



California ISO

2026 Market Policy Catalog & Roadmap Update

Stakeholder Meeting

October 1, 2026

Engagement Best Practices



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The meeting is structured to stimulate open dialogue and engage different perspectives.



The facilitator will provide guidance for comments and questions to ensure a productive flow. Please keep remarks succinct and avoid revisiting points that have already been covered, allowing space for all voices.



Closed Captioning and the Transparency Viewer are available at the bottom of the Webex screen.

Instructions for Raising Your Hand to Ask a Question



Please remember to state your name and affiliation before making your comment. After unmuting, please pause for about two seconds before speaking to ensure your audio connects clearly.



If you are connected to audio through your computer or used the 'call me' option, select the raise hand icon located on the bottom of your screen.



If you are connected on the phone line only and not the Webex, dial *3 to be added to the raise hand queue.



You may send questions via chat to all panelists.



If you need technical assistance during the meeting, please send a chat to the event producer at Intellor Events.

Meeting agenda

- 2026 market policy catalog & roadmap schedule
- Updated schedules for active initiatives
- 2027-2029 draft market policy roadmap
- Stakeholder survey
- 2027 process preview
- Next steps

2026 market policy catalog and roadmap schedule

January	Kickoff stakeholder meeting
February	Stakeholders submit proposals
March	Regional Issues Forum (RIF) Roundtable
April	Stakeholder workshop
	Briefing to Body of State Regulators (BOSR)
April-May	Stakeholder prioritization survey
	RIF Roundtable Report
	BOSR comments
June	Publish 2026 Market Policy Catalog
	Publish updated 2026 Market Policy Roadmap
July	Executive session briefing: ISO Board of Governors & WEM Governing Body
September	Briefing to BOSR
	Publish Draft 2027-2029 Market Policy Roadmap
	Stakeholder meeting
October	Briefings to RIF & BOSR
	Stakeholder comment period
November	Stakeholder meeting
	Publish final 2027-2029 market policy roadmap
December	Briefing to ISO Board of Governors and WEM Governing Body

Updated schedules for active initiatives

- We have re-evaluated schedules for several active initiatives.
- The timing and progression of active initiatives are key inputs to the future roadmap and influence the sequencing and pace of new initiatives.
- Schedule adjustments create additional time for stakeholder engagement, analysis, and consideration of diverse perspectives before key policy decisions are advanced.
- While timing considerations vary by initiative, two recurring themes informed the adjustments:
 - Stakeholder input identified areas where additional discussion, analysis, and refinement can strengthen policy direction.
 - Some regional market stakeholders are re-engaging in stakeholder initiatives, and the adjusted schedules provide additional opportunity to hear and consider these perspectives as policy direction develops.

Demand and distributed energy market integration

Context & feedback

- Track 1 needs additional time to address stakeholder feedback and outstanding policy and implementation issues.
- Growing large-load needs warrant reprioritizing and resequencing the remaining DDEMI work.

What changed from the July roadmap

- Track 1: Policy development on end-user exports is paused and expected to resume in 2027, with a Q3 WEM Governing Body decision.
- Track 2: Policy development on demand flexibility enhancements is paused and expected to resume in 2027, with a Q3 WEM Governing Body decision.
- Working group: Timing being assessed for the real-time demand and pumped-load bidding working group.
- New Track 3: The ISO's near-term focus will shift to market visibility, forecasting, and integration of large loads.

Path forward

- CAISO will advance Track 3 while continuing to develop the path forward and timing for Tracks 1 and 2 as well as the working group.

Price formation enhancements (PFE)

Context & feedback

- Stakeholder feedback showed differing views on when and how the scarcity pricing and mitigation reforms should move forward.
- Regional market developments may also shape the scope and context of the initiative.

What changed from the July roadmap

- The ISO removed the October governing body decision. PFE remains in policy development. The ISO has not set a new decision date.
- The ISO is reassessing how to sequence and integrate the various elements of the initiative.

Path forward

- The ISO will conduct targeted stakeholder engagement on sequencing and design once the path forward is sufficiently developed.

Storage design and modeling (SDM)

Context & feedback

- Stakeholders favor finalizing storage and hybrid default energy bid enhancements before advancing uplift and state-of-charge management.
- Default energy bids, uplift, and state-of-charge management topics impact all of WEM, additional time to discuss would allow for regional engagement.

What changed from the July roadmap

- Uplift and DEBs: Q1 2027 decision, implementation through 2027.
- SOC Management: Q2 2027 decision, implementation starting Q4 2027.

Path forward

- October 9th: Stakeholder comments on the Revised Straw Proposal on Default Energy Bids due.
- November: Draft Final Proposal on Default Energy Bids.

Resource adequacy modeling & program design track 2

Context & feedback

- Substantial stakeholder feedback requested closer coordination with the CPUC's UCAP framework development.
- Taking additional time to fully consider stakeholder feedback and ensure stakeholders have clarity on RA functions under UCAP.
- Track 2 addresses both the must-offer obligation and RAAIM redesign in light of coordination concerns.

What changed from the July roadmap

- Pushing back board decision and seeking to resolve CPUC UCAP uncertainties with stakeholders to keep track 2 reform on that track.

Path forward

- Near term milestone: Revised straw proposal in October and board decision in Q1 2027.

EDAM congestion revenue allocation phase 2

Context & feedback

- Stakeholder feedback suggests taking additional time, continuing working groups, to develop design concepts and balance stakeholder competing priorities.
- Additional time supports analysis development, including simulated simultaneous feasibility test, to evaluate design concepts.

What changed from July roadmap

- Extending the duration of working groups through Q4 2026.
- A formal proposal is now targeted for Q1 2027.

Path forward

- Near term milestone: straw proposal in Q1 2027.

No major changes to policy timelines for these initiatives

- Commitment cost bidding flexibility
- Congestion revenue right enhancements
- EDAM enhancements
- Intertie schedule modeling enhancements
- Gas resource management
- Greenhouse gas coordination
- Variable operations and maintenance cost: triennial review
- WEIM resource sufficiency evaluation enhancements

2027-2029 DRAFT MARKET POLICY ROADMAP

2026 catalog submissions: In scope of existing initiatives/analysis

Submission Topic	Submission Title	Organization
Seams	Western market seams coordination	Appian Way Energy Partners
	Market-to-market seams	Bonneville Power Administration
	Internal and external market seams	Western Power Trading Forum
Resource Adequacy	Flex RA phantom obligation due to delayed commercial operation date	California Department of Water Resources - State Water Project
	Eliminate Flex RA & Update Capacity Procurement Mechanism	Western Power Trading Forum
	Maximum Import Capability (MIC) Enhancements	The Joint Parties
EDAM Enhancements and Analysis	EDAM and DAME assessment	California Public Utilities Commission Energy Division
	Imbalance reserve product enhancements	Pacificorp
	2028 EDAM Review	Pacific Gas & Electric
	EDAM enhancements	Western Power Trading Forum

2026 catalog submissions: Not included in roadmap

Submission Topic	Submission Title	Organization
EDAM Intertie Bidding	Economic intertie bidding under EDAM	Vitol Inc.
	EDAM BAA Transactional Market Seams Enhancements	The Energy Authority
	Intertie bidding with EDAM	Western Resource Advocates
Other	Liquidity of bilateral indices in FERC Order 831 implementation	California Public Utilities Commission Energy Division
	Rising costs to LSEs with Real-Time Congestion Offset (RTCO) Charges	California Department of Water Resources - State Water Project
	Ancillary Services Real-Time Re-Optimization	Pacific Gas & Electric

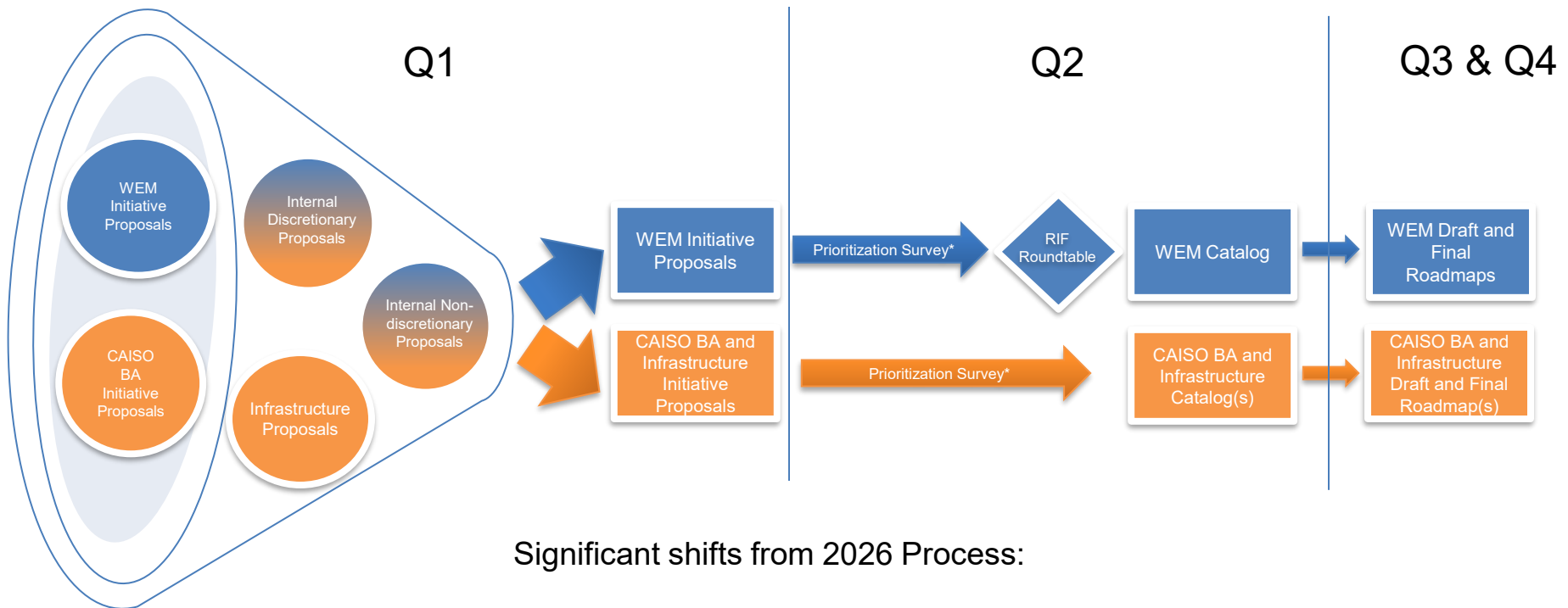
2027-2029 market policy roadmap additions

- **Virtual bidding for EDAM BAAs**
 - ISO-initiated.
 - Identify conditions under which an EDAM BAA would be required to accept virtual bids.
 - In its EDAM transmittal letter to FERC the ISO committed to beginning a stakeholder initiative after EDAM participation began.
- **Seams**
 - Reserve resources as needed for market design initiatives needed to address market seams issues.

Stakeholder comment period open through Oct. 30

- Comments accepted via stakeholder comment tool.
 - Registration required to view questions and submit responses.
- Describe your organization's support for the draft 2027-2029 market policy roadmap.
- Indicate whether your organization has the resources and capacity to support participation in the portfolio of policy initiatives outlined in the draft 2027-2029 market policy roadmap.
- Provide process feedback where applicable, including on the proposed 2027 roadmap process.

Proposed 2027 roadmap process



Significant shifts from 2026 Process:

- Single intake for all submittals
- A separate roadmap for Western Energy Markets initiatives
- ISO BAA and infrastructure initiatives potentially in a single catalog and roadmap

*Prioritization surveys do not include non-discretionary initiative proposals.

Next Steps

- **September 24-October 30:** Stakeholder comment period
- **October 5:** Briefing to RIF
- **October 9:** Briefing to BOSR
- **Mid-November:** Final 2027-2029 market policy roadmap released
- **November 17:** Stakeholder meeting
- **December 9:** Present final roadmap to ISO Board of Governors and WEM Governing Body

Resources

- [2027-2029 draft market policy roadmap](#)
- [Stakeholder comment template](#)
- [2026 market policy catalog](#)
- 2026 [stakeholder submissions](#) to market policy catalog
- 2026 market policy catalog and roadmap [webpage](#)

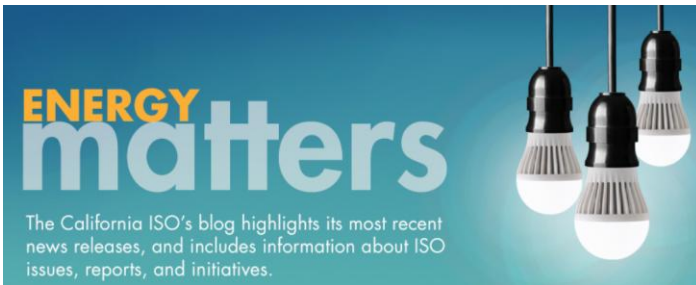
Questions?

Please contact Alyssa Krag-Arnold at akragarnold@caiso.com or Brenda Marquez at ISO Stakeholder Affairs: isostakeholderaffairs@caiso.com

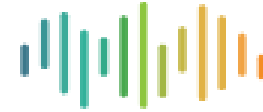
Next Steps and Key Dates

- **Written comments due on October 30th ISO**
Commenting Tool template on the [2026 Market policy catalog and roadmap process](#)
- Contact us at ISO Stakeholder Affairs at ISOStakeholderaffairs@caiso.com or bmarquez@caiso.com
- Nov 17, 2026, Stakeholder Meeting
- Mid-November: Final 2027-2029 market policy roadmap released

Please note that the dates above are tentative until the CAISO publishes a notice formally confirming them

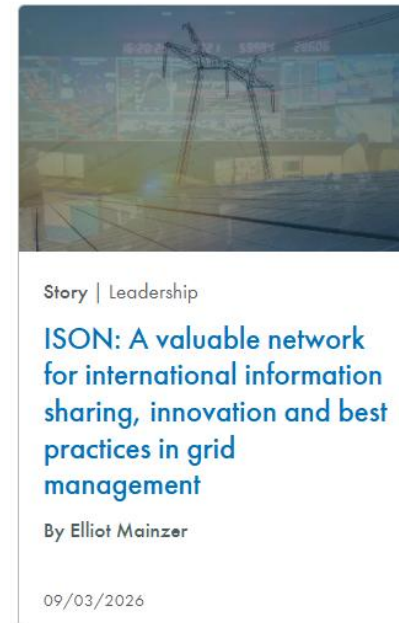
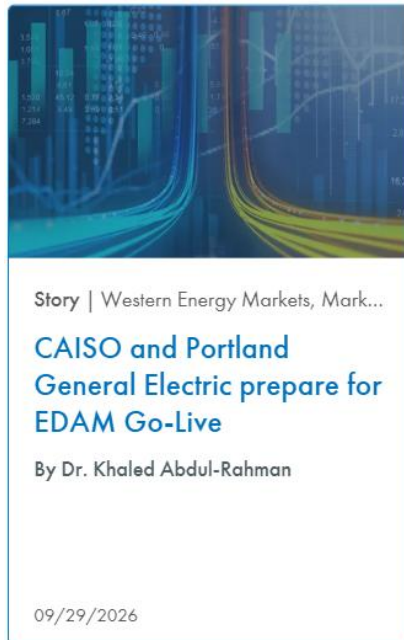


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FREQUENCY BAND

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New Resource Implementation (NRI) Forum on 10/07/2026

What topics will be covered?

Overview and updates on current New Resource Implementation (NRI) processes

Guidance on upcoming changes and implementation requirements

Interactive discussion and optional office hours for project-specific questions with the NRI team

REGISTRATION CLOSES ON SEPT. 30

2026 STAKEHOLDER SYMPOSIUM

Welcome reception - Oct. 5 at Kimpton Sawyer Hotel, Sacramento, CA

Symposium program - Oct. 6 at SAFE Credit Union Convention Center, Sacramento, CA

7:30-9:00 a.m. Registration and networking breakfast

9:00-9:15 a.m. Welcome and opening remarks

9:15-9:45 a.m. Opening Keynote

9:45-10:30 a.m. The EDAM experience: Perspectives from the first movers

Break

11:00-11:45 a.m. The Road to ROWE: Navigating the 2027 transition

1:30-2:15 p.m.

2:15-3:00 p.m.

Break

3:30-4:30 p.m.

4:30-4:45 p.m.

5:00-7:00 p.m.

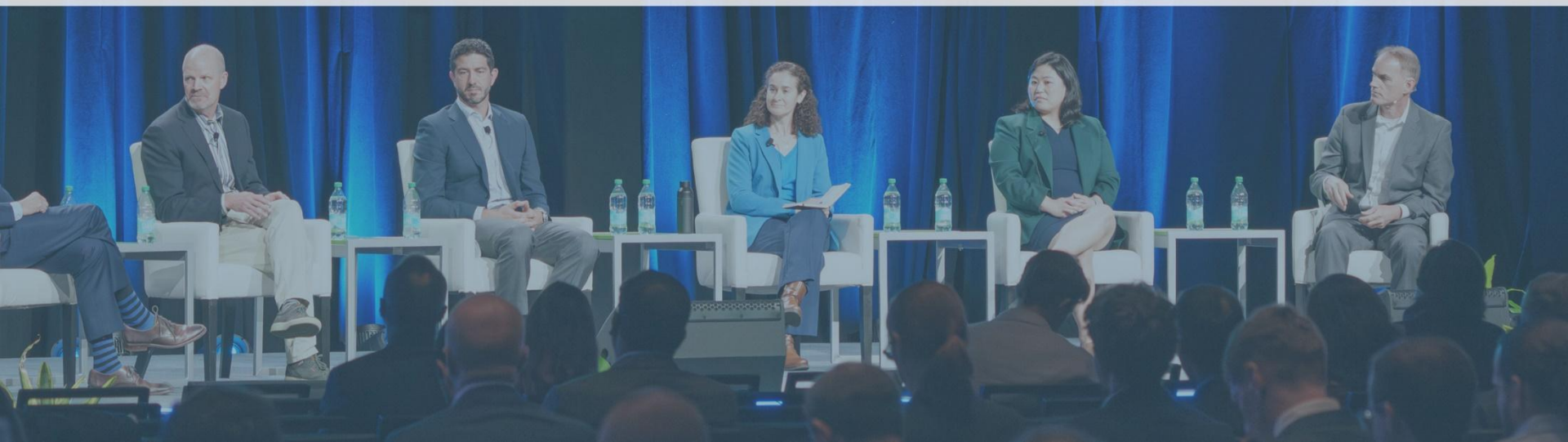
Power Shifts: Short talks on big change

Success through partnership: Building the future together

CAISO's strategy for the next 5 years

Closing remarks

Networking reception



APPENDIX

2027-2029 draft market policy roadmap (1/3)

		2026	2027				2028				2029			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Commitment Cost Bidding Flexibility		Public dialogue: next steps					Implementation							
Congestion Revenue Rights Enhancements														
	Phase 1: Loop flow modeling	Implementation	Complete											
	Phase 2a: Modeling enhancements	Policy development	Policy development	Implementation										
			Decision											
	Phase 2b: Product definition and CRR auction & allocation process enhancements	Policy development			Decision	Implementation								
Demand and Distributed Energy Market Integration														
	Track 1: End-user exports in demand response performance measurement	Policy development			Decision		Implementation							
	Track 2: Demand flexibility enhancements	Policy development			Decision									
	Track 3: Large load forecasting enhancements		Policy development			Decision								
EDAM Congestion Revenue Allocation		Policy development			Decision	Implementation								

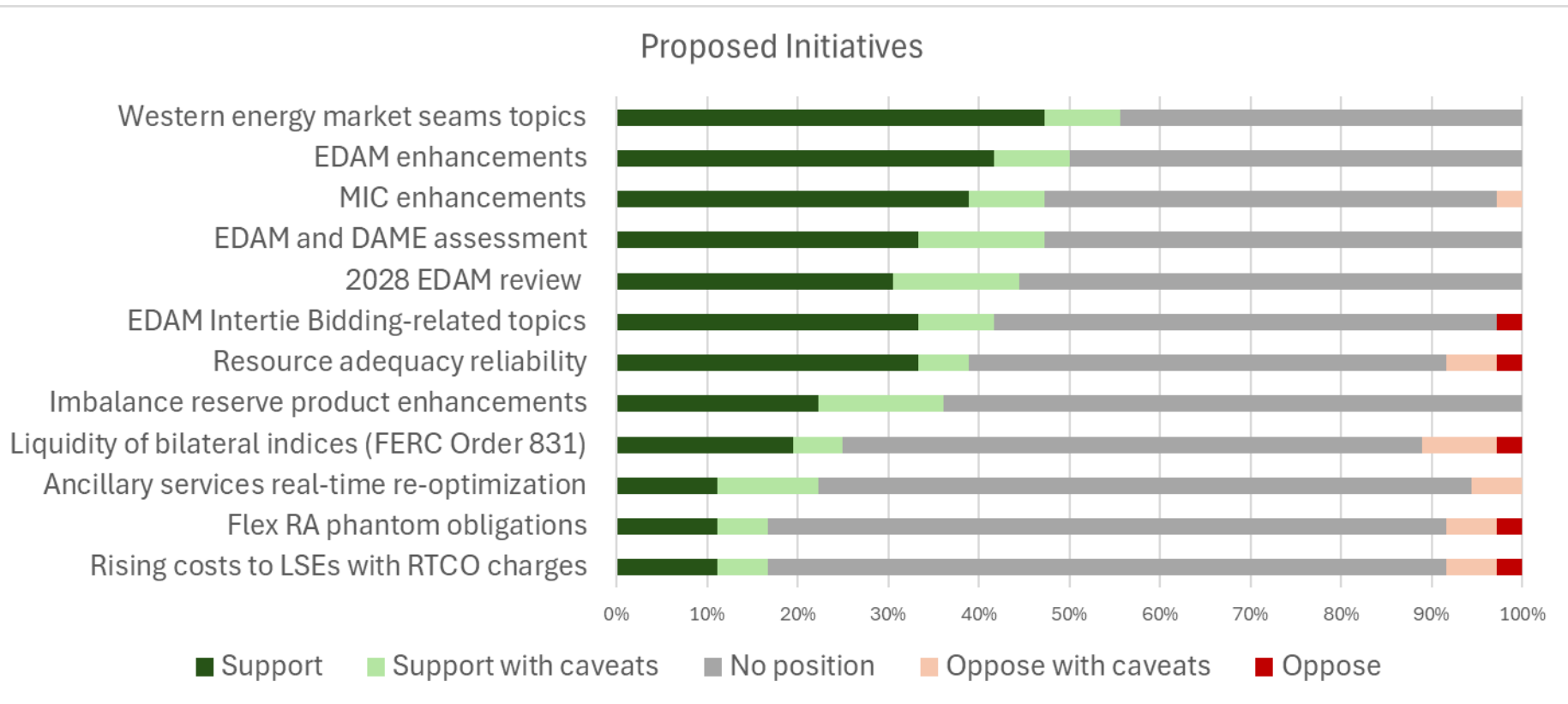
2027-2029 draft market policy roadmap (2/3)

		2026		2027				2028				2029			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
EDAM Enhancements		As needed													
Intertie Schedule Modeling Enhancements		Policy development				Decision	Implementation								
Gas Resource Management		Implementation													
Greenhouse Gas Coordination															
	Accounting and reporting	Implementation													
	Net export constraint		Public dialogue: next steps												
	Washington and California program linkage		Policy development												
Price Formation Enhancements															
	Comprehensive scarcity pricing & market power mitigation	Policy development				Decision			Implementation						
	Fast start pricing	Postponed	Public dialogue: next steps												
Resource Adequacy Modeling and Program Design															
	Track 1: Modeling and default rules	Implementation													
	Track 2: Outage substitution and availability and incentive mechanisms	Policy development	Decision				Implementation								
	Track 3a: Resource visibility	Implementation													
	Track 3b: Backstop reform and long-term EDAM RSE solutions	Policy development				Decision	Implementation								
	Track 4: Flex RA		Policy development												
	Track 5: MIC enhancements	Policy development			Decision										

2027-2029 draft market policy roadmap (3/3)

		2026	2027				2028				2029			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Seams		As needed											
	Storage Design and Modeling													
	Topic group 1: Outage management enhancements	Implementation												
	Topic group 2: Uplift & default energy bids	Policy development	Decision	Implementation										
	Topic group 3: State-of-charge management	Policy development		Decision		Implementation								
	Topic group 4: Mixed-fuel & distribution-level resources	Policy development	BPM change	Implementation										
	Variable Operations and Maintenance Cost: Triennial Review	Decision	Implementation											
	Virtual Bidding for EDAM BAAs						Policy development							
	WEIM Resource Sufficiency Evaluation Enhancements	Postponed	As needed											

Stakeholder survey results



Commitment Cost Bidding Flexibility

Context: As part of last year's *Gas Resource Management*, the ISO committed to pursuing implementation of the Board approved design

Progress to date:

- Alignment on the policy, based on details explicit in the 2018 Board doc
- Get stakeholders up-to-speed and on-board, feedback on key decisions
- Considered how implementation options balance feasibility and fidelity to the original policy

Currently developing a white paper with draft technical description (BRS)

Objectives for 2027:

- Consider technical description with stakeholders
- Get feedback on open questions and decision points
- Prepare FERC filing

Greenhouse Gas

- Evolve geographic modeling— engage stakeholders and regulators on improvements to design going live Jan 1
- GHG net export constraint-- Cannot implement policy as-is, need to consider modifications
- CA-WA program linkage— pending states' rulemaking, update GHG bidding rules to mirror linkage policy
- Accounting and Reporting implementation— implementation working groups

CAISO Policy Initiative Stakeholder Process



[Learn more in the Stakeholder Process Guide.](#)