



Notice

To: Andrew Campbell, Chair, Western Energy Markets Governing Body

Joseph Eto, Chair, ISO Board of Governors

From: Roger Collanton, Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary

Date: July 3, 2026

Re: Notice of Planned Decisional Classification for “Congestion Revenue Rights Enhancements Phase 1 – Auction Efficiency and Revenue Adequacy”

Any objection by the Chairs to this decisional classification is due by Wednesday, July 8, 2026.

This is formal notice of Management’s decisional classification for “Congestion Revenue Rights Enhancements Phase 1 - Auction Efficiency and Revenue Adequacy” initiative. This initiative builds on previous market improvements over the past seven years, focusing on revenue adequacy, auction efficiency and product definition as priority areas for congestion revenue rights market reform. Phase 1 of the initiative encompasses revenue adequacy measures designed to be in place in time for the 2027 annual congestion revenue rights process and proposes expanded ISO authority to model loop flow in the annual process.

Management believes that the decision falls solely within the authority of the ISO Board of Governors. The tariff amendments proposed in this initiative are not “applicable to WEIM/EDAM Entity balancing authority areas, WEIM/EDAM entities, or other market participants within WEIM/EDAM entity balancing authority areas, in their capacity as participants in the WEIM/EDAM.” Rather, they apply only to the ISO controlled grid and the ISO balancing authority area. Therefore, the decision to approve these changes falls outside the scope of the WEM Governing Body’s primary authority.

While the WEM Governing Body “may provide advisory input over proposals to change or establish tariff rules that would apply to the real-time market but are not within the scope of primary authority,” no aspects of this initiative would establish or modify rules of the day-ahead or real time market. Accordingly, this initiative falls outside of the WEM Governing Body’s advisory role as well.

Any objection by the Chairs to this decisional classification is due by Wednesday, July 8, 2026. Otherwise, the initiative will be presented for decision consistent with this classification.¹

Written stakeholder comments on the [draft final proposal](#) were due July 2, 2026. No commenter objected to the proposed classification. Additional relevant documents for this initiative are located [here](#).

¹ The process is described in the “Guidance Document,” available [here](#).