



California ISO

EDAM Congestion Revenue Allocation Phase 2 – Stakeholder Working Group Meeting

August 13th, 2026

Housekeeping



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Please keep comments brief and avoid repeating points already made to ensure everyone has an opportunity to participate in a robust discussion.



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

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



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. Start speaking a couple of seconds after you're unmuted.



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You may also send questions via chat to all panelists.

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

Agenda

Time	Topic	Presenter
9:00 – 9:10 AM	Welcome	Christina Guimera
9:10 – 9:40 AM	Meeting Objectives and Introduction	CAISO Team
9:40 – 11:45 AM	Design Concept #3 Discussion	CAISO Team
11:45 AM – 12:00 PM	Next Steps	Christina Guimera

Meeting Objectives

- Discuss design concept #3 as a congestion revenue allocation mechanism
- Evaluate the different elements of establishing a viable design, including representation and modeling of OATT rights and Congestion Revenue Rights (CRR)
- Illustrate process elements through examples incorporating CRRs and OATT rights in a common Simultaneous Feasibility Test (SFT)
- Discuss tradeoffs, incentives, and additional questions to vet the structure and features of a potential design

Concept #3 – Congestion revenue allocation for CRRs and OATT rights evaluated through a common Simultaneous Feasibility Test (SFT)

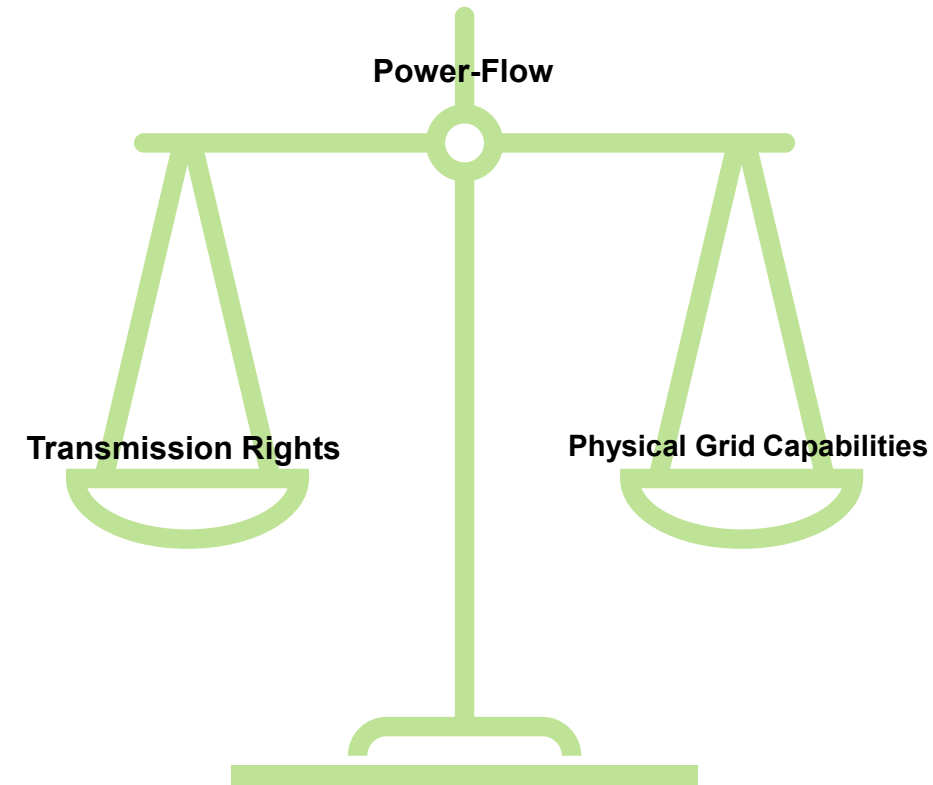
- Establishes congestion revenue entitlements in the Day-Ahead Market for CRRs and eligible firm OATT rights based on their effectiveness on constraints across the broader EDAM footprint.
- The CRRs and eligible firm OATT rights are evaluated through a common SFT which defines the level of congestion revenue entitlement in relation to effectiveness on constraints.
- Day-Ahead congestion revenues in excess of those allocated to CRRs and eligible firm OATT transmission rights would be allocated to the EDAM entity based on the location of the transmission constraint.
- Real-Time congestion revenues would be allocated to the EDAM entity (and WEIM-only balancing areas) based on the location of the transmission constraint (same as today).

What do the resulting congestion revenue entitlements confer?

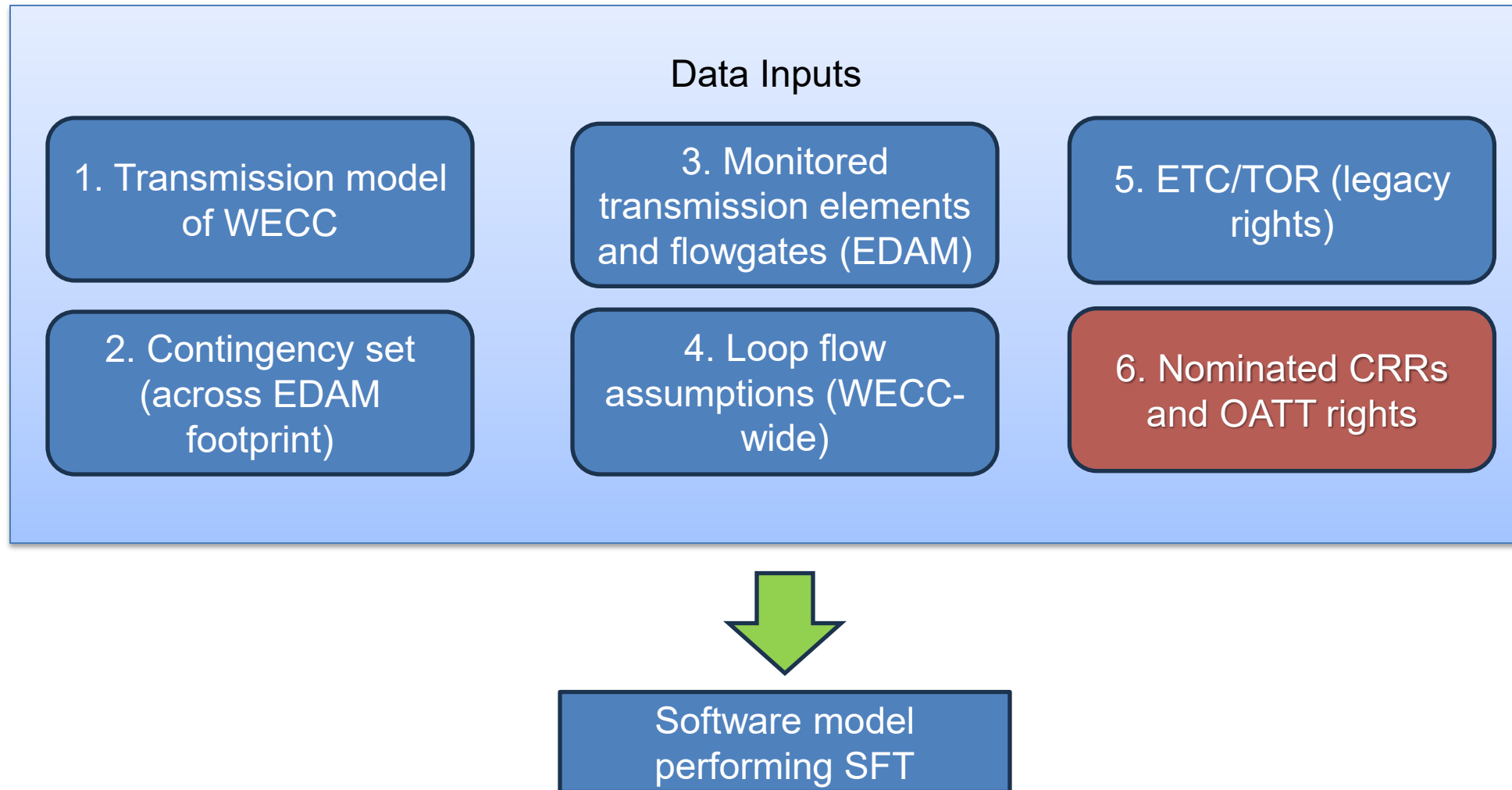
- Under concept #3, the SFT will identify resulting congestion revenue entitlements when incorporating CRRs and eligible OATT transmission rights into a common SFT.
- The congestion revenue entitlements confer the ability to hedge against Day-Ahead Market congestion costs.
- The congestion revenue entitlement will confer a payment based on the effectiveness of the sources/sinks of CRRs and eligible OATT rights on modeled constraints but could also confer an obligation (charge) under some conditions.
- A congestion revenue payment arises in instances where the power flows in the modeled congested direction, resulting in the load/sink price being higher than the source/generator price.
 - More prevalent occurrence
- An obligation (charge) could arise in instances where the power flows opposite to the modeled congested direction, resulting in the source price being higher than the delivery price.

What is a SFT and what is its function?

- The SFT is a **power-flow analysis** that assesses the feasibility of simultaneous flow of transmission rights within the physical capabilities of the transmission grid.
 - Analysis adjusts rights to fit the physical capabilities of the grid
- The purpose of the SFT is to support **revenue adequacy** associated with establishment of congestion hedges – financial hedge instruments – across the market footprint.
 - Seeks to ensure that congestion revenues collected can cover the financial payout obligations
- The SFT considers the **loop flow effects** across the modeled transmission systems when evaluating simultaneous flows.



Inputs into a common Simultaneous Feasibility Test



Visualizing the SFT inputs and outputs

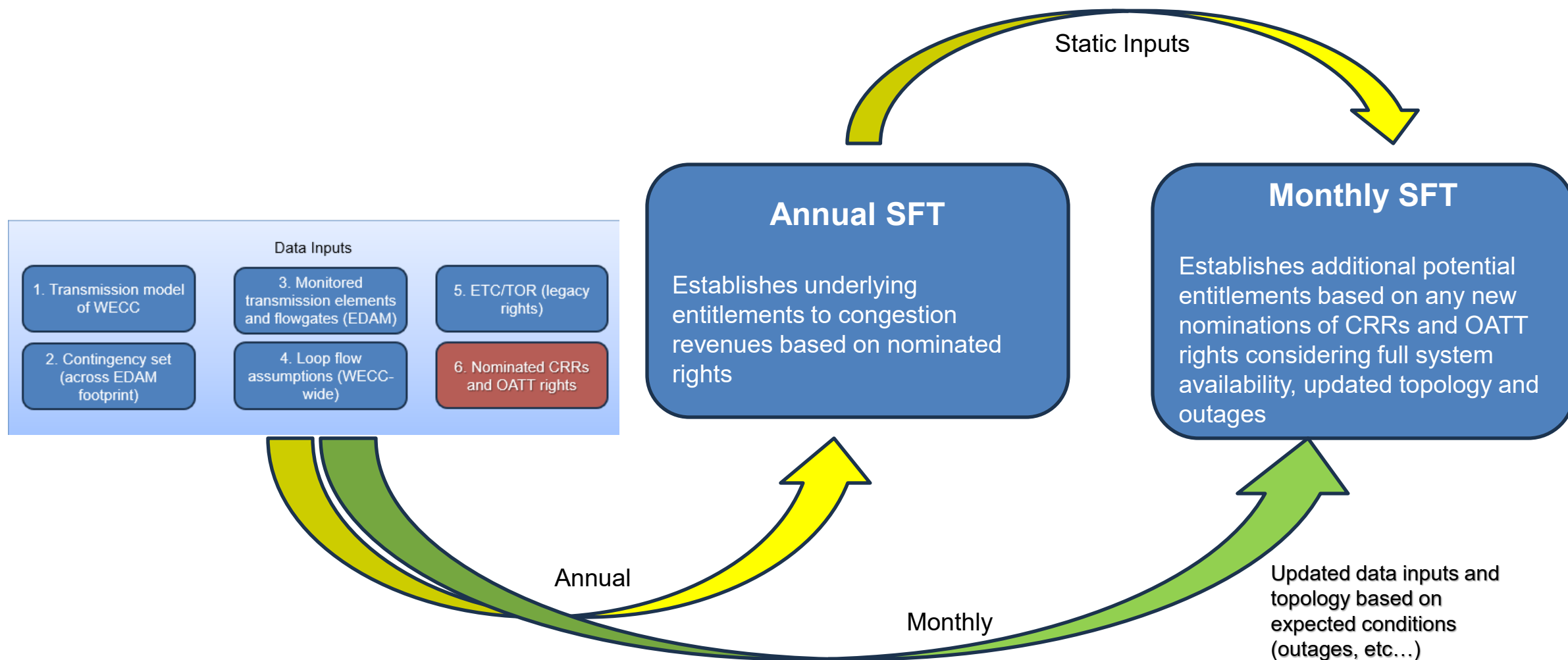
Typical inputs associated with transmission sources/sinks

Start Date	End Date	Hedge Type	CRR Type	TOU	Nominated MW	Allocated MW
7/1/2026	7/31/2026	OBL	LSE	ON	16.947	7.206
7/1/2026	7/31/2026	OBL	LSE	OFF	13.052	11.106
7/1/2026	7/31/2026	OBL	LSE	ON	8.671	7.025
7/1/2026	7/31/2026	OBL	LSE	OFF	18.968	7.487
7/1/2026	7/31/2026	OBL	LSE	ON	2.014	1.42
7/1/2026	7/31/2026	OBL	LSE	OFF	14.577	6.048
7/1/2026	7/31/2026	OBL	LSE	ON	16.63	5.947
7/1/2026	7/31/2026	OBL	LSE	OFF	19.528	4.29
7/1/2026	7/31/2026	OBL	LSE	ON	2.752	1.382
7/1/2026	7/31/2026	OBL	LSE	OFF	7.109	4.233
7/1/2026	7/31/2026	OBL	LSE	ON	0.097	0.023
7/1/2026	7/31/2026	OBL	LSE	OFF	7.415	2.866
7/1/2026	7/31/2026	OBL	LSE	ON	18.867	5.9
7/1/2026	7/31/2026	OBL	LSE	OFF	15.573	10.878
7/1/2026	7/31/2026	OBL	LSE	ON	16.954	16.5
7/1/2026	7/31/2026	OBL	LSE	OFF	16.655	1.457
7/1/2026	7/31/2026	OBL	LSE	ON	17.157	16.263
7/1/2026	7/31/2026	OBL	LSE	OFF	17.307	11.897
7/1/2026	7/31/2026	OBL	LSE	ON	5.697	1.997
7/1/2026	7/31/2026	OBL	LSE	OFF	13.635	12.093
7/1/2026	7/31/2026	OBL	LSE	ON	5.961	0.016
7/1/2026	7/31/2026	OBL	LSE	OFF	3.654	3.073
7/1/2026	7/31/2026	OBL	LSE	ON	18.815	16.168
7/1/2026	7/31/2026	OBL	LSE	OFF	1.476	0.37
7/1/2026	7/31/2026	OBL	LSE	ON	6.121	1.992

Typical outputs identifying effects and potential violations of constraints

Device Name	EMS Device Name	Type	Direction	Limit	Violation	Contingency
7820_TL230S_OVERLOAD_NG_3		Interface		127.9	0	
7820_TL23040_IV_SPS_NG_1		Interface		252.5	0	
7820_TL23040_IV_SPS_NG_1		Interface		253.3	0	
HUMBOLDT_IMP_NG_1		Interface		60.4	0	
HUMBOLDT_IMP_NG_1		Interface		57.13	0	
IPPUTAH_ITC		Interface		-126.1	0	
RDM230_ITC		Interface		-317.7	0	
SILVERPK_ITC		Interface		-3.3	0	
Conductor_1422	SANMIG-COLNG1_70_BR_1_1	Line	From-To	40.8	0	PG1 GATES-TMPLTN 230
Conductor_2343	INYOKN-RNDSBG_115_BR_1_1	Line	From-To	135.1	0	SC1 KRAMER-INYOKN_3 115
Conductor_2681	PSWEET-ROBROY_115_BR_1_1	Line	To-From	131	0	PG1 GRNVLY-CMPEVR 115
Conductor_2681	PSWEET-ROBROY_115_BR_1_1	Line	To-From	131.5	0	PG1 GRNVLY-CMPEVR 115
Conductor_593	TRCYPP-TESLA_230_BR_2_1	Line	To-From	464.4	0	PG1 TESLA-TRACY 230 1
Conductor_593	TRCYPP-TESLA_230_BR_2_1	Line	To-From	469.3	0	PG1 TESLA-TRACY 230 1
Conductor_964	INYO-INYO24_230_BR_1_1	Line	From-To	65.5	0	SC1 CONTRL-INYOKN_2 115
Conductor_964	INYO-INYO24_230_BR_1_1	Line	From-To	56.41	0	SC1 CONTRL-INYOKN_2 115
_ae6c45ec-f3fe-4202-a86a-111568e17f71	LGRAND-ADERA_115_BR_1_1	Line	From-To	128.7	0	PG1 MNDOTA-PNOCHE 115
_ae6c45ec-f3fe-4202-a86a-111568e17f71	LGRAND-ADERA_115_BR_1_1	Line	From-To	130.3	0	PG1 MNDOTA-PNOCHE 115
Transformer_16657	BNK-1	Transformer	From-To	40.62	0	PG1 CARBOU-TBLMTN 230
Transformer_16657	BNK-1	Transformer	From-To	30.6	0	PG1 CARBOU-TBLMTN 230
Transformer_628	BNK-1T	Transformer	To-From	70.08	0	PG1 CORTIN 230-115 BK4

Annual and Monthly SFT Processes Incorporating CRRs and OATT Rights





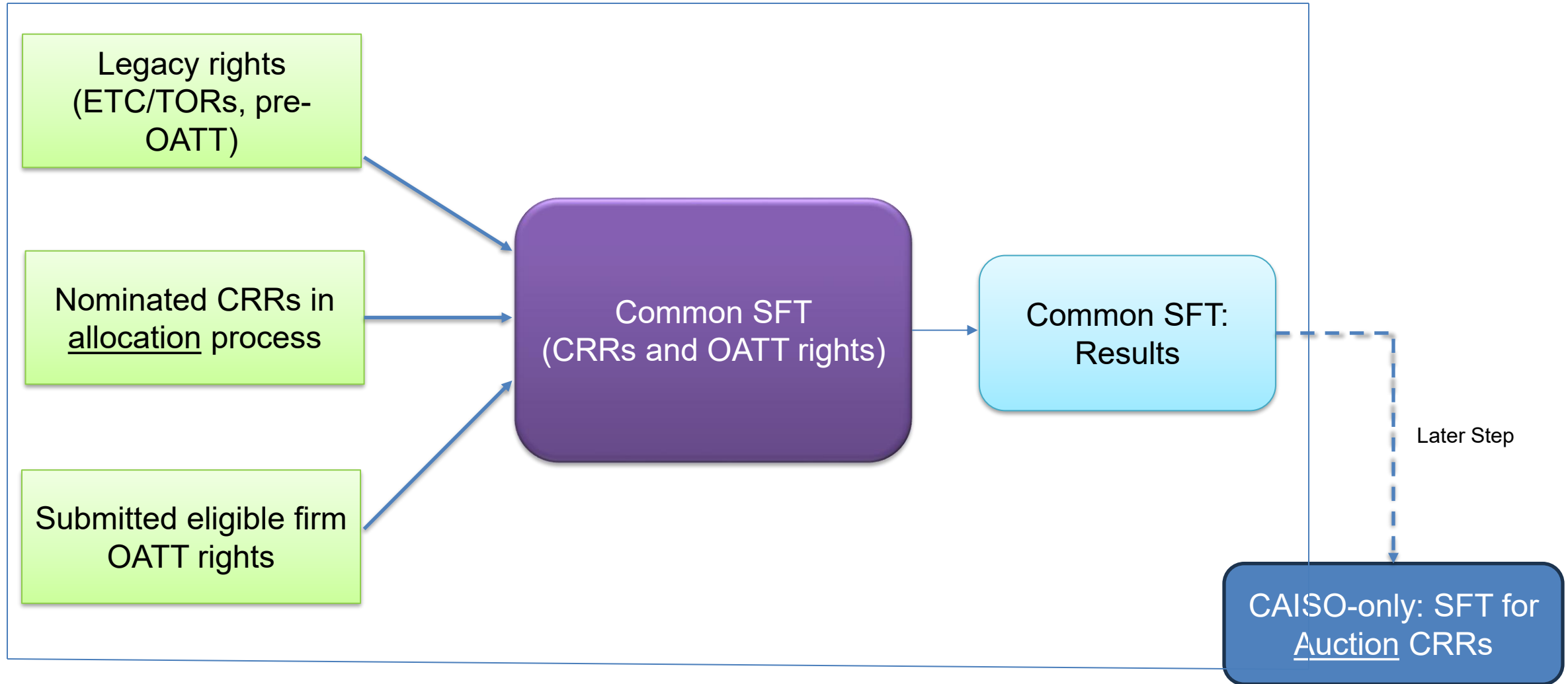
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Nomination process of CRRs and Submission of eligible OATT rights into a common SFT

Nomination process of CRRs and submission of eligible firm OATT rights

- The SFT would include nominated CRRs and eligible firm OATT rights that are submitted through the established process.
- For the CAISO balancing area, CRRs nominated in the standard allocation process by load serving entities (LSE) would be considered in the common SFT.
- For EDAM balancing areas, reserved eligible firm OATT transmission rights would be considered in the common SFT along with nominated CRRs.
 - EDAM entity may need to further coordinate with its transmission customers and transmission providers within the balancing area.
- Legacy transmission rights (ETC/TORs) across the EDAM footprint would also be incorporated and reflected in the common SFT.

Nomination of CRRs and submission of OATT rights – process flow





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Modeling of CRRs and eligible OATT rights in a common SFT

Eligibility and Modeling of OATT Rights

- Eligible firm OATT rights: **long-term firm PTP and NITS rights**
 - These transmission rights are based on transmission reservations contributing to the long-term costs of the transmission system sold within the parameters of long-term firm ATC calculations.
- Long-term firm PTP transmission rights pay for reserved transmission on a long-term basis for the duration of the reservation, contributing toward the long-term cost of the system.
 - Physical rights to use the transmission from defined source to sink, defined MW
 - Can drive transmission upgrades across the TSP system
- Long-term NITS rights represent transmission reservations needed for delivery of resources dedicated and designated to serving their network/native load.
 - Load serving entities (NITS customers) pay for transmission based on their load
 - Long-term NITS reservations can drive transmission upgrades and support planning
- **Question**: should other types of OATT rights be eligible beyond long-term firm OATT rights?

Modeling of long-term firm PTP OATT rights in a common SFT

- PTP transmission rights have a defined source and sink that is static through the long-term reservation period, along with reserved MW quantity.
- Modeling of PTP rights in common SFT:
 - Reserved source: generator or import location
 - Reserved sink: export location (rarely is load the sink)
 - Reserved MW quantity
- The PTP transmission rights are primarily utilized to export from or wheel through a transmission provider's system/balancing area.
 - Source and sink points can thus be import and export locations
 - PTP service is rarely used to serve load on the host system (NITS service is used)

Modeling of long-term NITS transmission service

- Load serving entities within an EDAM balancing area rely on Network Integration Transmission Service (NITS) to serve load.
- NITS customers (load serving entities) can designate network resources on a long-term basis (1-year or longer) to obtain firm NITS service and dedicate the resource to load.
- Important limitation is that NITS service cannot be used in excess of load.
 - NITS cannot be used to export or wheel through to another system, nor market generation to another entity on NITS transmission (use PTP for those activities)
- Modeling NITS service:
 - Reserved source: the designated resource (or import location)
 - Reserved sink: the modeled load location
 - Reserved MW quantity: the represented quantity of the designated network resource

Consideration of CRR rights within a common SFT with OATT rights

- CRRs in the CAISO balancing area offer a financial hedge against congestion from the identified source/sink locations.
 - CRRs do not confer a physical right to schedule since the market identifies the most efficient dispatch
- CRRs in the CAISO balancing area arise from two processes:
 1. **CRR Allocation** – allocates CRRs to load serving entities nominating source/sink locations to support a congestion hedge in serving load which pays for the embedded transmission costs of the system
 2. **CRR Auction** – provides a process, after the CRR allocation, where broader market participants can acquire CRRs at desired source/sink locations

Consideration of CRR rights within a common SFT with OATT rights

- CRRs nominated by LSEs through the allocation process would be considered within the common SFT.
 - Allocated CRRs are most akin to NITS transmission rights held by LSEs
 - Reserved PTP transmission rights have been evaluated for ATC on host system and pay for the transmission on the host system (based on reserved amount whether or not scheduled)
- The CRR nominations are limited to sources and sinks within the CAISO balancing area and intertie scheduling points.
- The nominated source/sink CRRs by CAISO LSEs would be incorporated into the common SFT along with long-term firm PTP and NITS rights submitted by EDAM entities.
- **Question:** are there additional considerations or representations of uses of the CAISO system, beyond allocation CRRs, to consider in the common SFT?

**How do we
consider
comparability?**



SFT Annual and Monthly Processes

SFT Annual Process Considerations

- The SFT process would be conducted approximately 4-5 months prior to the start of the next calendar year, consistent with existing processes.
- Annual SFT is performed across four quarters:
 - Season 1 (Q1): January, February, March
 - Season 2 (Q2): April, May, June
 - Season 3 (Q3): July, August, September
 - Season 4 (Q4): October, November, December
- The annual SFT – currently – considers 65% of the transmission system capacity (additional capacity is represented within the monthly SFT). This is known as the “**global derate factor**.”
 - Recognizing broader EDAM footprint is considered with more transparency of loop flows, a higher percentage may be warranted.
 - Global derate factor recognizes generally the uncertainty that actual system conditions may be different than modeled in the annual process driven by outages, loop flow effects and other topology differences that may materialize.

Types of constraints considered in the SFT

- Constraints enforced in the common SFT process would be consistent, to the extent possible, with those used in Integrated Forward Market (IFM).
 - Would apply to both CAISO and EDAM balancing areas
- Normal and emergency ratings of transmission lines and transformers.
 - Emergency ratings will be enforced during contingency analysis
- Generalized group limits, which include simple transmission interface limits and nomograms limits, which are based solely on transmission interface flows, may consist of both single and multiple lines with a single limit.

SFT Annual Process – Tiered SFT Evaluation

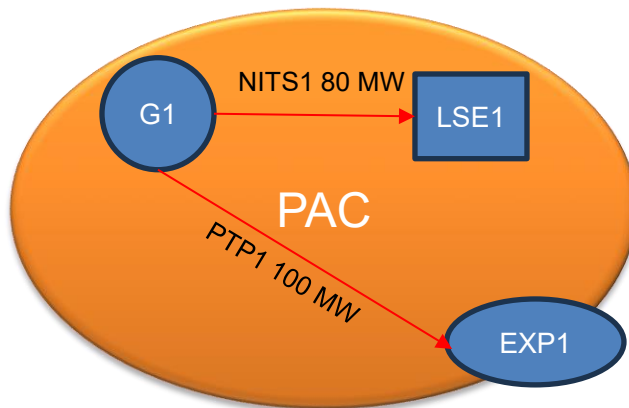
- Generally, the SFT is performed through a tiered process that allows for gradual transmission capacity scaling, in part, to ensure physical capabilities of the grid are respected and not over-allocated.
- Tier 1
 - Up to 50% of nominated eligible firm OATT rights and nominated CRRs for allocation (up to 50% load metric)
 - For CRRs, includes source/sink combinations allocated in prior year CRR allocation (as today)
- Tier 2
 - Up to two thirds nominated eligible firm OATT rights and nominated CRRs for allocation
- Tier 3
 - Up to 100% of nominated eligible firm OATT rights and nominated CRRs for allocation

Illustrating a common SFT with CRRs and OATT rights

PacifiCorp System

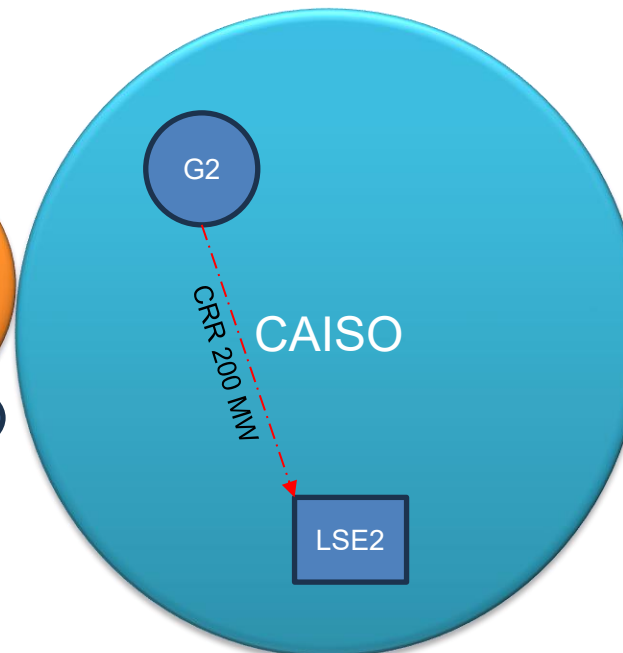
NITS1: 80 MW (G1 to LSE1)

PTP1: 100 MW (G1 to EXP1)



CAISO System

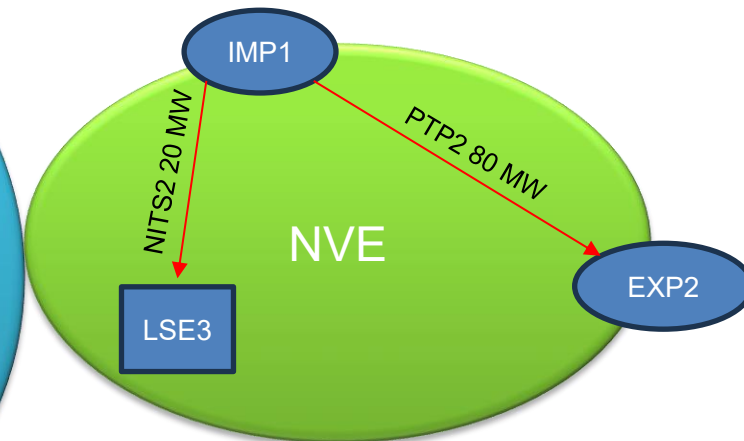
CRR1: 200 MW (G2 to LSE2)



NVE System

NITS2: 20 MW (IMP1 to LSE3)

PTP2: 80 MW (IMP1 to EXP2)



Illustrating Annual SFT Tier Application

- Annual SFT Nominations and Submissions

Nomination ID	Load Metric	Tier 1 SEQ (50% LM)	Tier 1 Awards (From SFT)	Tier 2 Preliminary SEQ (2/3 Load Metric)	Tier 2 SEQ (Prelim – T1 Awards)	Tier 2 Awards (From SFT)	Tier 3 Preliminary SEQ (100% Load Metric)	Tier 3 SEQ (Prelim – T1 & T2 Awards)	Tier 3 Awards (From SFT)
NITS1	80	40	40	53.333	13.333	10	80	30	15
PTP1	100	50	46.295	66.667	20.372	15	100	38.705	20
CRR1	200	100	81.482	133.333	51.851	35	200	83.518	40
NITS2	20	10	10	13.333	3.333	2	20	8	4
PTP2	80	40	40	53.333	13.333	8	80	32	15

- The annual SFT results may not provide the complete allocations based on feasibility as the SFT would consider a 65% global derate factor to account for uncertainty in transmission outages, topology changes and other aspects that may occur closer to the operational horizon.
- Monthly SFT process will provide additional allocations associated with the transmission rights to shape a more complete picture of the congestion revenue entitlements.

SFT Monthly Process – Tiered SFT Evaluation

- Performed 6 weeks prior to the start of each month.
- Monthly SFT represents the available transmission system capacity across the EDAM footprint, adjusted for known planned transmission outages and topology changes.
 - Currently, an 82.5% global derate factor is applied to the monthly system capacity
- Tier 1
 - Nomination of any remaining long-term firm OATT rights that may not have received full feasibility within annual process and any new rights that may have been secured between the annual and the specific monthly process.
 - For CRRs, continue to nominate up to 100% difference between monthly CRR eligible quantity and total CRRs allocated in annual process (today's process).
- Tier 2
 - Nominate remaining long-term firm OATT rights and new rights enabled between annual and monthly process that were not already allocated under Tier 1.
 - For CRRs, nominate up to 100% difference between CRR eligible quantity and CRRs allocated in annual process, minus those allocated in Tier 1 (today's process).

Illustrating Monthly SFT Tier Application

- Monthly SFT Nominations and Submissions

Nomination ID	Load Metric	Annual Awards	Tier 1 MEQ (Load Metric - Annual Awards)	Tier 1 Awards	Tier 2 MEQ (T1 MEQ - T1 Awards)	T2 Awards	Total Awards (Annual + Monthly)
NITS1	80	65	15	14	1	1	80
PTP1	100	81.295	18.705	10	8.705	3	94.295
CRR1	200	156.482	43.518	25	18.518	6	187.482
NITS2	20	16	4	4	0	0	20
PTP2	80	68	12	7	5	2	77



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Applying reductions or “haircutting” in congestion revenue entitlements based on SFT results

Simultaneous Feasibility Test – Applying reductions or “haircutting”

- The SFT exists to make sure more congestion hedges are not awarded than the transmission system can physically support.
- Align congestion hedges with expected market flows that contribute towards congestion rent.
- When nominated congestion entitlements exceed transmission system capacity, curtailment occurs based on **Weighted Least Squares (WLS)** methodology.
 - Consistent with use of same methodology by other ISOs/RTOs

Simultaneous Feasibility Test – Weighted Least Squares

- In WLS, the reduction of flow on constraints is achieved by a pro-rata reduction in nominations based on squares of the shift factors and the weight of the nomination amount.
- WLS distributes the curtailment across nominations that are effective in relieving the congestion.

WLS Formulas:

Objective Function:
$$\min \left(\sum_{i=1}^N \alpha_i (\bar{X}_i - X_i)^2 \right)$$

Reduction of each nomination:

$$\Delta X_i = \frac{\bar{X}_i \cdot SF_{i,k}}{\sum_{j=1}^N (\bar{X}_j \cdot SF_{j,k}^2)} \Delta V_k$$

Reduction of overload attributed to each nomination:

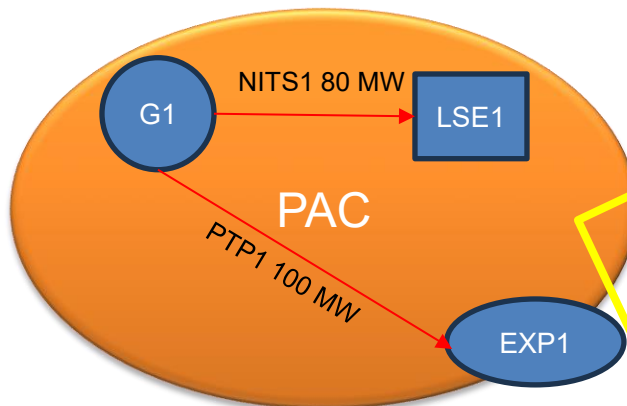
$$R_{i,k} = \frac{\bar{X}_i \cdot SF_{i,k}^2}{\sum_{j=1}^N (\bar{X}_j \cdot SF_{j,k}^2)}, \text{ where } \sum_{i=1}^N R_{i,k} = 1$$

Illustrating a common SFT with CRRs and OATT rights

PacifiCorp System

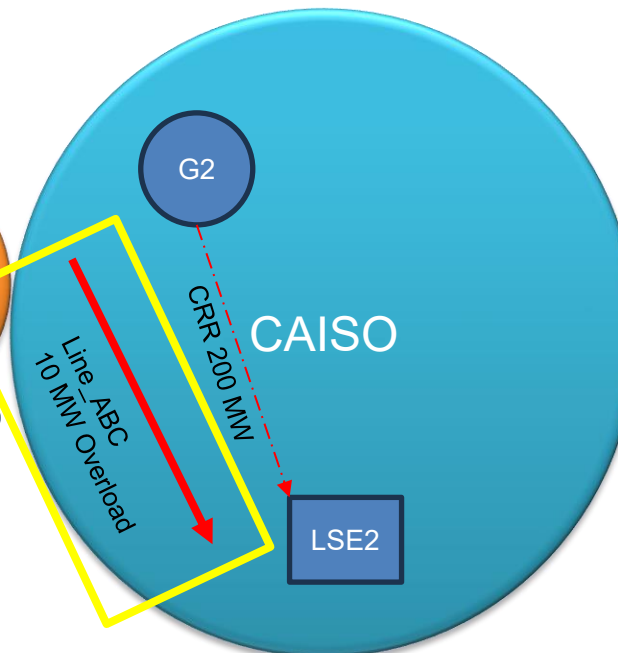
NITS1: 80 MW (G1 to LSE1)
0.2 Shift Factor to Line_ABC

PTP1: 100 MW (G1 to EXP1)



CAISO System

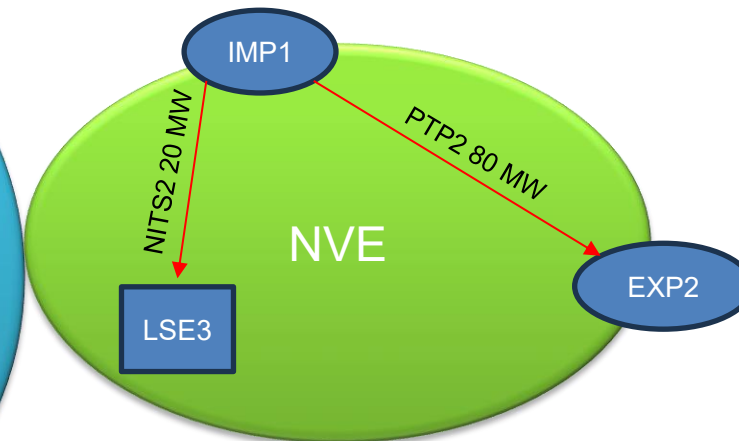
CRR1: 200 MW (G2 to LSE2)
0.5 Shift Factor to Line_ABC



NVE System

NITS2: 20 MW (IMP1 to LSE3)

PTP2: 80 MW (IMP1 to EXP2)



Illustrative example – reductions based on “Line ABC” overload (CAISO)

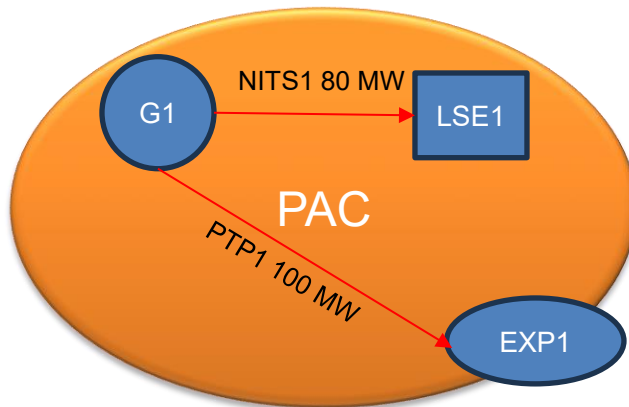
Nomination ID	Nomination MW	$SF_{i,k}$ (Shift Factor)	$\Delta V_{k,i}$ (Reduction of constraint overload)	ΔX_i (Reduction of nomination MW)	Award MW
NITS1	40	0	0	0	40
PTP1	50	0.2	0.741	3.705	46.295
CRR1	100	0.5	9.259	18.518	81.482
NITS2	10	0	0	0	10
PTP2	40	0	0	0	40

Total Reduction of Constraint Overload = 10 MW

Illustrating a common SFT with CRRs and OATT rights

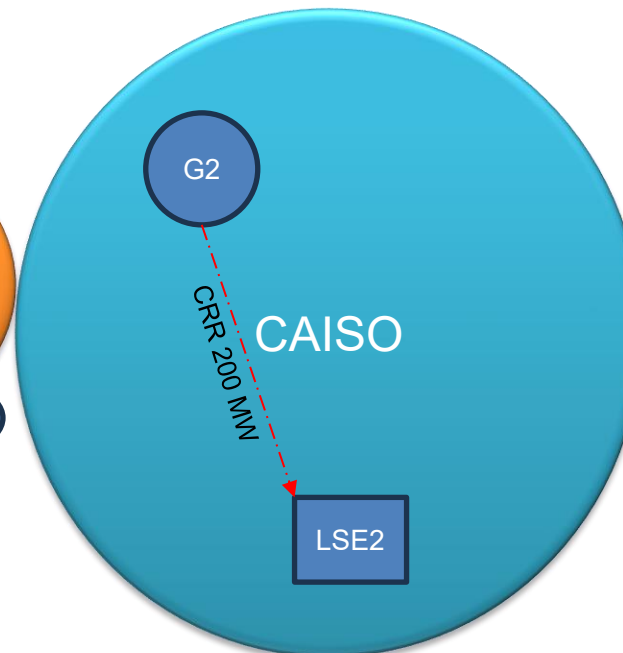
PacifiCorp System

NITS1: 80 MW (G1 to LSE1)
PTP1: 100 MW (G1 to EXP1)



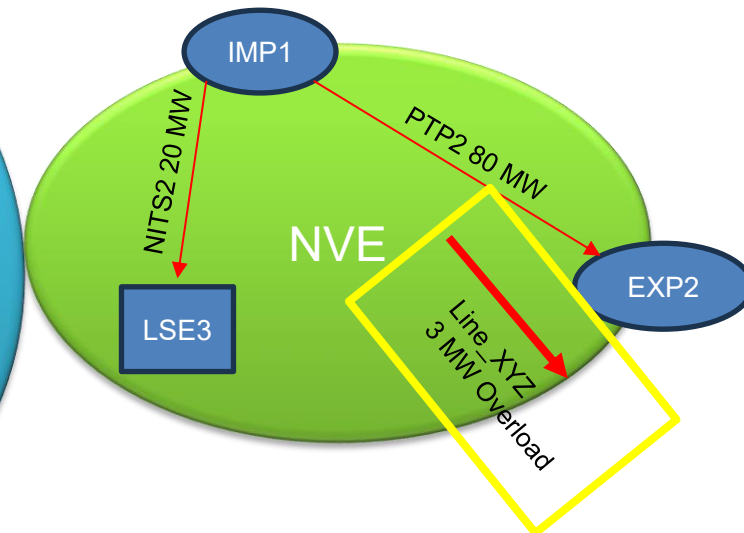
CAISO System

CRR1: 200 MW (G2 to LSE2)



NVE System

NITS2: 20 MW (IMP1 to LSE3)
PTP2: 80 MW (IMP1 to EXP2)
0.75 Shift Factor to Line_XYZ



Illustrative example – reductions based on “Line XYZ” overload (NVE)

Nomination ID	Nomination MW	$SF_{i,k}$ (Shift Factor)	$\Delta V_{k,i}$ (Reduction of constraint overload)	ΔX_i (Reduction of nomination MW)	Award MW
NITS1	40	0	0	0	40
PTP1	50	0	0	0	50
CRR1	100	0	0	0	100
NITS2	10	0	0	0	10
PTP2	40	0.75	3	4	36

Total Reduction of Constraint Overload = 3 MW



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Allocation during underfunding conditions

Managing Congestion Underfunding Risk

- Entitlements to congestion revenues may be affected by unplanned constraints/transmission outages that may materialize within the month (outside of what is captured in SFT).
- The market operator may not collect sufficient congestion revenues to fully pay out the entitlements in those circumstances.
- In those cases, the ISO as market operator would allocate only the collected congestion revenues.
- This is consistent with how congestion revenues are allocated within the CAISO balancing area for CRRs – only collected revenues are allocated and an entitlement does not establish a financial right to non-collected congestion revenues.
 - Consistent with the *CRR 1B Initiative* policy



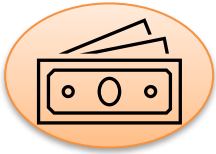
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Inviting stakeholder perspectives - benefits,
incentives & key questions from a common SFT
design incorporating CRRs and OATT rights

What are the expected benefits of a common SFT design?

- Improved market efficiency by removing the self-schedule incentive
 - Market operator would not settle congestion revenue allocation based on schedules
- An effective congestion hedge that more equitably integrates CAISO balancing areas, CRRs and eligible firm OATT transmission rights based on a footprint-wide SFT that considers flow contributions simultaneously across all the modeled rights and constraints
- Supports continued administration of OATTs and sale of transmission rights, along with continued administration of CRRs within CAISO balancing area
- Level of consistency with industry practice in applying a SFT to determine the level of financial congestion revenue allocation

Consideration of incentives under Concept #3 (common SFT)



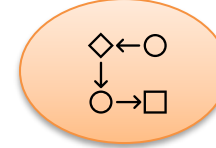
Economic Bidding

- Incentivizes economic participation in market
- Enables allocation irrespective of schedules



Transmission Investment

- Retains value in long-term OATT transmission
- Incentivizes investment into long-term transmission rights and upgrades



Flow-Based Methodology (AFC)

- Can incentivize TSP consideration of flow-based physical rights evaluation (AFC)
- Can better align AFC evaluation results with congestion rent in SFT

Important technical questions for consideration in a common SFT

- ***Considering a common SFT across the broader EDAM footprint – incorporating CRRs and OATT rights – should more than 65% of the physical transmission system capacity be considered in the annual SFT? (global derate factor)***
 - The 65% global derate factor in the annual SFT process is intended to account for broader uncertainty of system unavailability (transmission outages, loop flow, topology uncertainty)
 - Expanding the percentage could enable more allocation and feasibility in the annual process recognizing ability to account for loop flow more effectively across modeled EDAM footprint and ability to account for modeling of WECC-wide loop flow effects.
- ***Aside from long-term firm OATT transmission rights, should other OATT transmission rights be considered?***
 - Long-term firm OATT rights reflect the value the holders have placed into the transmission system: they pay for the long-term uses of the grid.
 - Shorter term transmission rights, firm and non-firm, don't necessarily bear the costs of the long-term system and these do not drive transmission upgrades under the OATT construct.
 - There is variability in use and availability of shorter-term firm transmission products, along with conditional firm, across the West that it may not provide added value.
 - Consideration of other rights, particularly non-firm, can dilute simultaneous feasibility.

Broader design questions with Concept #3

- ***Data analysis has identified a disproportional effect of schedules from EDAM balancing areas on some CAISO constraints than vice versa (loop flow). Does this warrant consideration of further adjustments in modeling within the SFT or allocation of congestion revenues between balancing areas under a common SFT?***
 - Such action may not be necessary as the common SFT will evaluate the feasibility of flow of nominated CRRs with only long-term firm OATT rights across an interconnected footprint accounting for loop flows.
 - The SFT will consider the flow contributions of all modeled transactions on all modeled constraints simultaneously across the common, interconnected, market footprint.
 - Limiting eligibility to long-term firm OATT rights inherently limits the allocation and improves feasibility, similar to nominated CRRs in the allocation process.
 - Imposing extraneous limitations to the SFT results would affect the delicate balance of considering CRRs and OATT rights, and the effectiveness of the congestion hedges that are intended through the design.

Broader design questions with Concept #3

- ***Should there be limitations for, or different treatment of, continued sales of long-term OATT rights in a common SFT?***
 - Such limitation does not appear necessary. Under this common SFT, only long-term OATT rights would be eligible for an allocation and long-term ATC is finite across the transmission systems. This should improve feasibility of rights considered.
 - Long-term firm OATT rights considered in the common SFT likely will differ somewhat year to year as some rights terminate and new rights are sold based on the remaining long-term ATC.
 - This is similar to CRRs on the CAISO system: year to year the nominated source/sink CRRs can be and are different, while the underlying transmission system may not have changed. This is driven by the availability of locations and value of different CRRs.
 - New transmission upgrades can create additional long-term firm OATT rights and they can create new source/sink CRR combinations on the CAISO grid.

Broader design questions with Concept #3

- ***How should congestion revenues be allocated in the real-time market?***
 - Recognition that the congestion hedge under concept #3 is primarily geared toward the day-ahead market, consistent with industry practice and incenting day-ahead participation.
 - The real-time market participation consists of balancing areas in the EDAM and those that participate in WEIM-only across the Western footprint.
 - Retaining the status quo where the market operator allocates real-time congestion revenues to the balancing area (whether area participating in EDAM or WEIM-only) where the transmission constraint is located seems a less disruptive path forward recognizing the different market participation models.

Data analysis - conducting a simulated SFT

- The ISO is in the process of gathering data to conduct a simulated SFT which can provide information on the broader feasibility of the CRRs and OATT rights and support continued consideration of the design.
- The simulated SFT will consider:
 - A summer scenario with all facilities in service to evaluate feasibility of CRRs and long-term firm OATT rights
 - A broader annual SFT, seasonal, with the incorporated global derate factor to evaluate feasibility under a more traditional annual evaluation
- The ISO is finalizing data collection and expects to perform the analysis in August/September.

Next Steps

- Meeting materials are available on the initiative webpage: [California ISO - Extended day-ahead market - congestion revenue allocation](#)
- Comments on today's workshop are requested by August 27, 2026.
 - A comment template will be made available following the meeting
- The next working group meeting will be scheduled for **early September** to take stock of comments across the different design concepts and seek to address issues that may have been raised in comments shape the viability of designs.
- For any additional questions, please email us at ISOStakeholderAffairs@caiso.com

This Week at the ISO – 8/10/26

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, August 11 – Resource Interconnection Standards Fair
 - 9:00am – 4:00pm PT ([link](#))
- Tuesday, August 11 – Technical User Group
 - 10:00am – 11:00am PT (developer account required)
- Wednesday, August 12 – Settlement User Group
 - 10:00am – 11:00am PT ([link](#))
- Thursday, August 13 – Extended Day-Ahead Market (EDAM) Congestion Revenue Allocation
 - 9:00am – 12:00pm PT ([link](#))

Comment Submission Deadlines

- Monday, August 10 - Extended Day-ahead Market (EDAM) Enhancements Congestion Revenue Allocation
- Monday, August 10 - 2026 ISO Planning Standards Update
- Wednesday, August 12 - Transmission Development Forum
- Thursday, August 13 - Market Performance and Planning Forum - Extended Day-ahead Market (EDAM) Market Performance Meeting
- Friday, August 14 – Market Seams Workshop

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

- Monday, August 10 – Extended Day-Ahead Market (EDAM) Enhancements 2026 - Inter-Scheduling Coordinator (Inter-SC) Trades 9:00am – 10:00am PT

Presentations and recordings of the Parallel Operations Meeting are posted [here](#).

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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Announcing the launch of a new publication series:



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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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