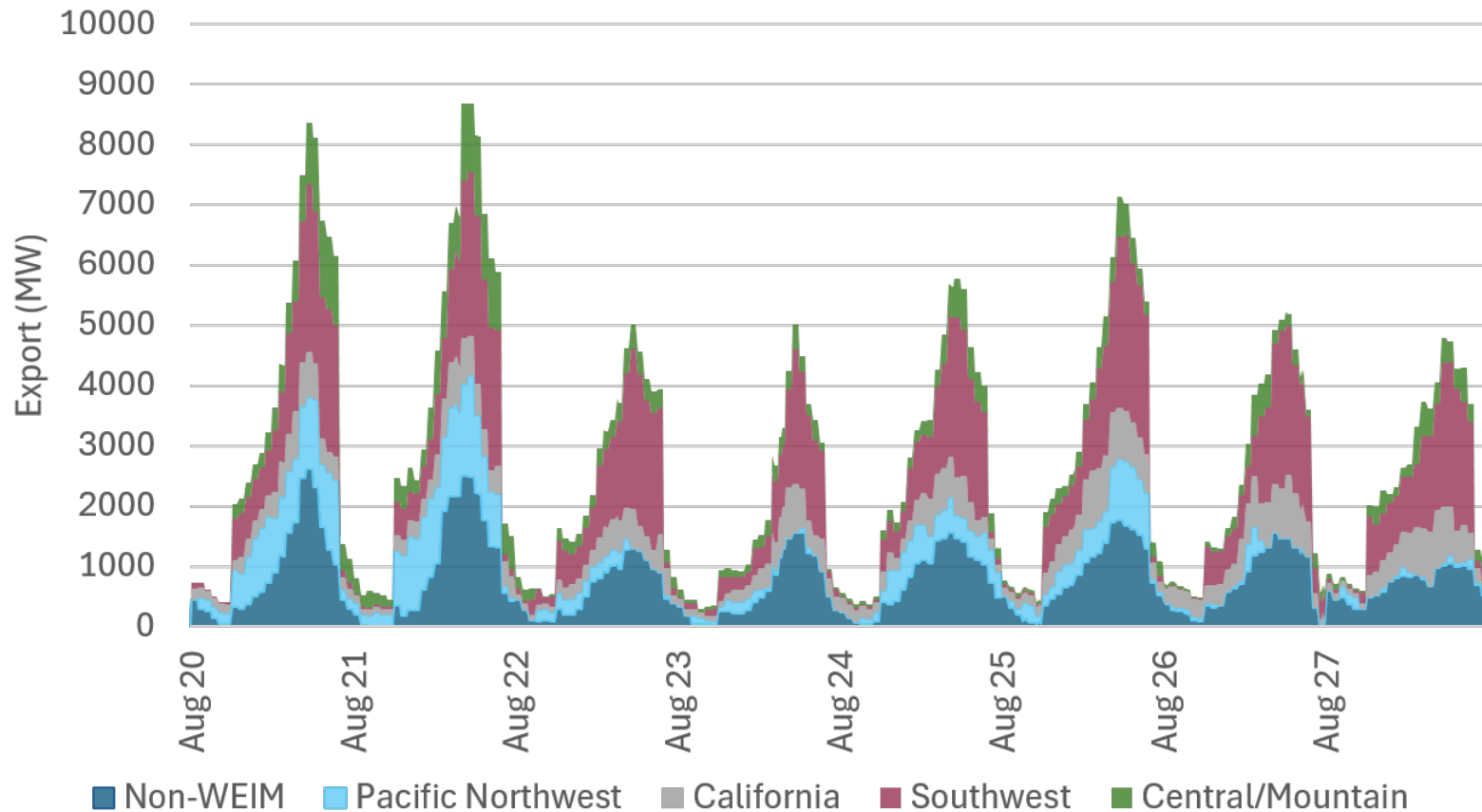


Given the high loads in August in the west, export volumes remained high similar to July.

Low-priority bids constituted a significant portion of bid-in and cleared exports

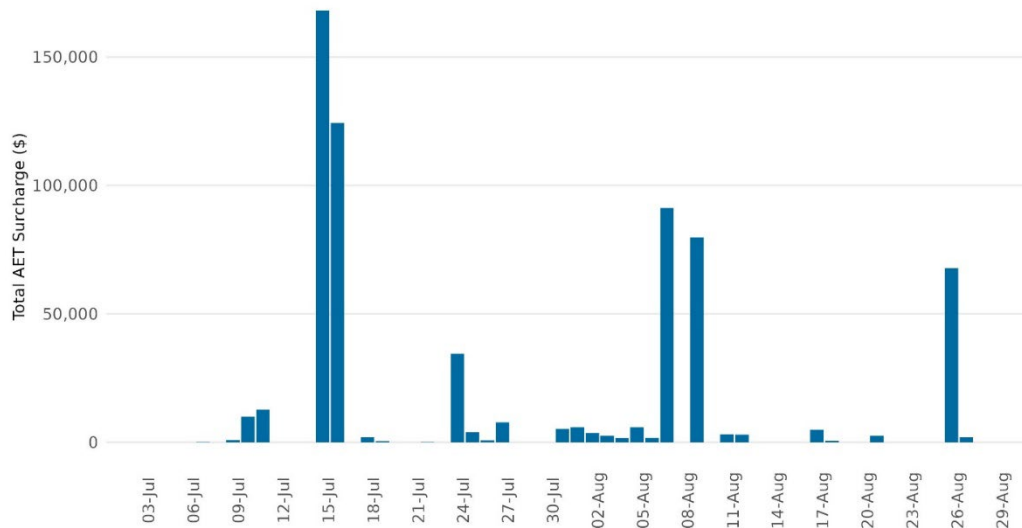
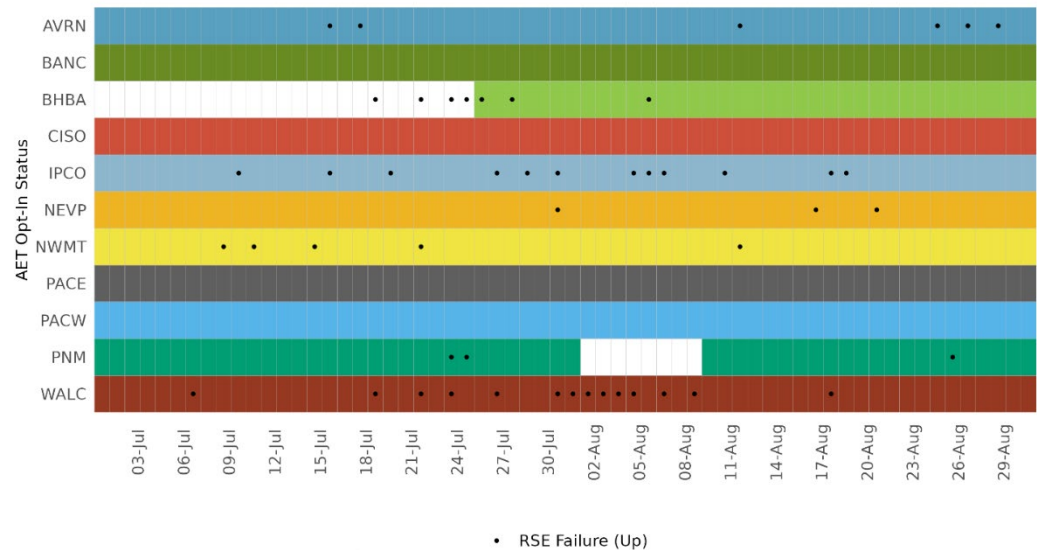


As much as 8,600 MW exports sourced at the ISO area helped meet regional demand in the West during high-load conditions



In August, the same 11 WEIM BAAs opted in for AET as in July

Seven WEIM BAAs failed the upward RSE test at least once in August



AET surcharge for August was about \$276K

AET surcharge was only assessed for a total of 15 trading days in August

The ISO is tracking several EDAM Market Issues

- Reliability Capacity Awards at negative prices: RC has been awarded at negative prices due to several factors, including software issues with MSG transitions, SP-Tie pricing, market-driven conditions related to optimality of solution and price formation. Status: SP-Tie issue fixed on July 24, 2026 and other issues remain open
- Storage Resources and RCD: Due to a logic issue, storage resources are unable to provide RCD despite being economic and having sufficient state-of-charge headroom. Status: Fixed on Sep 14, 2026
- In RUC when RCU and RCD bid prices are \$0, the optimization may procure both RCU and RCD in the same hour. This is not a logic issue but reflects an interplay with \$0 bids. CAISO will continue monitoring to ensure the new market functionality

The ISO is tracking several EDAM Market Issues

- Missing IR deployment scenarios in the CRR clawback mechanism: The CRR clawback calculation does not account for IR deployment scenarios due to incomplete payload data from the market application to the CRR system. This issue impacts May 1, 2026 and remains on-going. The ISO is working to correct this in the T+70 BD settlement statements
- Flow Discrepancies for Intertie Constraints in the CRR system: When interties are mapped to multiple Intertie Constraints, the IFM flow calculation logic produces inaccurate results, leading to downstream misallocation of CRR revenues. Status: Open

The ISO is tracking several EDAM Market Issues

- High Reliability Capacity Down prices due to solution limited by IFM commitment: Reliability Capacity Down can only be awarded to resources that are on-line and committed by the IFM. Additionally, down capacity range is limited by energy self-schedules, A/S and IR awarded in IFM. This issue is not a software issue but due to the requirement to run RUC only after IFM is complete. The ISO will continue monitoring to ensure the new market functionality
- Commitment Costs in the day-ahead RSE: The RSE test is considering non-zero minimum load costs and transition costs which economically prevents some resources from providing energy and Imbalance Reserve. The ISO is working with its software vendor to ensure that commitment costs are considered \$0 in the RSE test only.
Status: Fixed Sep 14, 2026

The ISO is tracking several EDAM Market Issues

- Non-Participating Resources in RUC: To prevent RUC solution failures and ensure timely day-ahead market publication, select generator and MSG configurations were excluded from RUC participation and this resulted in a shutdown of affected MSG plants. Status: Open
- Daily Energy Limit not counted in EDAM RSE: Due to a software issue, the daily energy limit for use-limited resources is not enforced in the EDAM RSE allowing these resources to be credited for more capacity than is available in the market. Status: Open
- Bid Cost Recovery for Hybrid Resources: There is an issue processing the submitted bid costs for hybrid resources which is resulting in high bid cost recovery payments. Status: Open

The ISO is tracking several EDAM Market Issues

- Bid Cost Recovery for Dispatchable Demand Resources (DDR):
There is an issue processing the submitted bid costs for DDRs which is resulting in high bid cost recovery payments. Status: Open
- Low-Priority Exports in RUC: Low-priority exports receive a \$250 proxy Reliability Capacity Up bid in RUC and will be curtailed when RUC prices are \$250 or higher. There are two software issues impacting the bid set-up and curtailment for low-priority export. Status: Open
- High-Priority Exports in RUC: Under the current implementation, high-priority exports (PT exports) do not receive a proxy Reliability Capacity Up bid in RUC. As a result, PT exports cannot be reduced through RUC. Status: Open

Next Steps

- Stakeholder comments on today's workshop are requested by **October 13**
 - Please complete the stakeholder comment template word document on the [Extended Day-Ahead Market \(EDAM\) Performance initiative webpage](#). Upon completion of this template, please submit it to ISOStakeholderAffairs@caiso.com.
- Next scheduled meetings:
 - *Tentative*: Oct. 29, 2026 (Market Performance and Planning Forum)
 - Comments due: Nov. 12, 2026
 - Confirmed: Nov. 24, 2026 (EDAM Performance Meeting)
 - Comments due: Dec. 10, 2026

This Week at the ISO – 9/28/26

Stakeholder Meetings *For an overarching view of where each initiative is in the development process, view the [Policy Initiatives Timeline](#).*

All public stakeholder meetings are also listed on the [CAISO Calendar](#)

- Monday, September 28, 2026 – [Extended Day-Ahead Market \(EDAM\) Market Performance](#)
 - 1:00pm – 3:00pm PT ([link](#))
- Tuesday, September 29, 2026 – [Release User Group Forum](#)
 - 10:00am – 11:00am PT ([link](#))
- Tuesday, September 29, 2026 – [Interconnection Customer User Group](#)
 - 1:00pm – 2:00pm PT ([registration required](#))
- Tuesday, September 29, 2026 – [Greenhouse Gas \(GHG\) Enhancements Overview](#)
 - 2:00pm – 4:00pm PT ([registration link](#))
- Wednesday, September 30, 2026 – [Congestion Revenue Rights Enhancements](#)
 - 9:00am – 4:00pm PT ([link](#))
- Wednesday, September 30, 2026 – [Interconnection Process Enhancements 5.0 - Draft Tariff Language](#)
 - 2:00pm – 4:00pm PT ([link](#))
- Thursday, October 1, 2026 – [Large Loads - Draft Final Proposal](#)
 - 9:00am – 4:00pm PT ([link](#))
- Thursday, October 1, 2026 – [Market Update](#)
 - 10:00am – 10:30am PT ([link](#))
- Thursday, October 1, 2026 – [2026 Market Policy Catalog and Roadmap Process](#)
 - 2:00pm – 4:00pm PT ([link](#))

Comment Submission Deadlines

- Monday, September 28 – [Interconnection Process Enhancements 5.0 - Draft Tariff Language](#)
- Thursday, October 1 – [2026 ISO Planning Standards](#)
- Thursday, October 1 – [2026 Transmission Economic Assessment Methodology \(TEAM\) Update](#)

This Week at the ISO continued

DAME/EDAM Resources

FAQ & Training:

- [EDAM FAQ Guide](#) - Designed to address general EDAM related questions
- [EDAM Training Resources](#) - A comprehensive set of EDAM training materials is available, offered in both instructor-led and computer-based training (CBT) formats. These resources include courses covering:
 - Bids and Base Schedule
 - EDAM Bidding Basic Concepts
 - Scheduling Infrastructure Business Rules (SIBR)
 - EDAM Scheduling Coordinator responsibilities
 - Intertie Scheduling
- [EDAM Business Requirements Specifications](#) - Describes EDAM's business processes and the associated business requirements.
- [DAME Business Requirements Specifications](#) - Describes DAME's business processes and the associated business requirements.
- [EDAM Scheduling Coordinator Decision Matrix](#)

Settlements:

- [Settlements BPM Walkthrough](#)
- Known Issues List

BPMs:

- [Extended Day-Ahead Market BPM](#)
- [Market Instruments BPM](#)
- [Reliability Requirements BPM](#)
- [Market Operations BPM](#)
- [BPM Change Management Process \(PRRs\)](#)

EDAM Stakeholder Initiative:

- Meeting materials and recordings can be accessed through the stakeholder initiative page [here](#).

This Week at the ISO continued

Trainings

- Tuesday, September 29, 2026 – [Greenhouse Gas \(GHG\) Enhancements Overview](#)
 - 2:00pm – 4:00pm PT ([registration link](#))

Who should attend?

- This course is designed for EDAM and WEIM market participants, particularly entities impacted by the Washington State GHG changes. The intended audience includes policy staff, marketers responsible for submitting GHG bids, and staff responsible for resource modeling.

What topics will be covered?

- This training will include the following topics:
- Describe the GHG Market Model and upcoming geographic boundary changes.
- Explain the purpose and role of the GHG Handbook.
- Summarize GHG bid eligibility, verification, mapping, and submission requirements.
- Identify initial modeling and technical preparations for implementation.
- Recognize upcoming outreach and opportunities for continued engagement.

Market Simulations

Please refer to our [Release Schedule](#) for the most recent updates of initiatives scheduled for MAP- and Production- stage market sims

To participate in the DAME and EDAM Implementation pre-Market Simulation meeting series, please follow these steps:

Submit a CIDI Request:

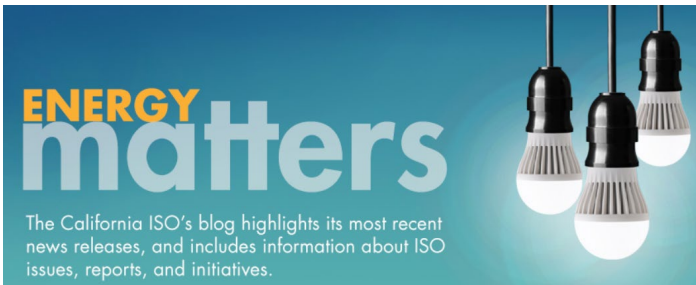
- Log in to the CAISO Customer Inquiry, Dispute, and Information (CIDI) system.
- Create a new request with the 'Functional Environment' set to "Market Simulation."
- In the request, specify your intent to participate in the DAME & EDAM Market Simulation.
- Include the following information:
 - Market Simulation initiative(s) you will participate in.
 - Any specific resources or systems you plan to test.
 - Contact names and email addresses for coordination.

Email Option:

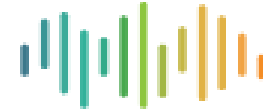
- If you do not have access to CIDI, you may send an email to marketsim@caiso.com with the subject line "DAME & EDAM Market Simulation Registration."

Business Practice Manual (BPM) Updates

- The status of all PRRs and updated BPMs in the [BPM Library](#) are published on the [BPM Change Management Website](#).



Listen and subscribe:   



FREQUENCY BAND

The *Energy Matters* blog provides timely insights into ISO grid and market operations as well as other industry-related news and a new energy podcast, *Frequency Band*.



Story | Transmission

**SWIP-North construction underway;
provides key link in Western
transmission connectivity**

By ISO Staff

09/16/2026



Story | Leadership

**ISON: A valuable network for
international information sharing,
innovation and best practices in
grid management**

By Elliot Mainzer

09/03/2026



Story | Reports, Regulatory, Markets

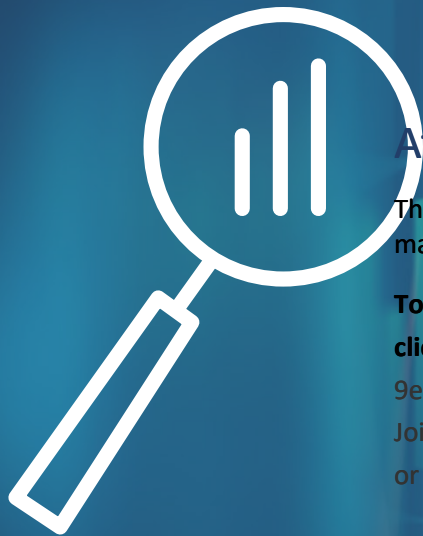
**ISO Department of Market Monitoring
plays an important – and required – role
in markets transparency and effectiveness**

By Eric Hildebrandt

08/13/2026

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Announcing the launch of a new publication series:



Western Energy Markets Observations

Attendee Instructions

The conference begins at 9:00 AM Pacific Time on November 03, 2026; you may join the conference 10 minutes prior.

To join the conference,

click: <https://intellor.webex.com/intellor/j.php?MTID=md14b422b4ddd24d999e3c35413438abb>

Join the Webex event and follow the prompts to connect audio by computer or telephone.

Unable to join by computer?

1-650-479-8100 with access code 2532075100

This new periodical offers concise and accessible insights into notable developments across the western power markets. [Read the first issue](#) for highlights on market performance during the first weeks of Extended Day-Ahead Market (EDAM) operations.

The document will be posted on the [EDAM Overview page of WesternEnergyMarkets.com](#) website.

REGISTRATION CLOSES ON SEPT. 30

2026 STAKEHOLDER SYMPOSIUM

Welcome reception - Oct. 5 at Kimpton Sawyer Hotel, Sacramento, CA

Symposium program - Oct. 6 at SAFE Credit Union Convention Center, Sacramento, CA

7:30-9:00 a.m. Registration and networking breakfast

9:00-9:15 a.m. Welcome and opening remarks

9:15-9:45 a.m. Opening Keynote

9:45-10:30 a.m. The EDAM experience: Perspectives from the first movers

Break

11:00-11:45 a.m. The Road to ROWE: Navigating the 2027 transition

1:30-2:15 p.m.

2:15-3:00 p.m.

Break

3:30-4:30 p.m.

4:30-4:45 p.m.

5:00-7:00 p.m.

Power Shifts: Short talks on big change

Success through partnership: Building the future together

CAISO's strategy for the next 5 years

Closing remarks

Networking reception

