



2025 Revised Policy Initiatives Roadmap

May 21, 2025

Introduction

In its role as a market operator, the ISO is continuously engaged in evolving its markets to respond to the needs of a broad and diverse set of stakeholders, market participants, and regulators. To enable the development of policies that improve ISO market operation, reliability, and efficiency, the ISO administers an open and transparent stakeholder process. The ISO undertakes a stakeholder process for all market policy and design updates that require a change to the ISO tariff. Through the stakeholder process, ISO staff work with stakeholders in a public process to identify problem statements and iteratively develop policy solutions that culminate in proposals that ISO staff present to the ISO Board of Governors and/or the Western Energy Markets Governing Body for approval.

Through the annual Policy Catalog and Roadmap process, the ISO solicits policy initiative proposals from stakeholders, assesses stakeholder support for proposed policy initiatives, and documents a work plan, called the Roadmap, for future policy initiatives. The Roadmap is the work plan describing the policy initiatives that the ISO plans to undertake over the next three years, and represents the intersection of stakeholder-identified priorities, initiative feasibility, urgency, and ISO resources. Refer to the *Annual Policy Initiatives Roadmap Process*¹ document for further information on the Catalog and Roadmap purpose and process.

The ISO published the *2024 Policy Initiative Roadmap*² in December 2024, which provided an outline of the ISO's planned policy initiatives from 2025 to 2027. The purpose of 2024 Roadmap was to preview the general scope of market design changes that the ISO was committed to addressing over the short and medium term, and provide transparency about the ISO's policy initiative planning. The scope and timing of each listed initiative represented the ISO's best estimate at the time, and the ISO anticipated the need to incorporate emergent market design issues into the work plan as necessary.

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Background

In March 2025, the ISO commenced an expedited stakeholder initiative on the topic of Extended Day Ahead Market (EDAM) Congestion Revenue Allocation. The ISO began this initiative to address urgent stakeholder concerns regarding the underlying EDAM design for congestion revenue allocation by the market operator between EDAM balancing areas.

In order to accommodate the additional workload from the new initiative, the ISO began to recalibrate the timing and work plan for existing initiatives over the remainder of the year 2025. The ISO remains committed to completing all initiatives currently under development, but recognizes that stakeholders and staff have limited bandwidth to participate in policy development. Delaying the policy development

¹ <https://stakeholdercenter.caiso.com/InitiativeDocuments/2024-FinalDiscretionaryPolicyInitiativesCatalog-AnnualPolicyInitiativesRoadmapProcess.pdf>

² <https://stakeholdercenter.caiso.com/InitiativeDocuments/2024-Final-Policy-Initiatives-Roadmap-and-Disposition.pdf>

timeline for some existing initiatives is intended to enable stakeholders to continue to fully participate in current initiatives.

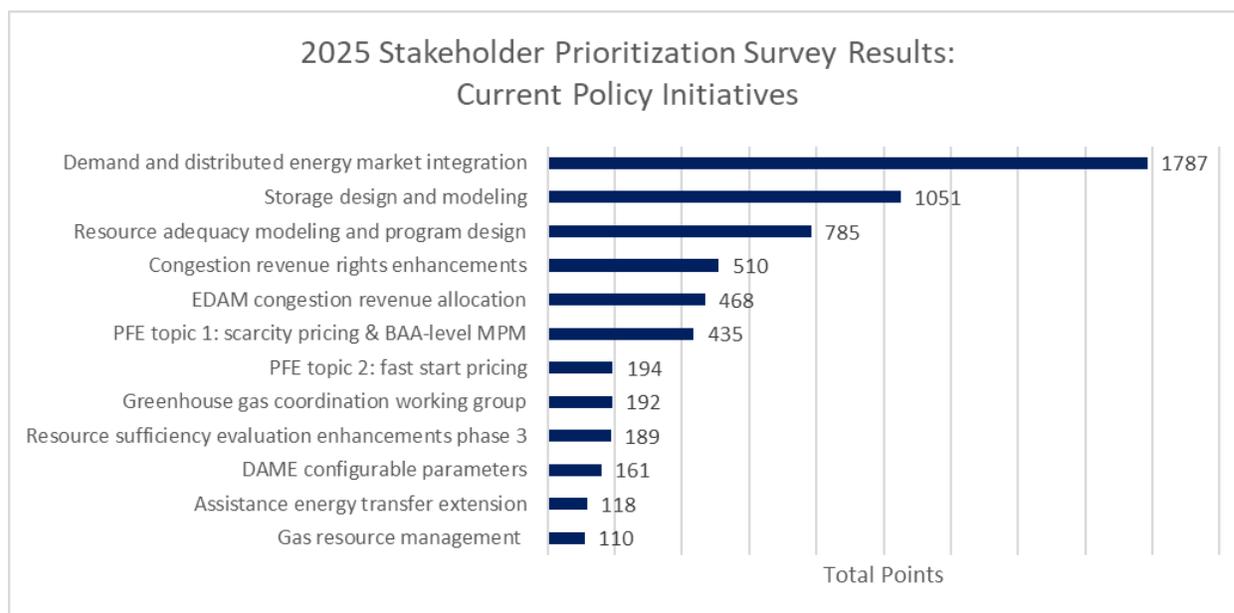
Stakeholder Input

Stakeholder input was critical to revising the 2025 Roadmap for existing initiatives. Alongside stakeholder feedback, the ISO also considered factors such as regulatory requirements, initiative interdependencies, and the ISO's own assessment of the timing required to enact policy changes needed to ensure reliable and efficient operation of the grid and markets. The ISO incorporated two sources of stakeholder feedback: a prioritization survey open to all stakeholders, and the Western Energy Markets Regional Issues Forum's *2025 Roundtable Report on the Annual Policy Initiatives Catalog and Roadmap*³.

The stakeholder survey was open to all ISO stakeholders from April 3 to April 29, and asked participants to indicate their priorities among current ISO policy initiatives by allocating 100 points among the 12 current initiatives, with more point indicating higher priority. Participants could assign as many or as few points as they wanted to each initiative.

60 stakeholders representing seven sectors completed the prioritization survey, allocating a total of 6,000 points⁴. Figure 1 summarizes the overall results by number of points for each current policy initiative. Stakeholders identified demand and distributed energy market integration (1,787 points), storage design and modeling (1,051 points), and resource adequacy modeling and program design (785 points) as their three highest priority initiatives.

Figure 1: Prioritization Survey Results



³ <https://www.westerneim.com/Documents/2025-Regional-Issues-Forum-Policy-Roundtable-Report.pdf>

⁴ Refer to Appendix B for full survey results

Figure 2 and Table 1 summarize these stakeholder prioritization survey results by sector, and identify both the top priorities for each sector and the distribution of sector support for each current initiative.

Figure 2: Sector support for each current initiative

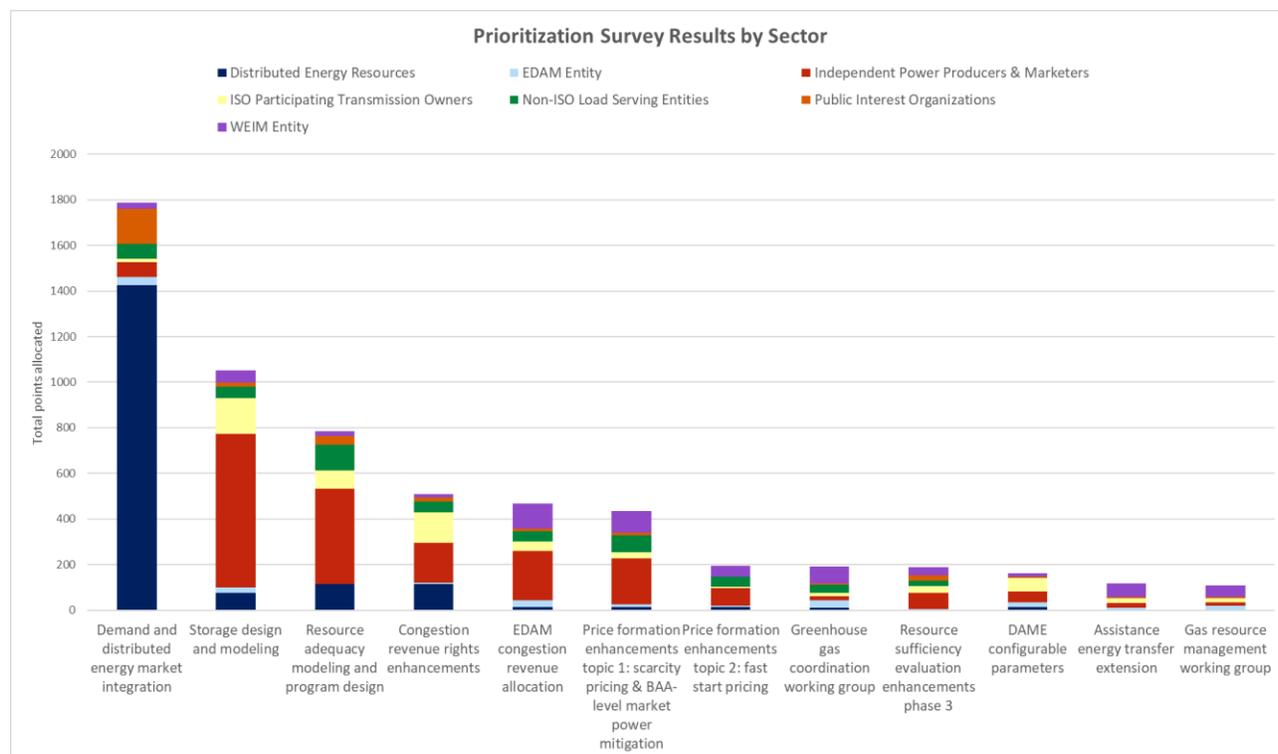


Table 1: Top priority by sector

Sector	Top Priority	Total Points: Top Priority	Number responses
Distributed Energy Resources	Demand and distributed energy market integration	1425	18
Independent Power Producers, Marketers	Storage design and modeling	672	21
ISO Participating Transmission Owners	Storage design and modeling	157	6
Public Interest Organizations	Demand and distributed energy market integration	154	5
Non-Investor Owned Utility Load Serving Entities	Resource adequacy modeling and program design	113	5
WEIM entities	EDAM congestion revenue allocation	111	7
EDAM entities	Demand and distributed energy market integration AND Greenhouse Gas	35	2

The WEM Regional Issues Forum Roundtable Report, released May 15, 2025, summarized each RIF sector's feedback on re-prioritizing current initiatives. While the eight RIF sectors broadly support the ISO's efforts to reprioritize current initiatives, there was no widespread support for or opposition to pausing any particular initiative in 2025. There was broad support for adding the EDAM congestion rent allocation initiative and support from some sectors for pausing the fast start pricing track of Price Formation Enhancements and support for extending the Assistance Energy Transfer without substantial changes. The ISO has revised the 2025 roadmap to accommodate both of these changes.

Revised 2025 Policy Roadmap

The Revised 2025 Policy Roadmap seeks to incorporate stakeholder prioritization feedback while maintaining momentum on current policy initiatives at a pace that facilitates full stakeholder participation. This revision only includes updates through the end of 2025 – the ISO is beginning development of the full 2026-2028 Roadmap as part of the 2025 Annual Catalog and Roadmap process, and will release this complete Policy Roadmap at the end of 2025. The Revised 2025 Policy Roadmap is included as Appendix A, and all changes from the Policy Roadmap published in December 2024 are summarized below.

Major Changes

- Added EDAM congestion revenue allocation initiative
- Split WEIM assistance energy transfer extension initiative from the resource sufficiency evaluation enhancements phase 3 initiative
- Postponed resource sufficiency evaluation enhancements initiative phase 3
- Postponed fast start pricing track of price formation enhancements initiative
- Reorganized the demand and distributed energy market integration initiative into a single track

Minor Changes

- Congestion revenue rights working groups extended an additional quarter
- Greenhouse gas topic 3 concluded
- Greenhouse gas topic 1 postponed
- Greenhouse gas topic 2 decision moved from Q2 to Q4
- RA track 1 decision postponed from Q3 to Q4
- RA track 2 and 3b decisions postponed

Appendix A: Revised 2025 Policy Initiatives Roadmap

Appendix B: Stakeholder Prioritization Survey Results