

**Section 26 and 33.26 – Transmission Rates and Charges**  
**Draft Tariff Language to Implement EDAM Access Charge in ISO BAA**

## **26.2 EDAM Recoverable Revenue and EDAM Access Charge for the CAISO Balancing Authority Area**

EDAM Recoverable Revenue for the CAISO Balancing Authority Area will be calculated as provided in Section 26.2.2 and the associated EDAM Access Charge will be allocated to Balancing Authority Areas in the EDAM Area in accordance with Section 33.26 and Section 26.2.1.1. EDAM Access Charges to the CAISO Balancing Authority Area will be calculated in accordance with Section 33.26 and Section 26.2.1.2 and distributed as provided in Section 26.2.3.

### **26.2.1 CAISO Participation as a Balancing Authority Area in the EDAM Area**

**26.2.1.1** When deriving the EDAM Access Charge \$/MWh rate for the EDAM Entity Balancing Authority Areas in the EDAM Area in the manner set forth Section 33.26.1.1, the CAISO will include the EDAM Recoverable Revenue associated with the CAISO Balancing Authority Area, including true-up consistent with Section 33.26.1.2. The EDAM Recoverable Revenue associated with the CAISO Balancing Authority Area will be calculated as provided in Section 26.2.2.

**26.2.1.2** When deriving the EDAM Access Charge \$/MWh rate for the CAISO Balancing Authority Area in the manner set forth in Section 33.26.1.1, the CAISO will include the EDAM Recoverable Revenue associated with all other EDAM Entity Balancing Authorities in the EDAM Area, including any associated true-ups as provided in Section 33.26.1.2, but will not include the EDAM Recoverable Revenue associated with the CAISO Balancing Authority Area. EDAM Access Charges allocated to the CAISO Balancing Authority Area will be distributed as provided in Section 26.2.3.

### **26.2.2 Calculation of EDAM Recoverable Revenue Associated with the CAISO Balancing Authority Area**

The CAISO will determine the EDAM Recoverable Revenue for the CAISO Balancing Authority Area based on the aggregate EDAM Recoverable Revenue requirements for each Participating Transmission Owner in the CAISO Balancing Authority Area as provided in Section 26.2.1.1. Each Participating Transmission Owner may include its associated EDAM Recoverable Revenue requirement within its Transmission Revenue Requirement following the

process and procedures set forth in the Business Practice Manual. The CAISO will distribute proceeds of the EDAM Access Charge to each individual Participating Transmission Owner based on its individual portion of the EDAM Recoverable Revenue requirement in relation to the EDAM Recoverable Revenue requirements for all Participating Transmission Owners in the CAISO Balancing Authority Area, with each Participating Transmission Owner performing a true-up of its EDAM Recoverable Revenue requirement in the course of calculating the next year's EDAM Access Charge for the CAISO Balancing Authority Area, consistent with Section 33.26.1.2.

**26.2.2.1 Participating Transmission Owner EDAM Recoverable Revenue Requirement Component 1**

Each Participating Transmission Owner may include the historical annual average revenue associated with the Wheeling Access Charge for each Scheduling Point that corresponds with an EDAM Internal Intertie as component 1 of its EDAM Recoverable Revenue requirement.

**26.2.2.1.1** Each Participating Transmission Owner will calculate component 1 of its EDAM Recoverable Revenue requirement in the manner set forth in Section 33.26.2.1.1 based on the historical annual average of Wheeling Access Charge revenues it reasonably expects to forgo for the three years leading up to its EDAM participation at each Scheduling Point that corresponds with an EDAM Internal Intertie. Each Participating Transmission Owner's component 1 will be fixed for purposes of calculating the EDAM Access Charge for the CAISO Balancing Authority Area, as provided in Section 33.26.2.1.1.

**26.2.2.1.2** Consistent with Section 33.26.2.1.2, Component 1 EDAM Recoverable Revenue for the CAISO Balancing Authority Area will be limited to not exceed the product of (a) the Wheeling Access Charge revenue at the Scheduling Points associated with the CAISO-Controlled Grid and (b) the percentage resulting from dividing exports from the CAISO Balancing Authority Area to the EDAM Area by the total exports from the CAISO Balancing Authority

Area. If the component 1 EDAM Recoverable Revenue for the CAISO Balancing Authority Area will exceed the limit, then each Participating Transmission Owner will accept a reduction of its individual component 1 EDAM Recoverable Revenue to allow the CAISO Balancing Authority Area to meet the limit. Any such reduction in component 1 EDAM Recoverable Revenue will be calculated in proportion to the share of an individual Participating Transmission Owner's EDAM Recoverable Revenue requirement in relation to the EDAM Recoverable Revenue requirements for all Participating Transmission Owners in the CAISO Balancing Authority Area, following the processes and procedures in the Business Practice Manual.

**26.2.2.2 Participating Transmission Owner EDAM Recoverable Revenue Requirement Component 2**

Each Participating Transmission Owner may include the cost associated with forgone transmission sales on eligible Existing Contracts or Upgrades as component 2 of its EDAM Recoverable Revenue requirement consistent with Section 33.26.2.2.

**26.2.2.2.1** A Participating Transmission Owner with Existing Contracts will calculate its component 2 EDAM Recoverable Revenue requirement to include those revenue shortfalls associated with the release of transmission capacity resulting from expiring Existing Rights that were not included in component 1, subject to the limitations set forth in Section 33.26.2.2.1. For each Existing Contract that is expiring, the Participating Transmission Owner will calculate the amounts to be included in component 2 of its EDAM Recoverable Revenue requirement in accordance with Section 33.26.2.2.1.

**26.2.2.2.2** A Participating Transmission Owner with new Upgrades will calculate its component 2 EDAM Recoverable Revenue requirement to include those revenue shortfalls associated with the facilities that are (a) energized after the CAISO Balancing Authority Area begins participation in EDAM, (b) increase transfer capability between the CAISO Balancing Authority Area and an EDAM

Entity Balancing Authority Area, and (c) otherwise meet the requirements of Section 33.26.2.2.2. For each new Upgrade, the Participating Transmission Owner will calculate the amounts to be included in component 2 of its EDAM Recoverable Revenue requirement in accordance with Section 33.26.2.2.2. A Participating Transmission Owner will utilize, as a proxy historical baseline for new Upgrades when establishing component 2 for the first year, the ratio of (a) historical Wheeling Access Charge revenue for the CAISO Balancing Authority Area to (b) total Transmission Revenue Requirements for the CAISO Balancing Authority Area. After the first year the new Upgrade is included in the EDAM Access Charge, the Participating Transmission Owner will true-up actual forgone revenues to projected forgone revenues in the following year's calculations of component 2 EDAM Recoverable Revenue requirement based on the proxy baseline, consistent with Section 33.26.2.2.2.

#### **26.2.2.3 Participating Transmission Owner EDAM Recoverable Revenue**

##### **Requirement Component 3**

As provided in Section 33.26.2.3, in periods where the total volume of EDAM wheeling-through transactions exceeds the total net transfers (imports and exports) of the CAISO Balancing Authority Area, the CAISO will calculate the component 3 EDAM Recoverable Revenue for each Participating Transmission Owner by multiplying its share of the excess volume, based on its individual share Transmission Revenue Requirements in relation to the total Transmission Revenue Requirements for the CAISO Balancing Authority Area, by the applicable Wheeling Access Charge rate. Each Participating Transmission Owner may include component 3 revenues as part of its EDAM Recoverable Revenue requirement, consistent with Section 33.26.2.3.

#### **26.2.3 Distributing EDAM Access Charges Allocated to the CAISO Balancing Authority Area**

The CAISO will distribute to Gross Load in the CAISO Balancing Authority Area each EDAM Access Charge allocated to the CAISO Balancing Authority Area, consistent with Section 33.26.3.

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**33.26 Historical Revenue Recovery And Charges**

Access Charges for Day-Ahead Market transactions serving Load within the CAISO Balancing Authority Area that use the CAISO Controlled Grid are governed by Section 26. Transmission service charges for Day-Ahead Market transactions serving Load within an EDAM Entity Balancing Authority Area are governed by the applicable EDAM Transmission Service Provider tariff. Transmission service charges for Day-Ahead Market transactions supported by EDAM Transfers are addressed in this Section 33.26. Transmission service charges for Real-Time Market transactions are governed by Section 11, Section 26, or Section 29.26, as applicable.