2026 Transmission Economic Assessment Methodology (TEAM) Document Update

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Stakeholder meeting

September 17, 2026

Housekeeping

This call is being recorded for informational purposes and will be available on the CAISO website. Any related transcriptions should not be reprinted without the ISO's permission.

Today's meeting is designed to encourage open dialogue and diverse perspective. Your participation is valued.

Please engage in a respectful and professional manner.

Please keep comments brief and avoid repeating points already made so we can manage time and ensure everyone has an opportunity to participate.

You can access Closed Captioning and the Transparency Viewer using the controls located at the bottom of the Webex screen.

Instructions for Raising Your Hand to Ask a Question

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.

Please remember to state your name and affiliation before making your comment.

You may also send question via chat to all panelists.

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

Today's Agenda

Time	Topic	Presenter
1:00–2:30pm	Welcome and introductions 2026 Transmission Economic Assessment Methodology (TEAM) Update • Background • Review of Updates Next Steps	Yelena Kopylov-Alford Yi Zhang Yelena Kopylov-Alford

Overview/Background

- Transmission Economic Assessment Methodology (TEAM) provided principles and frameworks for assessing economic benefits for rate-based projects in CAISO's transmission planning
- TEAM was approved in 2005
- TEAM document was reviewed and updated in 2017 based on ISO's evolved practice
- Flow pattern changes across the Western Interconnection trigger revision of the congestion revenue allocation approach

Production benefit in TEAM

- Production benefit of a transmission upgrade is net load payment difference between the pre-upgrade and post-upgrade cases

  Net load payment *= ISO's Gross load payment – ISO's Generator profit – ISO's Transmission revenue*

  Gross load payment *= sum (Load x LMP)*

  Generator profit *= Gen. revenue – Gen. cost*

  Transmission revenue *= Congestion revenue + Export wheeling revenue*

- Production cost simulation is used to calculate load payment, generator profit, and transmission revenue

Congestion revenue allocation in TEAM

- Only the portion of congestion revenue that is benefitting ISO ratepayers is included in transmission revenue calculation
- In the current TEAM document, the congestion revenue occurring on “ISO owned” transmission is allocated to ISO ratepayers
- The revised congestion revenue allocation approach assumes congestion revenue is allocated to areas based on flow contribution

Flow contribution-based congestion cost revenue allocation

- Congestion revenue is allocated to areas that have net positive flow contribution to the constraints. More specifically, allocation is based on the net positive flow distribution factors of areas to the constraint
- Congestion revenue benefitting ISO ratepayers is the summation of the congestion revenue allocated to each ISO's load area (i.e. PG&E, SCE, SDG&E, and VEA)
- The net positive flow contribution factor is calculated as:

$$\text{Net positive flow contribution factor of an area to a constraint} = \frac{\text{Area net positive flow contribution to the constraint}}{\text{Total net positive flow contribution of all areas to the constraint}}$$

Examples using different congestion revenue allocation approaches

- Three approaches of congestion revenue allocation
  - S0: Ownership-based approach, which is to allocate congestion revenue occurring on ISO-owned transmission to ISO's ratepayers
  - S1: Flow contribution-based approach, which is to allocate congestion revenue occurring on constraints within the ISO territory to ISO's ratepayers based on areas net positive flow contribution to the constraints.
  - S2: Flow contribution-based approach, which is to allocate congestion revenue occurring on constraints in the entire Western Interconnection to ISO's ratepayers based on areas net positive flow contribution to the constraints.

Example 1 (Path 15 corridor study in 2025-2026 TPP cycle)

Case	ISO Load Payment ($M/year)	ISO Gen Profit ($M/year)	ISO Trans Revenue ($M/year)			ISO Net Payment ($M/year)			WECC Production Cost ($M/year)
			S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue	S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue	
Pre upgrade	20,121	11,207	3,453	2,388	2,667	5,461	6,526	6,247	27,977
Post upgrade (Windhub to Tesla tying in Midway and Gates)	18,213	10,697	2,246	1,757	2,009	5,269	5,758	5,507	27,593

Case	Production cost saving ($M/year)				Total Cost ($M)	Benefit to Cost Ratio		
	S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue	WECC Saving		S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue
Post upgrade	191	768	740	383	3,271	0.81	3.24	3.12

Example 2 (Las Aguilas – Moss Landing study in 2025-2026 TPP cycle)

Case	ISO Load Payment ($M/year)	ISO Gen Profit ($M/year)	ISO Trans Revenue ($M/year)			ISO Net Payment ($M/year)			WECC Production Cost ($M/year)
			S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue	S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue	
Pre upgrade	20,718	11,388	3,845	2,629	2,922	5,485	6,700	6,408	28,087
Post upgrade (reconductoring the Las Aguilas – Moss Landing 230 kV line)	20,744	11,446	3,812	2,598	2,891	5,487	6,700	6,407	28,075

Case	Production cost saving ($M/year)				Total Cost ($M)	Benefit to Cost Ratio		
	S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue	WECC Saving		S0-Ownership-based Congestion Revenue Allocation	S1-Allocating ISO Congestion Revenue	S2-Allocating WECC Congestion Revenue
Post upgrade	-2	0	0	12	200	(0.12)	0.00	0.03

Summary

- Economic assessment results based on three congestion revenue allocation approaches
  - S0 is the current ownership based approach
  - S1 and S2 are the flow contribution based approaches
- The examples showed that
  - The revised approaches had material impact on the results of transmission corridor with parallel flow across the Interconnection
  - There was no significant difference between the two revised approaches

Recommendation

- ISO’s recommendation:
  - Flow contribution-based approach S1, which is to allocate congestion revenue occurring on constraints within ISO territory to ISO’s ratepayers based on areas net positive flow contribution to the constraints.

NEXT STEPS

Schedule

Date	Milestone
Sep 10, 2026	Draft changes to 2026 Transmission Economic Assessment Methodology (TEAM) Update Posted
Sep 17, 2026	Stakeholder Meeting
Oct 1, 2026	Comments due
Oct 28, 2026	Board of Governors meeting

Next Steps

- Comments are due by end of day October 1, 2026 via the commenting tool on the Stakeholder Center or recurring process webpage linked below.

- Questions? Please email ISOStakeholderAffairs@caiso.com

- Additional in formation is available on the CAISO website at: https://stakeholdercenter.caiso.com/RecurringStakeholderProcesses/2026-Transmission-Economic-Assessment-Methodology-(TEAM)-Update

This Week at the ISO – 9/14/26

Stakeholder Meetings-*For an overarching view of where each initiative is in the development process, view the Policy Initiatives Timeline.*
All public stakeholder meetings are also listed on the CAISO Calendar

- Tuesday, September 15, 2026 – Release User Group Forum
  - 10:00am – 11:00am PT (add to calendar)
- Tuesday, September 15, 2026 – Interconnection Customer User Group
  - 1:00pm – 2:00pm PT (add to calendar)
- Wednesday, September 16, 2026 – Joint Market Seams Workshop
  - 9:00am – 2:30pm PT (registration required for in-person attendance; add to calendar)
- Thursday, September 17, 2026 – Market Update
  - 10:00am – 10:30am PT (add to calendar)
- Thursday, September 17, 2026 –2026 ISO Planning Standards
  - 9:00am – 11:00am PT (add to calendar)
- Thursday, September 17, 2026 - Department of Market Monitoring 2026 Q1 Report on Market Issues and Performance Public Call
  - 11:00am – 12:00pm PT (add to calendar)
- Thursday, September 17, 2026 – 2026 Transmission Economic Assessment Methodology Update
  - 1:00pm – 2:30pm PT (add to calendar)
- Thursday, September 17, 2026 – EDAM-PGE 2026 Release Activation Review
  - 2:00pm – 3:00pm PT (add to calendar)
- **Comment Submission Deadlines**
- Wednesday, September 16 – BPM Proposed Revision Requests (PRR) 1680-1705

This Week at the ISO continued

DAME/EDAM Resources

FAQ & Training:

- EDAM FAQ Guide - Designed to address general EDAM related questions
- EDAM Training Resources - A comprehensive set of EDAM training materials is available, offered in both instructor-led and computer-based training (CBT) formats. These resources include courses covering:
  - Bids and Base Schedule
  - EDAM Bidding Basic Concepts
  - Scheduling Infrastructure Business Rules (SIBR)
  - EDAM Scheduling Coordinator responsibilities
  - Intertie Scheduling
- EDAM Business Requirements Specifications - Describes EDAM's business processes and the associated business requirements.
- DAME Business Requirements Specifications - Describes DAME's business processes and the associated business requirements.
- EDAM Scheduling Coordinator Decision Matrix

Settlements:

- Settlements BPM Walkthrough
- Known Issues List

BPMs:

- Extended Day-Ahead Market BPM
- Market Instruments BPM
- Reliability Requirements BPM
- Market Operations BPM
- BPM Change Management Process (PRRs)

EDAM Stakeholder Initiative:

- Meeting materials and recordings can be accessed through the stakeholder initiative page here.

This Week at the ISO continued

Market Simulations

Please refer to our Release Schedule for the most recent updates of initiatives scheduled for MAP- and Production- stage market sims

To participate in the DAME and EDAM Implementation pre-Market Simulation meeting series, please follow these steps:

Submit a CIDI Request:

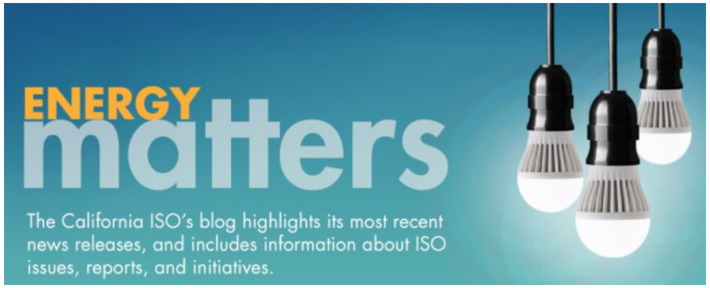
- Log in to the CAISO Customer Inquiry, Dispute, and Information (CIDI) system.
- Create a new request with the 'Functional Environment' set to "Market Simulation."
- In the request, specify your intent to participate in the DAME & EDAM Market Simulation.
- Include the following information:
  - Market Simulation initiative(s) you will participate in.
  - Any specific resources or systems you plan to test.
  - Contact names and email addresses for coordination.

Email Option:

- If you do not have access to CIDI, you may send an email to marketsim@caiso.com with the subject line "DAME & EDAM Market Simulation Registration.“

Business Practice Manual (BPM) Updates

- The status of all PRRs and updated BPMs in the BPM Library are published on the BPM Change Management Website.
- *Please note: The California ISO has updated how participants access call-in information for Business Practice Manual (BPM) Change Management meetings. Going forward, registration is required to receive Webex and audio participation details. Previously, meeting links were posted directly on the event calendar. This change allows us to collect participant contact information to support future outreach, communication, and process improvement efforts.*



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This new periodical offers concise and accessible insights into notable developments across the western power markets. Read the first issue for highlights on market performance during the first weeks of Extended Day-Ahead Market (EDAM) operations.

The document will be posted on the EDAM Overview page of WesternEnergyMarkets.com website.

REGISTRATION IS OPEN

2026 STAKEHOLDER SYMPOSIUM

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

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

Visit: https://www.caiso.com/meetings-events/events/stakeholder-symposium

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