



2025 Policy Initiatives Catalog

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Background

Each year, the ISO develops an updated policy initiatives workplan via the Policy Initiatives Catalog and Roadmap process. During this annual process, stakeholders submit policy initiative proposals pertaining to ISO market design and identify their priorities among those proposals. The Policy Initiatives Catalog describes these stakeholder policy initiatives submissions and characterizes stakeholder support for these submissions. Proposed policy initiatives described in the Catalog are considered as an input in the prioritization effort that yields the Policy Initiatives Roadmap, which describes the policy initiatives work plan over the next three years. Figure 1 below describes the milestones of the 2025 Policy Catalog and Roadmap process.

TABLE 1: POLICY CATALOG & ROADMAP DEVELOPMENT TIMELINE

| | |
|------------------|--|
| January | 2025 kickoff stakeholder meeting |
| February | Stakeholders submit policy initiative proposals to Catalog |
| March | |
| April | Stakeholder prioritization workshop + RIF Roundtable |
| | Stakeholders complete prioritization ranking survey |
| May | Published Revised 2025 Policy Initiatives Roadmap |
| June | Publish 2025 Policy Initiatives Catalog |
| July | Begin 2026-2028 Policy Initiatives Roadmap development |
| August | |
| September | |
| October | |
| November | Draft 2026-2028 Policy Roadmap Released |
| December | Final 2026-2028 Policy Roadmap Released |

Stakeholder submissions

In February 2025, 14 stakeholders submitted 18 proposals for consideration in the 2025 Policy Initiatives Roadmap and Catalog, all of which are posted on the 2025 Policy Catalog and Roadmap webpage¹. Five submissions requested that the ISO begin a policy initiative to address the Extended Day Ahead Market Congestion Revenue Allocation. In response, the ISO began a new expedited initiative on this topic in March 2025. Three submissions were within the scope of transmission planning and infrastructure development and were referred to the relevant ISO team for further consideration. One submission was a stakeholder's description of their current participation in ISO policy initiatives and was not included for consideration in the Catalog. All submissions not included for consideration in the Catalog are described in Appendix B.

¹ [2025 Policy Catalog Submissions](#)

The remaining nine proposals were considered for prioritization by stakeholders, and are described below and in Appendix A.

TABLE 2: 2025 POLICY CATALOG ITEMS

| Initiative Title | Submitting Organization | Initiative Summary |
|---|--|---|
| Settlement enhancements in the EIM | Bonneville Power Administration | (1) Assess CAISO practices regarding resolving settlements issues or disputes. Consider allowing price adjustments more than 5 days after operating day. (2) Consider redefining timelines for allowable resettlements due to market engine errors. (3) Review policies and practices regarding resolution of inappropriate outcomes in the market and settlement-related resolution of financial outcomes. |
| Real-time congestion offset (RTCO) enhancements | California Department of Water Resources - State Water Project | Discuss solutions to transform current RTCO into a true neutrality charge code that reverses to each market participant, the respective market participant's Hour Ahead and Real Time congestion rents. |
| Standalone uplift payment for uneconomic dispatch of BESS resources | NextEra Energy Resources, LLC | Consider offering a separate uplift payment for BESS resources that makes them whole for uneconomic/out-of-merit dispatch that results in adverse financial consequences for the resources. |
| Remove VER "must-follow" flag for co-located BESS providing ancillary services | NextEra Energy Resources, LLC | This initiative would explore alternatives that would allow co-located VERs to generate freely when other co-located resources receive ancillary service awards. |
| Flexible Ramping Product Enhancements | PacifiCorp | Examine how FRP is functioning within the market by analyzing price impacts, the demand curve, and interaction with IRP. |
| Economic intertie bidding under EDAM | Vitol, Inc. | EDAM tariff gives EDAM entities the flexibility but not the obligation to permit economic bidding at the interties between EDAM BAAs and non-EDAM BAAs. Review enabling this functionality within 6 months of EDAM go-live. |
| On-going transparency effort | Western Power Trading Forum | Market participants frequently ask for more information and data during stakeholder meetings, market performance forum discussions. Request an on-going/recurring effort that would provide venue for market participants to make formal requests for added transparency. |
| Internal and external market seams issues | Western Power Trading Forum | With EDAM and Markets+, multiple markets will operate in the west and interact with bilateral markets. This will create seams issues between the markets. Include an effort that continually identifies and addresses internal and external market seams issues. |
| EDAM enhancements | Western Power Trading Forum | Policy questions have been raised about EDAM design enhancements. Need process to address issues as they arise. Include items identified during original stakeholder process such as bidding at interties, pancaking of charges, convergence bidding, CRRs. |

Stakeholder Engagement

In April 2025, the ISO held a public stakeholder prioritization workshop in which organizations that submitted each of the remaining nine proposals were invited to present and provide additional context on their proposals and address questions from other stakeholders. Slides and a recording of this meeting are available on the 2025 Policy Catalog and Roadmap webpage². Following this workshop, all stakeholders were invited to participate in a poll to identify their top priorities and characterize their level of support for each initiative. Poll results are described in the subsequent results section.

The Western Energy Markets Regional Issues Forum (WEM RIF) also held a roundtable discussion of submitted proposals in April 2025, where members discussed issues and priorities among each of the sector liaisons. Following the roundtable discussion, the RIF issued a Roundtable Report in May 2025, which further documented the priorities of each of the seven RIF sectors³.

Results: Stakeholder Prioritization

Stakeholder Prioritization Survey

The ISO released a prioritization survey that was open to all stakeholders between April 3 and April 29. The survey asked participants to (1) identify one of the nine policy initiative proposals described above as their highest priority, and (2) characterize their support for all nine proposals as “support,” “neutral,” or “oppose.”⁴ 51 stakeholders completed the prioritization section of the survey (survey results are included in Appendix C).

Stakeholders also provided survey responses on the prioritization of existing initiatives, which the ISO considered in developing the Revised 2025 Policy Roadmap published in May 2025⁵.

Three initiatives led as both the highest single priorities for stakeholders and in overall stakeholder support: (1) Internal and external market seams, (2) EDAM enhancements, and (3) On-going transparency effort.

Stakeholders expressed far more support than opposition for all initiatives, with no initiatives receiving more than five “oppose” votes (economic intertie bidding under EDAM), and three initiatives receiving zero “oppose” votes. Aggregated results are highlighted below, with full results included in Appendix C.

² [2025 Policy Catalog and Roadmap webpage](#)

³ [2025 RIF Roundtable Report](#)

⁴ [Policy Initiatives Stakeholder Prioritization Survey Questions](#)

⁵ [Revised 2025 Policy Roadmap](#)

TABLE 3: STAKEHOLDER SUPPORT AND OPPOSITION FOR EACH PROPOSED INITIATIVE, BY NUMBER OF STAKEHOLDER VOTES

| Proposed Initiatives | | |
|--|---------|--------|
| Initiative Title | Support | Oppose |
| Internal and external market seams issues | 27 | 0 |
| EDAM enhancements | 25 | 2 |
| On-going transparency effort | 24 | 0 |
| Flexible Ramping Product enhancements | 21 | 1 |
| Economic intertie bidding under EDAM | 17 | 5 |
| Standalone uplift payment for uneconomic dispatch of BESS resources | 15 | 3 |
| Settlement enhancements in the EIM | 14 | 3 |
| Remove VER must-follow flag for co-located BESS providing ancillary services | 13 | 0 |
| Real-time congestion offset enhancements | 10 | 3 |

TABLE 4: HIGHEST PRIORITY PROPOSED INITIATIVES, BY NUMBER OF STAKEHOLDER VOTES

| Highest Priority | |
|--|-----------------|
| Initiative Title | Number of Votes |
| Internal and external market seams issues | 9 |
| EDAM enhancements | 8 |
| On-going transparency effort | 6 |
| Real-time congestion offset enhancements | 5 |
| Standalone uplift payment for uneconomic dispatch of BESS resources | 5 |
| Flexible Ramping Product enhancements | 5 |
| Remove VER must-follow flag for co-located BESS providing ancillary services | 4 |
| Settlement enhancements in the EIM | 2 |
| Economic intertie bidding under EDAM | 0 |

RIF Roundtable Report

The RIF Roundtable Report documented each of the seven RIF sectors' priorities among the new policy initiative proposals submitted by stakeholders in February 2025. Two topics received broad sector support: market seams and EDAM enhancements. Although only three sectors formally identified the EDAM enhancements initiative as a high priority, nearly all sectors emphasized in their narrative

comments the importance of focusing on EDAM implementation and refinement efforts in 2026 and beyond. Table 5 summarizes RIF sector support for each initiative expressed in the Roundtable Report.

TABLE 5: RIF SECTOR SUPPORT FOR PROPOSED INITIATIVES

| Catalog Proposal Priorities: Western Energy Markets Regional Issues Forum | |
|--|---|
| Settlement Enhancements in the Energy Imbalance Market | Power Marketing Administration |
| Real-Time Congestion Offset (RTCO) Enhancements | Consumer-Owned Utilities |
| Standalone Uplift Payment for Uneconomic Dispatch of BESS Resources | N/A |
| Remove VER “Must-Follow” Flag for Co-Located BESS Providing Ancillar Services | Independent Power Producers and Marketers |
| Flexible Ramping Product Enhancements | N/A |
| Economic Intertie Bidding Under the Extended Day Ahead Market | EIM Entities |
| | Independent Power Producers and Marketers |
| On-Going Transparency Effort | Independent Power Producers and Marketers |
| Internal and External Market Seams | EIM Entities |
| | CAISO Participating Transmission Owners |
| | EDAM Entities |
| | Consumer-Owned Utilities |
| | Consumer Advocates |
| | Power Marketing Administration |
| | Independent Power Producers and Marketers |
| EDAM Enhancements | EDAM Entities |
| | Independent Power Producers and Marketers |
| | Power Marketing Administration |

The RIF also provided feedback on the timeline and scope of existing initiatives, which the ISO incorporated into the Revised 2025 Policy Roadmap.

Additional Catalog Feedback

Stakeholders provided the ISO with additional Catalog feedback via written comments in the survey and the RIF Roundtable report, and verbal comments during the stakeholder meeting and RIF Roundtable meeting. Stakeholders and RIF members across a variety of sectors emphasized the importance of the ISO building in additional time in the Roadmap to accommodate urgent and emergent challenges. In particular, stakeholders highlighted the need to set aside considerable time and resources to address unanticipated issues related to EDAM launch in 2026.

In requesting this additional time in the Policy Roadmap, many stakeholders also expressed that the number of current ISO policy initiatives was becoming overwhelming, and they found it difficult to allocate enough resources to fully engage in all relevant ISO policy initiatives. Some stakeholders further

expressed support for the ISO to conclude all current initiatives before committing to additional new initiatives.

Several stakeholders and RIF sectors also requested that the ISO provide additional transparency into its internal processes for Policy Roadmap development.

The ISO thanks stakeholders for their feedback, and plans to incorporate these requests into the 2026-2028 Policy Roadmap development process that will begin Q3 2024. The ISO is committed to building a Roadmap that better accommodates stakeholder resources and bandwidth, with a particular focus on unanticipated issues that may arise from EDAM implementation. Additionally, the ISO will work to provide stakeholders with more insight into the internal prioritization and resource allocation processes that inform the development of the Policy Roadmap.

Next steps

The stakeholder submissions included in the Catalog will be considered for inclusion in the ISO's 2026-2028 Policy Roadmap, and stakeholder feedback on prioritization will be used as one of several inputs to help inform the ISO's internal planning and prioritization process for the Roadmap. For each initiative listed in the catalog, the ISO will determine whether pursuing this initiative will benefit reliability or market efficiency and then evaluate the feasibility of undertaking the initiative and prioritize the initiative against existing obligations and resource availability. The ISO plans to publish the 2026-2028 Policy Roadmap in Q4 2025 for stakeholder review and comment.

Appendix A: 2025 Catalog Items: Stakeholder-Submitted Policy Initiative Proposals

Appendix B: Stakeholder Submissions Not Included in Catalog

Appendix C: Stakeholder Prioritization Survey Results