

**Western Energy Markets (WEM) Regional Issues Forum  
Annual Policy Initiatives Catalog and Roadmap - 2026  
Roundtable Report to the WEM Governing Body  
April 22, 2026**

**I. Introduction and Background**

This report provides documentation of the annual Regional Issues Forum (RIF) Roundtable meeting, held in Folsom, California on March 16, 2026.<sup>1</sup> The Regional Issues Forum is established and operates as a component of the governance structure of the Western Energy Imbalance Market (Western EIM or WEIM) and the Extended Day-Ahead Market (EDAM) under the Charter for the WEIM and EDAM Governance (Charter).<sup>2</sup> Pursuant to the Charter, the Regional Issues Forum comprises sectors of participants and stakeholders in the Western EIM, represented by sector liaisons and organized as follows:

Western EIM Entities	Lindsey Schlekeway, NV Energy ( <i>Chair</i> ) Kalia Savage, Portland General Electric
CAISO Participating Transmission Owners	Meg McNaul, Six Cities Jonathan Rumble, Southern California Edison
Consumer-Owned Utilities	Doug Boccignone, Flynn Resource Consultants Lauren Tenney Denison, Public Power Council
EDAM Entities	Vijay Singh, PacifiCorp ( <i>Secretary</i> )
Public Interest Groups and Consumer Advocates	Kavya Niranjana, Renewable Northwest Jaime Stamatson, Montana Consumer Counsel
Independent Power Producers and Marketers	Rahul Kalaskar, AES Corporation Scott Olson, Avangrid Power ( <i>Vice Chair</i> )
Power Marketing Administrations	Kelii Haraguchi, Bonneville Power Administration

The Charter provides for the Regional Issues Forum to discuss issues related to the Western EIM, including topics that are pending in ongoing CAISO stakeholder initiatives. The Charter also authorizes the issuance of documents and opinions of the Regional Issues Forum to the WEM Governing Body and/or the CAISO.

<sup>1</sup> All Regional Issues Forum public meetings, including the March 16<sup>th</sup> Roundtable, are recorded. The meeting recording, together with supporting materials, is publicly available on the Regional Issues Forum page of the Western Energy Imbalance Market website, available at [Regional Issues Forum - Western Energy Imbalance Market \(westerneim.com\)](https://www.westerneim.com/Regional-Issues-Forum-Western-Energy-Imbalance-Market).

<sup>2</sup> Charter for WEIM and EDAM Governance, Cal. Indep. Sys. Operator Corp. Board Policy, Rev. 1.8 (Jul. 1, 2025), available at <https://www.westerneim.com/Documents/Charter-for-WEIM-and-EDAM-Governance.pdf>.

The purpose of the Roundtable meeting and this report is to implement a step in the CAISO process for development of its Policy Initiatives Catalog and Roadmap as set forth in the Final Proposal for Western EIM Governance Review – Phase 3 (EDAM),<sup>3</sup> which established an expanded role for the Regional Issues Forum in identifying and prioritizing discretionary stakeholder initiatives undertaken by the CAISO to establish and implement new and revised policies and corresponding rules for the operation of its markets. The GRC Final Proposal provided for the Regional Issues Forum to augment the CAISO’s initiation of its annual initiatives prioritization process by holding a “roundtable discussion” about priorities within the set of possible discretionary initiatives identified by the CAISO. The GRC Final Proposal also provided that this discussion would occur prior to the CAISO’s publication of its own proposed prioritization of policy initiatives to enable the consideration of input by the RIF into the prioritization process.<sup>4</sup>

The Regional Issues Forum coordinates with the CAISO staff on the schedule and timing of the RIF Roundtable. For 2026, they agreed upon the following timeline for the Roundtable within the CAISO process:

<b>January</b>	2026 kickoff stakeholder meeting
<b>February</b>	Stakeholders submit market policy initiative proposals to Catalog
<b>March</b>	Regional Issues Forum (RIF) Roundtable
<b>April</b>	Stakeholder workshop
	Briefing to BOSR
<b>Mid-April to Mid-May</b>	RIF Roundtable Report
	Stakeholder prioritization survey
<b>June</b>	Updated 2026 Market Policy Roadmap released
	2026 Market Policy Catalog released
<b>October</b>	Draft Market Policy Roadmap released for stakeholder comment
	Briefing to RIF + RIF feedback
	Briefing to BOSR + BOSR feedback
<b>December</b>	Final Market Policy Roadmap released

In an effort to communicate with market participants and stakeholders regarding the planned timing of and opportunities for input into the Roundtable, updates regarding the Roundtable were provided during the CAISO’s stakeholder meeting to initiate the Policy Initiatives Catalog and Roadmap Process for 2026, held on January 15, 2026.

<sup>3</sup> See Final Proposal, Western EIM Governance Review – Phase Three (EDAM), Governance Review Committee (Jan. 9, 2023) (GRC Final Proposal), available at [EDAM-Governance-Final-Proposal-WEIM-Governance-Review-Committee-Phase-3.pdf \(westerneim.com\)](https://www.westerneim.com/EDAM-Governance-Final-Proposal-WEIM-Governance-Review-Committee-Phase-3.pdf).

<sup>4</sup> See GRC Final Proposal at 37-40; see also Western EIM Charter at § 7.4.

The liaisons for each sector also communicated with sector members regarding policy initiative priorities, in addition to seeking general input on the CAISO's Policy Initiatives Catalog and Roadmap Process. These activities are outlined in more detail within the sector reports provided below.

During the March 16<sup>th</sup> Roundtable meeting, the sector liaisons for each of the Regional Issues Forum sectors provided an overview of policy initiatives and priorities on behalf of their respective sectors, followed by comments from Member Anita Decker in her capacity as the WEM Governing Body Liaison to the Regional Issues Forum, comments by Commissioner Darcie Houck of the California Public Utilities Commission on behalf of the Western EIM Body of State Regulators (BOSR), and comments by Anna McKenna, the CAISO Vice President of Market Design and Analysis.

The report provided below summarizes the priorities that the Regional Issues Forum sectors have identified for the 2026 Policy Initiatives Catalog and Roadmap Process.

## **II. Overarching Themes and Common Priorities Across Sectors**

Overall sector feedback indicates broad agreement that the catalog and roadmap process is generally working as intended. There is consensus on the potential benefits of bifurcating the market policy and infrastructure roadmaps and maintaining the priorities established in the 2025 roadmap, which left time for initiatives on EDAM Enhancements and EDAM Congestion Revenue Allocation Phase 2.

However, several topics generated mixed views. New submissions included initiatives that are more CAISO balancing area focused, such as changes to the Transmission Access Charge and Maximum Import Capability, which require direction from CAISO for which roadmap is appropriate. Price formation enhancements was a main item of interest but with differing opinions on scarcity pricing. There was also general agreement that further discussion is needed to address day ahead market seams topics; however, the input for how this topic might be addressed varied. Of greatest importance for addressing seams issues is for CAISO to continue to work with stakeholders as part of the EDAM Enhancements track to determine highest priority issues and solutions. Furthermore, two sectors provided feedback on the topic of intertie bidding, which may also be viewed as a topic to be addressed in the seams discussion.

## **III. Sector Overview and Summary of Priorities**

### **A. Western Energy Imbalance Market Entities**

The EIM Entity Sector membership is made up of EIM Entities that have entered an EIM Entity Agreement with CAISO to enable the Real-Time Market in the EIM Entity's Balancing Authority Area. The specific definition of an EIM Entity can be found in the definition section of the CAISO tariff.

For the purposes of gathering feedback for the Regional Issues Forum Roundtable, the EIM Entity liaisons sent out a request for feedback from members via email. Additionally, feedback was gathered by reviewing the comments from members that were sent in to the CAISO annual policy catalog and roadmap process.

**i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

The WEIM Entity sector members generally viewed the 2026 Catalog and Roadmap Process as reasonable and consistent with prior years, noting that the overall structure, timing, and opportunities for input align with established expectations. Members urge CAISO to remain mindful of limited resources and participant bandwidth when setting the initiative schedule and prioritization, emphasizing the importance of realistic timelines and the cumulative workload created by overlapping policy efforts.

**ii. Current Policy Initiatives Priorities**

WEIM Entity sector members identified EDAM enhancements as the top near-term priority, emphasizing the need to resolve early implementation issues, improve market functionality, and support reliable and efficient operations as EDAM and DAME mature. As EDAM implementation progresses, targeted enhancements will be critical to address practical implementation considerations, reduce operational friction, and ensure the market framework delivers its intended benefits across a diverse set of participants.

Members also underscored that sequencing and pacing across the policy portfolio is critical, citing limited stakeholder bandwidth. An additional recommendation was to allow sufficient time for EDAM to operate and for data from EDAM and DAME to become available before launching additional major efforts, so that future policy development can be informed by observed outcomes, lessons learned, and measurable market performance.

Price Formation, EDAM Congestion Revenue Allocation Phase 2, GHG Coordination Accounting and Reporting final proposal, Intertie Scheduling and the implications of the Gap-Tie modeling, and Storage Design and Modeling were consistently cited as important topics. The Storage Design and Modeling is a parallel priority given the growing role of storage resources in WEIM Entity resource portfolio's and the importance of clear, durable market rules that support efficient storage integration. Well designed storage participation models and bidding constructs are essential to enable storage resources to respond to market signals, support reliability, and reflect their operational capabilities. Continued policy development in this area will help ensure storage resources can participate efficiently and consistently across market timeframes as EDAM and other market initiatives mature.

However, there was mixed feedback regarding the price formation initiative requesting to prioritize the initiative and requesting to defer the topic following EDAM and DAME implementation.

**iii. New Initiative Priorities**

WEIM Entity members expressed mixed reactions regarding potential new initiative priorities. Some supported additional focus on seams discussions, including development of a discrete deliverable with practical direction for navigating seams issues. While others noted that the market is already undergoing significant transformation with EDAM and DAME implementation and the possibility of participant exits, and therefore recommended prioritizing near-term EDAM-related enhancements that have already been identified rather than expanding the portfolio with new initiatives at this time.

#### **iv. Other High Priority Issues**

Members also identified a few other high-priority issues. Seams concerns were frequently raised, with interest in a focused initiative or working group. In addition, members emphasized the importance of understanding impacts to WEIM benefits following EDAM go-live. Finally, members highlighted emerging modeling challenges for hybrid and multi resource facilities, particularly configurations with multiple co-located resource types sharing a single point of interconnection, suggesting a need for more flexible market modeling approaches.

### **B. California ISO Participating Transmission Owner Sector**

The Participating Transmission Owner (TO) Sector consists of entities that have entered into the Transmission Control Agreement among and between the CAISO and Participating TOs and have placed their respective transmission facilities and entitlements under the CAISO's operational control.<sup>5</sup> These entities include both original and new Participating TOs such as the California investor owned utilities (IOUs), including Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E); certain California municipalities, including the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities); a number of independent transmission asset owners; and the Western Area Power Administration Sierra Nevada Region (WAPA).

#### **i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

As noted below, the PTO sector is focused on the CAISO's proposal to bifurcate the Policy Initiatives Catalog and Roadmap process into two separate categories, one for "market policy" issues and one for "infrastructure" issues. In addition to this broader topic related to the 2026 process, the PTO sector acknowledges the CAISO's efforts in 2025 to be responsive to stakeholder concerns regarding the levels of activity within the working group processes across multiple initiatives. In response to these concerns, the CAISO paused certain working groups to enable a focus on high priority, time sensitive initiative efforts.

Members of the PTO sector are actively monitoring the CAISO's bifurcation of its Policy Initiatives Catalog and Roadmap into two separate processes, one of which will address "infrastructure issues" focused on policy efforts pertaining to the CAISO-controlled grid and the other of which will address "market policy"-related topics. As entities that have transferred operational control over their transmission facilities and entitlements to the CAISO and in their

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<sup>5</sup> See also CAISO Tariff at App. A (definition of Participating Transmission Owner).

respective capacities as market participants, both categories of initiatives involve topics that are of high interest to the PTO sector.

The PTO sector is generally supportive of the CAISO's bifurcation efforts, but stresses that the CAISO's proposed initiative classification measures must be well-defined, supported by stakeholders, enable transparency in classification decisions, and provide stakeholders with an opportunity to weigh in on proposed classifications for initiative topics. At this time, there is limited information about how the CAISO plans to approach categorizing initiatives that may present both infrastructure and market-related issues. It is similarly unclear if the "infrastructure" category is also intended to encompass initiatives that may be specific to the CAISO balancing authority area and within the jurisdictional oversight of the CAISO Board of Governors, but that are not necessarily related to, for example, transmission planning or interconnection. Initiative classification as infrastructure or policy-related could also potentially implicate assignment of staffing by the CAISO to each respective initiative category.

As the CAISO and stakeholders gain experience with the two separate Catalog and Roadmap processes, the CAISO's approach to initiative classification and parties' understanding of the implications of classification decisions for oversight and staffing should become more clear. Members of the PTO sector are prepared to work with the CAISO on implementation of this bifurcated process and encourage the CAISO to include some of the same opportunities for stakeholder-led involvement in the policy initiative process on the infrastructure side as have been adopted for market policy initiatives. These features include enabling stakeholders to respond to a survey of initiative prioritization efforts, providing transparency into how stakeholder priorities were considered in the Roadmap development, holding working group meetings to allow stakeholders to participate in the definition of problem statements and proposed policy solutions, and encouraging stakeholder input in the form of presentations during stakeholder meetings.

#### **ii. Current Policy Initiative Priorities**

At this time, members of the PTO sector support maintaining bandwidth within the Roadmap to address potential EDAM Enhancements following the implementation of EDAM on May 1<sup>st</sup>. In addition to anticipating that there likely will be a need to refine the EDAM market design following go-live, the PTO sector encourages the CAISO and stakeholders to remain flexible in terms of Roadmap priorities through the remainder of the year, so that there will be sufficient bandwidth to focus on emerging issues related to the implementation of EDAM and DAME.

Stakeholders and the CAISO have identified a wide range of discretionary priorities, and it will not be possible to address each proposed initiative in the near term. Having dedicated significant time in recent years to consideration of implementation of fast-start pricing within the CAISO markets, members of the PTO sector concur with the CAISO's decision to postpone continued consideration of this topic within the Price Formation Enhancements initiative.

#### **iii. New Initiative Priorities**

Members of the PTO sector proposed several new initiatives in the 2026 Catalog and Roadmap development process. First, PG&E proposed a new initiative, targeted to the 2028 timeframe, consisting of a “2028 EDAM Review.” Beyond the initial enhancements to the EDAM market design that may be considered in 2026 as part of the near-term EDAM Enhancements effort, this initiative would be driven by the initial experience with EDAM over the first roughly 18 months and would involve a holistic assessment of EDAM’s operation and performance in the context of the goals and benefits of the increased footprint of EDAM. The CAISO and stakeholders would then evaluate and prioritize the next stage of EDAM enhancements.

Second, PG&E also proposed that the CAISO and stakeholders evaluate and consider the re-optimization of ancillary services in the Real-Time Market. This would entail an expansion of the re-procurement process to enable co-optimization of energy and ancillary services bids, resulting in more efficient solutions to ancillary services provision across the market footprint.

The Six Cities, as members of a coalition of stakeholders referred to as the “Joint Parties,” proposed that the CAISO undertake a “Maximum Import Capability” or “MIC” Enhancements initiative.<sup>6</sup> This initiative would involve a comprehensive review of the CAISO’s current policy for determining and allocating MIC. This initiative was previously submitted to the CAISO in 2024 as part of the development process for the 2025 Catalog and Roadmap and was slated for consideration as part of the Resource Adequacy Modeling and Program Design initiative, but was not considered as a part of that initiative in 2025. Given the bifurcation of the CAISO’s Catalog and Roadmap processes, the Joint Parties elected to resubmit this proposed initiative into both initiative processes, although they perceive this proposed initiative as most relevant to the CAISO’s resource adequacy policy, rather than solely as an infrastructure issue.

#### **iv. Other High Priority Issues**

The PTO sector has not identified other high priority issues for inclusion in the Policy Initiatives Catalog and Roadmap at this time, but, as noted elsewhere, supports the ability of the CAISO and stakeholders to remain flexible as priorities for stakeholder issues may shift throughout the year in response to emerging issues with the implementation of DAME and EDAM.

### **C. EDAM Entity Sector**

The EDAM sector consists of Balancing Area of Northern California, Los Angeles Department of Water and Power, PacifiCorp, Public Service Company of New Mexico, and Turlock Irrigation District. The sector members are utilities that have signed an implementation agreement with the CAISO and chose to be in the EDAM sector. All companies are active participants in the CAISO stakeholder process on initiatives that impact the EDAM and Western Energy Imbalance Market (WEIM). Input on the CAISO Policy Initiatives Catalog and Roadmap was gathered through emails and informal discussions on the sector’s priorities for this year’s catalog and prioritization of the ongoing initiatives.

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<sup>6</sup> MIC is a proxy for deliverability that is used for resources that are imported into the CAISO from outside of the CAISO balancing authority area. If an import resource does not have a MIC allocation, then it is not eligible to be used for resource adequacy purposes. The CAISO determines how much MIC is available each year based on historical import information and allocates MIC across its interties to CAISO load-serving entities according to a set of tariff-based criteria.

### **i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

While the EDAM sector only had one submission to the 2026 Policy Initiatives Catalog and Roadmap process, the sector generally had positive feedback on the process. The Policy Initiatives Catalog and Roadmap process continues to be a valuable part of the CAISO stakeholder process because it is a great opportunity for stakeholders to shape future market improvements. Furthermore, some in the EDAM sector commented on how they believe the process is improving every year. The EDAM Sector therefore encourages the CAISO to continue finding improvements to the process when there is opportunity.

The EDAM sector did have one suggestion for the CAISO to consider. One of the initiatives planned as part of the 2025 Policy Initiatives Catalog and Roadmap process is the EDAM Enhancements initiative. At this point, it isn't clear whether stakeholders have any input into the topics that are evaluated in that initiative because it is a very broad initiative. Since the 2026 Policy Initiatives Catalog and Roadmap is for initiatives starting in 2027, the EDAM sector believes the Catalog and Roadmap process could be used for proposing topics within broader initiatives that are already planned. However, it isn't clear whether this is something the CAISO wants to accommodate in the current process. So, the EDAM sector is seeking feedback from the CAISO on how stakeholders should provide input on potential discussion topics in broad stakeholder initiatives that are already planned.

### **ii. Current Policy Initiative Priorities**

The EDAM sector highlighted a few areas of feedback for the CAISO on 2025 policy initiative priorities. First, there were a few opinions that the implementation timelines seemed ambitious. Therefore, the EDAM sector is seeking an update from the CAISO as part of the 2026 Policy Initiatives Catalog and Roadmap on whether the implementation timelines are going forward as planned. Next, the EDAM sector generally believes the scarcity pricing and balancing authority area (BAA) level market power mitigation (MPM) tracks of the Price Formation Enhancements initiative should be split. There have been incremental changes proposed for new scarcity pricing design that have broad support, but there is not agreement among stakeholders on larger scarcity pricing changes. Also, there is a proposed enhancement to the BAA-level MPM design, namely the grouping methodology, that seems to have broad support. As such, the EDAM sector believes the incremental scarcity pricing proposal should move towards approval and stakeholders should continue working on the BAA-level MPM design. Larger scarcity pricing designs should be postponed until there is more agreement among stakeholders that changes are warranted.

### **iii. New Initiative Priorities**

One utility from the EDAM sector submitted an initiative in this year's Policy Initiatives Catalog and Roadmap process. PacifiCorp submitted a proposal for an Imbalance Reserve Enhancements initiative that would use EDAM data to holistically evaluate the imbalance reserve product. The goal of the initiative would be to make design changes that improve the procurement, usage and pricing of imbalance reserves. Since Imbalance Reserves are a novel design, PacifiCorp believes there may be parts of the design could be enhanced based on

market experience. Related to the discussion above related to proposing topics in broader initiatives already planned, PacifiCorp believes Imbalance Reserve Enhancements could be part of the EDAM Enhancements initiative.

The EDAM sector is still very supportive of the EDAM Enhancements initiative. Aside from the congestion revenue allocation design, the sector would like to see how the EDAM is working before making any big market design changes. The first few months of the EDAM will give market participants valuable insights and data. Also, the CAISO and CAISO Department of Market Monitoring will be releasing important reports for market participants to evaluate where market design changes could be made to maximize the economic benefits of the EDAM. So, while it's not clear what will be worked on in the EDAM Enhancements initiative, the EDAM sector believes it will be an important initiative.

#### **iv. Other High Priority Issues**

The EDAM sector did not have any other high priorities for the 2026 Policy Initiatives Catalog and Roadmap process.

#### **D. Consumer-Owned Utilities Sector**

The Consumer Owned Utility (COU) sector includes entities that represent load served by a COU within the WEM footprint. The sector includes over fifty organizations including municipalities, Community Choice Aggregation electricity providers, public utility districts, and cooperatives, as well as trade associations and consultants that represent those entities. The COU Sector entities are located across the WEM footprint in seven states (AZ, CA, NV, OR, UT, WA, and WY). The COU sector includes entities that are in WEIM BAAs, planned EDAM BAAs, and the CAISO BAA.

To gather input on the CAISO Policy Initiatives Catalog and Roadmap the sector liaisons reviewed written submissions into the CAISO Policy Initiatives Catalog and Roadmap and spoke with Sector members. The liaisons also hosted sector meetings to discuss sector member interests. The liaisons incorporated the feedback received during the meetings to develop the sector presentation shared at the April Regional Issues Forum meeting.

#### **i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

The COU sector is supportive of the changes made in the Policy Initiatives Catalog and Roadmap Process which have highlighted the input received from stakeholders. While some in the sector find it difficult to engage in the annual updates due to limited staff resources, others place significant importance on the opportunity to give annual input into the process.

Separating market and infrastructure initiatives is understandable and particularly makes sense in anticipation of the Regional Organization of Western Energy (ROWE) having oversight of market issues in the future; however, there are some issues that could be addressed in either or both processes, and this has led to some confusion in how to treat those issues. The COU sector looks forward to additional conversations with CAISO related to lessons learned from this approach and the potential to provide additional guidance to stakeholders in the future.

## **ii. Current Policy Initiative Priorities**

The COU sector is appreciative of CAISO attention to working with stakeholders to update its policy initiatives catalog and roadmap process. The COU sector is supportive of the items in the current CAISO roadmap, which includes significant input from stakeholders as a result of CAISO updated Policy Initiatives Catalog and Roadmap Process. COU sector members want to maintain priority on the in-flight issues to ensure they are adequately resolved. This is particularly important for issues related to EDAM which will go-live imminently. The current initiatives of greatest interest for the COU sector include: EDAM congestion revenue allocation, addressing EDAM/DAME implementation issues, and CRR enhancements.

## **iii. New Initiative Priorities**

The COU sector submitted comments identifying several potential new initiatives. Across the sector these new initiatives were generally supported, with the caveat that the CAISO continue to prioritize items currently in the roadmap. Several of these issues were also raised last year. Some of the initiatives could potentially fall in the markets or infrastructure policy catalog so our sector included them here.

The new identified initiatives are:

- Address seams between organized markets and bilateral markets, and seams between organized markets
- Explore enhancements to the Maximum Import Capability (MIC) calculation and allocation methodology to address MIC (un)availability and uncertainty
- Complete the Transmission Access Charge (TAC) Structure Enhancement initiative to address allocation of transmission costs with demand-based, time-differentiated volumetric, or hybrid billing structures
- Address phantom Flexible RA requirements associated with delayed intermittent resource projects
- Transform Real-Time Congestion Offset (RTCO) into a true neutrality charge code

## **iv. Other High Priority Issues**

The COU Sector also is tracking other high priority issues, such as:

- Mitigating pricing impacts from loss of WECC soft offer cap
- Significant demand growth expected through 2045, caused by fuel switching and large loads
- Further integration of behind-the-meter (BTM) flexibility into regional markets: Vehicle-to-Grid, BTM storage, flexible loads (i.e., heat pumps or induction stoves with built-in batteries)
- Supply chain impacts from international events

## **E. Public Interest Groups Subsector**

The Public Interest subsector is composed primarily of non-profit organizations and individuals that advocate for or otherwise represent public interests, including but not limited to decarbonization, affordability, and reliability interests. The Public Interest subsector liaison solicited feedback for the 2026 Roundtable via email and sector calls. Feedback was also gathered by reviewing comments submitted into CAISO’s 2026 Market Policy Catalog as well as a new Financial Planning initiative related to Start-Up Funding for the Regional Organization for Western Energy (ROWE).

**i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

The Public Interest subsector does not have explicit feedback on this item, though subsector members are generally supportive of CAISO’s stakeholder process and the various opportunities for meaningful engagement.

**ii. Current Policy Initiative Priorities**

The Public Interest subsector appreciates CAISO’s expedited handling of the EDAM Congestion Revenue Allocation initiative in 2025 and is generally supportive of this and other EDAM-implementing initiatives maintaining a high priority.

**iii. New Initiative Priorities**

The Public Interest subsector saw one submission into the 2026 Market Policy Catalog on enabling EDAM intertie bidding. The proposal from Western Resource Advocates (WRA) mirrors similar submissions on intertie bidding from members of the IPPM sector but also proposes a “staged approach” to focus on stakeholder education before moving into technical market design changes, so as not to delay EDAM implementation and such that CAISO staff and stakeholders can gain operational experience with the market first.

The Public Interest subsector is also generally supportive of related “western market seams coordination” initiatives submitted by members of other sectors, and of CAISO reserving staff capacity in its Roadmap to address any internal or external market seams issues that may arise as EDAM goes live.

**iv. Other High Priority Issues**

Multiple Public Interest subsector members submitted supportive comments on CAISO’s Straw Proposal for a new initiative related to funding start-up costs for the ROWE. The subsector is generally supportive of CAISO’s continued efforts to advance the Pathways Step 2 Final Proposal.

**F. Consumer Advocates Subsector**

The consumer advocates subsector is composed of both state-legislated consumer advocates, who represent residential and small commercial customers, and groups that advocate for large commercial and industrial customers. Feedback on priorities is gathered through regularly scheduled meetings and email.

**i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

The consumer advocates subsector does not have process feedback at this time.

## **G. Independent Power Producers and Marketers Sector**

The Independent Power Producers and Marketers (IPPM) sector comprises a diverse range of parties engaged in transactions within the WEIM footprint. The sector comprises competitive power producers of all resource types, competitive retail electric service companies, wholesale power marketers, financial institutions, demand response and virtual power plant providers, and relevant trade associations. As of the March 16<sup>th</sup> RIF roundtable, there were 86 unique entities voluntarily registered as members of the IPPM sector.

Developing IPPM sector priorities for 2026 began with reviewing the items submitted to the 2025 Policy Initiatives Catalog and Roadmap. Policy recommendations not addressed by CAISO or included in the 2025 roadmap were highlighted and reviewed by members to determine whether they remain a priority or could be added to an active stakeholder process. Members then developed additional new priorities based on their market observations.

### **i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

The IPPM sector appreciates the enhancements to the policy catalog process. It is particularly useful to hear at the end of the process a disposition for each item suggested for inclusion in the roadmap. This provides the policy sponsor with directions on how best to engage with CAISO on this issue, and, if it was not selected for inclusion, feedback on the reasons why, and whether the policy could be submitted for future consideration.

The sector believes that the improvements being undertaken for 2026, namely further engagement with RIF liaisons after survey results are in and the splitting of the roadmap into policy and infrastructure topics, are beneficial. Further guidance on how to determine whether a policy recommendation should be included in the policy or infrastructure roadmap will be useful for future stakeholder engagement.

### **ii. Current Policy Initiative Priorities**

The IPPM sector identified the following current policy initiative priorities for the 2026 Market Policy Catalog and Roadmap process, drawn from submissions made by IPPM sector members:

#### **Maximum Import Capability (MIC) Enhancements**

Load-serving entities face significant barriers to contracting out-of-state resources due to scarce MIC availability. The CPUC's Preferred System Plan includes 19 GW of new out-of-state wind by 2045, all of which requires MIC to count toward RA and IRP obligations. Key problems include: the long-term MIC process not being suited for PPAs with future commercial operation dates; insufficient MIC on popular interties; and unused MIC due to cumbersome trading mechanisms. Enhancements to MIC allocation efficiency and increased MIC availability should help increase import capacity to meet RA and IRP requirements.

#### **Economic Intertie Bidding under the Extended Day-Ahead Market (EDAM)**

The current CAISO EDAM tariff grants EDAM Entities flexibility — but not obligation — to allow economic bidding at interties between EDAM Balancing Area Authorities and non-EDAM BAAs. Price-sensitive bidding stabilizes markets, whereas self-schedules impede effective risk management. Enabling intertie bidding across EDAM would improve coordination along market seams, which currently only operate at CAISO external interties. EDAM is scheduled to go live on May 1, 2026, providing sufficient operational data to inform this enhancement.

## **Flexible RA Phantom Obligation due to Delayed Commercial Operation Date**

Under the current flexible Resource Adequacy structure, LSEs are allocated flexible RA obligations based on variable energy resources expected to come online during the compliance period. When a resource's commercial operation date is delayed — in some cases by over a year — the LSE is left with a "phantom" flexible RA obligation for a non-operational resource, exposing it to significant backstop costs contrary to cost causation principles. The sector proposes that CAISO adjust flexible RA allocations to account for delayed CODs, removing the phantom obligation from affected LSEs without impacting system-wide reliability.

## **Rising Costs to LSEs from Real-Time Congestion Offset (RTCO) Charges**

RTCO charges allocated to Load Serving Entities' measured demand have increased rapidly within the CAISO BAA over the years — for the California Department of Water Resources (CDWR) for example, this represents an increase of over 1,500% since 2011. The sector proposes that CAISO initiate a new stakeholder process to reform the RTCO charge code so that it functions as a true neutrality charge, reversing respective LSE Hour-Ahead and Real-Time congestion rents. The DMM's 2025 Q3 report independently confirms that RTCO costs incurred by LSEs have continued to increase in recent years.

### **iii. New Initiative Priorities**

In addition to the existing catalog items above, IPPM sector members identified the following as new priority initiatives for the 2026 process:

#### **EDAM Economic and Intertie Bidding**

EDAM entity tariffs prevent unaffiliated supply and demand from participating economically at EDAM external interties. As a result, participants are forced to self-schedule, distorting dispatch and undermining market efficiency. Self-schedules do not reflect willingness to buy or sell at a specific price. Price-sensitive bidding stabilizes markets, reduces unnecessary out-of-merit commitments, and provides better congestion signals across the EDAM footprint. The IPPM sector proposes that CAISO work with all EDAM entities to make CAISO-style economic intertie bidding the standard for all non-CAISO EDAM BAA external interties. This will enable bilateral, non-resource-specific hourly firm energy imports/exports at market prices. CAISO should have sufficient operating data by the end of 2026, after EDAM goes live, to support 2027 roadmap implementation.

#### **Resource Adequacy – Removal of the Flexible RA Product and Updating Backstop Procurement**

The sector identifies two urgent Resource Adequacy (RA) reliability concerns. First, removal of the Flexible RA product, which was never intended to be a durable product and has not demonstrated necessity after ten years, since market incentives and new imbalance reserve products now fulfill its original purpose while adding unnecessary complexity and ratepayer costs. Second, updating the Capacity Procurement Mechanism (CPM) backstop to align with California's legislatively set 1-in-10 LOLE standard. The current slice-of-day RA framework implemented by the CPUC is incompatible with CAISO's peak RA paradigm, which reduces CAISO's ability to use the CPM as a reliability backstop. To maintain the original intent of the CPM mechanism and ensure CAISO BA reliability, the CAISO should backstop against the legislatively set standard for CPUC LSEs of a 1-in-10 LOLE.

## **Extended Day-Ahead Market (EDAM) Enhancements**

The sector recommends that CAISO include in the policy catalog and roadmap a dedicated effort to consider enhancements to the EDAM design. This effort would address items identified during the original stakeholder process — pancaking of charges, convergence bidding, and congestion revenue rights — as well as issues that emerge through early operational experience. While CAISO has an EDAM Enhancements initiative already scoped into the current roadmap, populating it with specific items of interest to stakeholders will help maintain momentum to address priority changes.

### **iv. Other High Priority Issues**

The IPPM sector also included two items in the infrastructure policy roadmap: Transmission Access Charge (TAC) Structure Enhancements and Streamlined Battery Augmentation. The sector requests that CAISO staff review all items provided as input by the sector to ascertain the appropriate roadmap for 2026 consideration.

## **H. Power Marketing Administration Sector**

The Power Marketing Administration (PMA) sector represents the two power marketing administrations in the West – Bonneville Power Administration (BPA) and Western Area Power Administration (WAPA). BPA along with WAPA's Sierra Nevada and Desert Southwest regions are active in the WEIM and other CAISO markets.

### **i. Feedback on the Policy Initiatives Catalog and Roadmap Process**

The PMA sector appreciates the marked efforts CAISO has made toward incorporating more stakeholder feedback into existing stakeholder initiatives as well as the Policy Initiatives Catalog. The sector is also encouraged by process modifications designed to increase transparency on the Policy Roadmap formation.

### **ii. Current Policy Initiative Priorities**

The PMA sector supports the continued advancement of the Price Formation Enhancements (PFE) initiative, noting significant progress achieved on the scarcity pricing and market power mitigation components of the initiative. The sector believes the PFE initiative should continue to have high priority since criticality of accurate and transparent price formation is heightened when markets are operated in parallel.

The PMA sector also acknowledges and appreciates CAISO's responsiveness to stakeholder concerns in allowing for a transitional period for bidding at CAISO BAA interties. Intertie participation is complex, and stakeholders will need time to assess how a transition to GAP-Tie modeling at CAISO BAA interties will prompt adjustments to their commercial activities and practices, including price formation, settlement implications, bidding strategies, and risk management practices. The sector believes that prioritizing this initiative – with sufficient runway for education, sustained stakeholder engagement, and technical documentation – will lead to a more effective implementation.

### **iii. New Initiative Priorities**

The PMA sector encourages CAISO to allocate roadmap capacity – as the regional market landscape evolves – to proactively identify and address emergent seams issues between the EDAM and SPP Markets+ footprints. The sector acknowledges that the nascency of Markets+ makes it currently infeasible to identify specific seams-related stakeholder initiatives, but leaving space in the roadmap – particularly later in the roadmap horizon – will help ensure that all stakeholders in the western interconnection are positioned to engage fully in seams initiatives when they arise.

#### **IV. Report Conclusion and Next Steps**

The March 16<sup>th</sup> Regional Issues Forum Policy Roundtable was a first step for the Regional Issues Forum to bring the sector initiative priorities forward and to open the opportunity for further engagement with the Forum on Roundtable topics. Going forward, the Regional Issues Forum sector liaisons will continue to engage with the CAISO Policy Initiatives Catalog and Roadmap. This report will be submitted to the WEM Governing Body and subsequently to CAISO staff as an input into the 2026 Policy Initiatives Catalog and Roadmap Process. Regional Issues Forum liaisons will be available to present sector perspectives at other public meetings as part of the CAISO policy roadmap catalog prioritization process as requested.

The Regional Issues Forum liaisons will continue to engage with the CAISO process and will specifically track high priority topics that were identified in the Roundtable, such as, for example, the EDAM congestion revenue allocation issue. As appropriate, the Regional Issues Forum will seek to incorporate presentations on high priority initiative topics into its public meeting agendas throughout 2026, including an educational panel on intertie bidding at the June 16<sup>th</sup> Regional Issues Forum meeting.