

April 29, 2026

CAISO Board of Governors
Western Energy Markets Governing Body

RE: Day-Ahead Market Enhancements Configurable Parameters Implementation Working Group

CAISO Board of Governors and Western Energy Markets Governing Body Members,

The Energy Authority (TEA) offers the following written public comments regarding the Day-Ahead Market Enhancements (DAME) Configurable Parameters Implementation Working Group (WG) outcomes review included in the April 29, 2026, Joint Session Agenda. TEA will be providing Scheduling Coordinator (SC) services to multiple Load Serving Entities (LSE) to meet their generation and load participation requirements at EDAM Go-Live, both in the CAISO and PacifiCorp EDAM BAAs. As such, TEA has been actively participating in CAISO's MarketSim and ParallelOps testing and has observed first-hand how updates to the DAME Configurable Parameters made in response to CAISO staff analysis and stakeholder feedback have positively impacted market outcomes. Based on this experience, TEA fully supports each of CAISO's planned adjustments to the DAME Configurable Parameters for EDAM Go-Live, as they were communicated at the March 24, 2026, stakeholder meeting¹.

Among the changes made, TEA sees particular value in the adjustment to the Imbalance Reserve Up and Down (IRU/D) requirements-determinant, which reduces the procurement confidence intervals to 90/10, as opposed to the initial 97.5/2.5 level. Importantly, this change not only influences the day-ahead market clearing process – it also has a meaningful impact on the hourly day-ahead Resource Sufficiency Evaluation (RSE) requirements that are set by CAISO for the EDAM BAAs and then sub-allocated by those BAAs to their LSEs. TEA has expressed concern in the past that the sub-allocated EDAM RSE requirements are unwieldy for third-party LSEs in the non-CAISO EDAM BAAs to comply with due to their lack of access to competitive hourly bilateral supplemental supply markets in the pre-day ahead market RSE curing window, lack of an economic intertie market at their non-CAISO EDAM BAA borders to efficiently integrate off-system supply, and the day-to-day volatility in hourly requirements. Pre-Go Live testing has demonstrated that these concerns are real, and that these entities, despite being fully sufficient on a planning basis, will at times incur significant incremental costs and congestion price risk exposure to comply with the stringent RSE requirements sub-allocated to them. TEA therefore believes it would be appropriate to also tune the confidence intervals for the "load-based" component of the RSE target to the same 90/10 level to provide further relief on an interim basis, while committing to reassess the RSE levels once EDAM's footprint has achieved scale, market liquidity has improved, and transactional seams issues have been addressed.

TEA appreciates CAISO staff's significant data-analysis and stakeholder engagement efforts supporting the changes, as well as CAISO leadership's flexibility in also right-sizing the IRU/D parameters for EDAM Go-Live.

Respectfully,

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The Energy Authority®

¹ <https://stakeholdercenter.caiso.com/InitiativeDocuments/presentation-day-ahead-market-enhancements-dame-configurable-parameters-implementation-working-group-mar-24-2026.pdf> - slide 78.