



Working group for DAME/EDAM configurable parameters Session 2

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- These collaborative working groups are intended to stimulate open dialogue and engage different perspectives.
- Please keep comments professional and respectful.

Instructions for raising your hand to ask a question

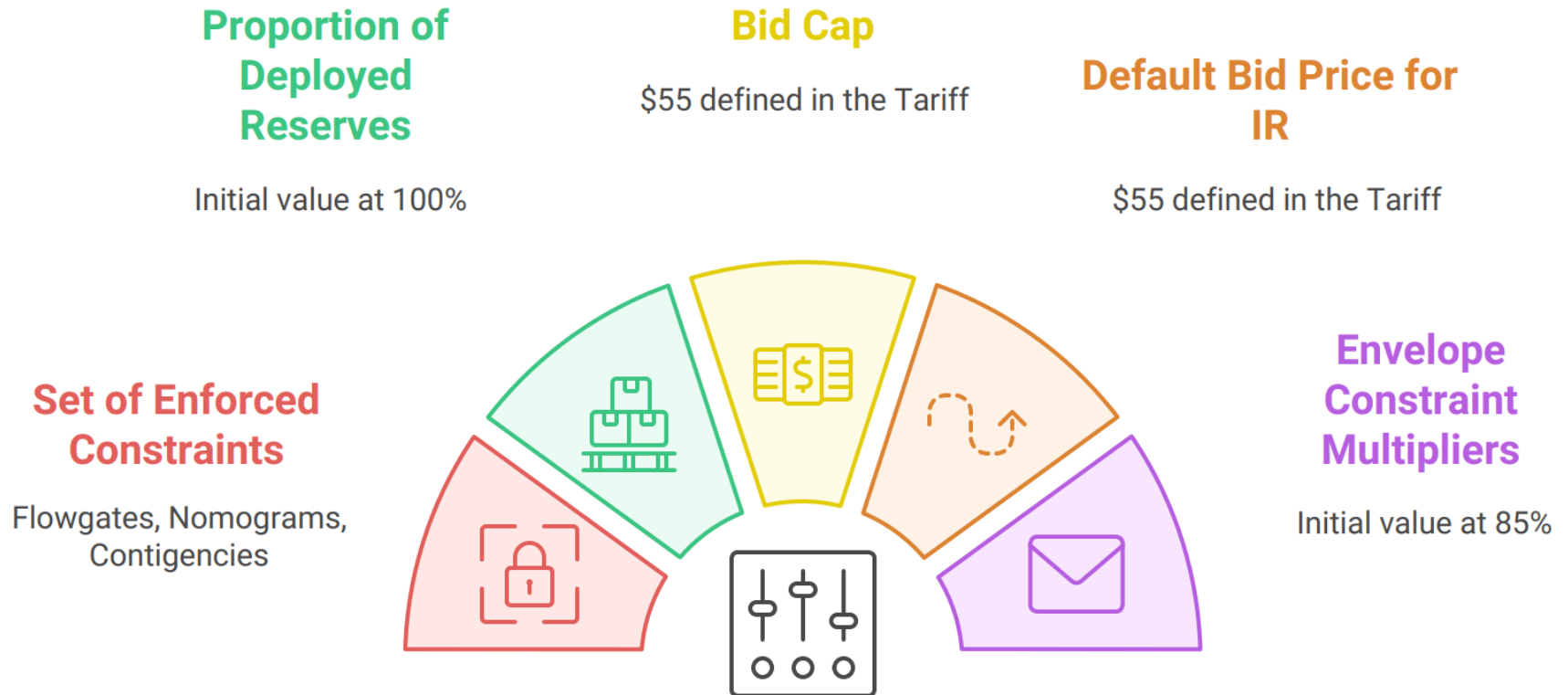
- If you are connected to audio through your computer, open the participant and chat panels on the bottom right.
- If you dialed in to the meeting, press *3 to raise your hand. 
- Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to all panelists.

Objective of this session

Responses to written comments from first working group session

Update of working group plan and timeline

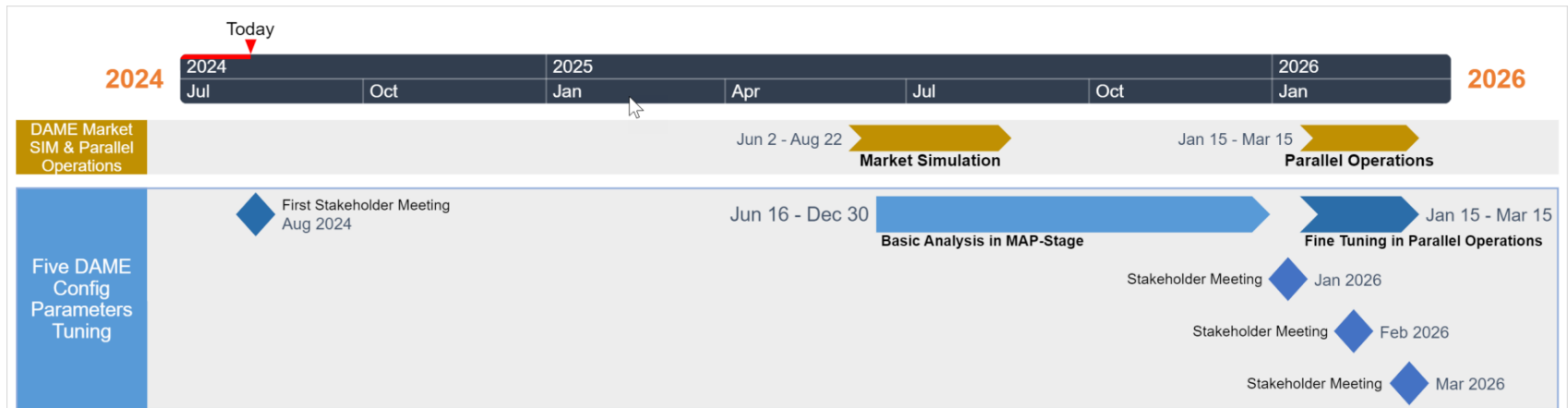
CAISO committed to collaborating with market participants to configure five key market parameters that can significantly influence market outcomes



On August 7, the CAISO held the first session to kick off the working group effort for configurable parameters (WGCP)

- The CAISO provided an overview of the effort and a proposed timeline for the working groups

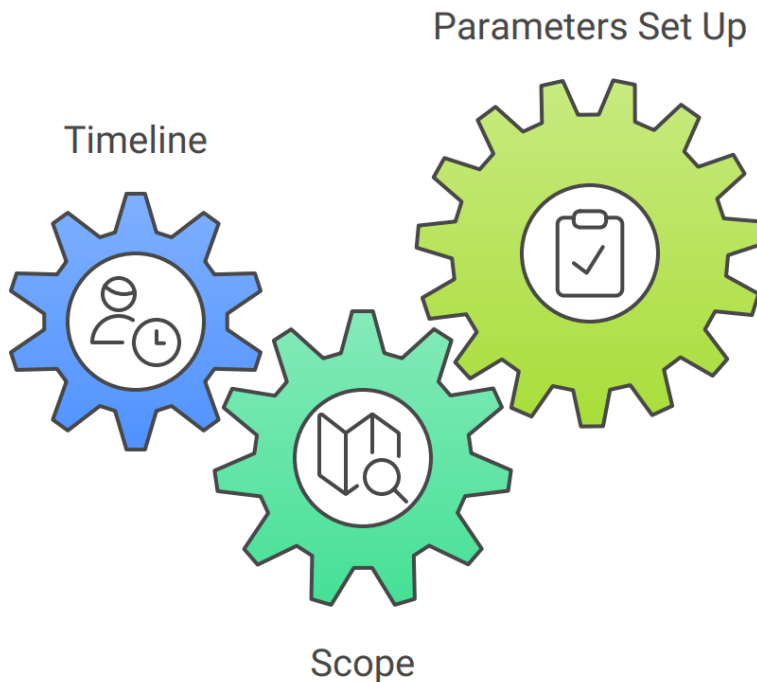
DAME Configurable Parameters Tuning Timeline



- This timeline was built upon the overall project schedule available at that time

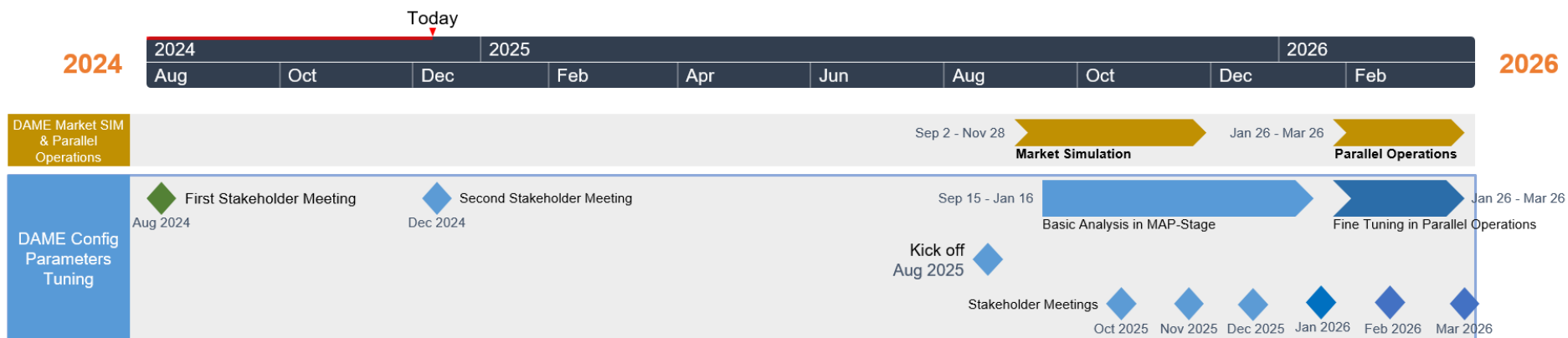
The CAISO requested and received written comments from seven participants

- Participants that submitted comments include: CCCA, DMM, NV Energy, PG&E, PAC, SDG&E, SCE and WPTF
- The comments and responses largely fall into three main categories



1. Timeline

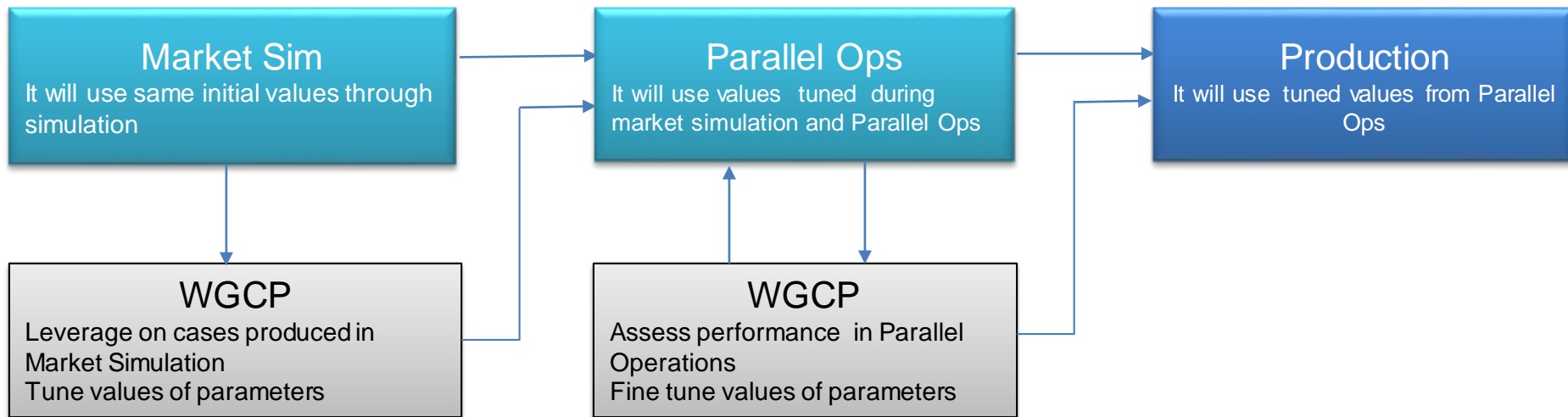
- A common request was to extend the timeline of the working group effort
 - ◆ additional working group sessions
 - Start session earlier than originally proposed
- Response: The CAISO is accommodating this request and adjusting the timeline to facilitate additional working group sessions
 - Kick-off session in August 2025
 - Monthly working sessions starting in October



Proposed time schedule for WGCP based on part of the overall DAME/EDAM schedule

- Overall schedule includes formal stages of
 - Market Simulation
 - Parallel Operations
- Analysis of configurable parameters can start only after market application is functional and readily available
- Although effort for WGCP will happen concurrent to Market Simulation and Parallel Operations, it is an independent effort
- The WGCP will leverage on Market Simulation and Parallel Operations efforts to perform analysis on the parameters

Although the WGCP effort will happen concurrent to Market Simulation and Parallel Operations, it is a separate effort



Useful links for Market Sim and Parallel Operations

<https://www.caiso.com/documents/draftmarketsimulationplan-fall2025release.pdf>

<https://www.caiso.com/documents/marketsimulationstructuredscenarios-dayaheadmarketenhancements.pdf>

<https://www.caiso.com/documents/marketsimulationstructuredscenarios-extendeddayaheadmarket.pdf>

<https://www.caiso.com/documents/draft-parallel-operations-plan-edam-dame-2026.pdf>

2. Several comments were submitted on the scope of the WGCP effort

- Several requests to expand the scope beyond the defined five configurable parameters, including

- Flexibility to run with or without RUC MPM

The ISO expects to always have RUC MPM activated. Therefore, this is not a parameter to tune

- IR usage for hydro energy limits

The policy did not consider this parameter and it is not a parameter included in the implementation. The ISO will monitor how hydro resources are scheduled to assess any further action

- Cost-benefit assessment of zonal vs nodal

Final policy proposal and ongoing implementation is for a nodal approach. It will assess the outcomes of different level of constraint enforcements. The ISO is not assessing the cost and benefits of any zonal approach

2. Several comments received regarding the scope of the WGCP effort

- Have separate parameters for upward and downward IR
 - Yes, the market is configured to treat each direction with separate parameters and the assessment will be done by direction
- Why are the \$55 parameters in the scope of tunable parameters if they are already defined in the Tariff?
 - The ISO does not intend to change these parameters before go live through the working group effort
 - Within the scope of this working group, the ISO committed to assessing the IR functionality and verifying that the market power mitigation process operates as intended with these parameters
 - For any expected parameter value change, the ISO will proceed with a stakeholder process to change the values defined in the tariff
- The ISO remains open to analyzing other market dynamics as needed and as relevant to the effort

3. Comments about the parameter setup

- How will the data be provided to stakeholders and what data stakeholders would be able to see in order to provide meaningful feedback?

Within the framework of a working group, the results of the analysis will be made publicly available through dedicated reports. These reports will include information at the balancing area level

- Where will the final values be documented at the end of the effort?

For production, the final values of all five parameters will be stated in the BPM for market operations. Specifically, both the bid cap and bid curve values for IR are already defined in the Tariff.

The ISO will also provide the values to use in Market Simulation and Parallel Operations prior to the start of these efforts

- What EDAM footprint will be used in the analysis of the configurable parameters?

The effort will use the market footprint that is setup in the Market Simulation and Parallel Operations. It is limited to CAISO and PAC areas

3. Comments about the parameter setup

- What market elements will be assessed within the WGCP?

The CAISO will assess the performance of these parameters along an array of market considerations including schedules for the different products, price formation, interplays among commodities, and clearing, procurement and deployment of IR, and transfers.

- The conclusions of the WGCP effort will be based on non-production quality data

The CAISO is cognizant of this limitation while it needs to balance that with the need to perform assessment of the functionality and the effect of the different parameters within the scope of the working group

The CAISO will continue to assess their performance after go live

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