

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

26.2 CAISO Balancing Authority Area EDAM Recoverable Revenue and EDAM Access Charges

EDAM Recoverable Revenue for the CAISO Balancing Authority Area will be calculated as provided in Section 26.2.2 and allocated proportionally to EDAM Entity Balancing Authority Areas through the EDAM Entity EDAM Access Charge consistent with Section 33.26. EDAM Entity EDAM Access Charges assessed in accordance with Section 33.26 will include a proportional share of the EDAM Recoverable Revenue for the CAISO Balancing Authority Area, as provided in Section 26.2.1.1. CAISO EDAM Access Charge assessed in accordance with Section 33.26 will include the CAISO Balancing Authority Area's proportional share of EDAM Recoverable Revenue for EDAM Entity Balancing Authority Areas, as provided in Section 26.2.1.2.

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 rates for each EDAM Entity Balancing Authority Area in the manner provided for in Section 33.26.1.1, the CAISO will also include a proportional share of the EDAM Recoverable Revenue for the CAISO Balancing Authority Area, including true-up consistent with Section 33.26.1.2, when assessing EDAM Entity EDAM Access Charges in accordance with Section 33.26.3. Calculation of EDAM Recoverable Revenue for the CAISO Balancing Authority Area is further described in Section 26.2.2.

26.2.1.2 When deriving the EDAM Access Charge \$/MWh rates for the CAISO Balancing Authority Area in the manner provided for in Section 33.26.1.1, the CAISO will include the CAISO Balancing Authority Area's proportional share of EDAM Recoverable Revenue for each EDAM Entity Balancing Authority Area, including any associated true-ups as provided in Section 33.26.1.2, but will not include the EDAM Recoverable Revenue for the CAISO Balancing Authority Area when assessing the CAISO EDAM Access Charges in accordance with Section 33.26.3. CAISO EDAM Access Charges will be proportionality allocated to Scheduling Coordinators representing Gross Load in the CAISO Balancing Authority Area, as further described in Section 26.2.3.

26.2.2 Calculation of EDAM Recoverable Revenue for 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 of each Participating Transmission Owner in the CAISO Balancing Authority Area, with such aggregate amount included as part of the calculation of the EDAM Entity EDAM Access Charges consistent with Sections 26.2.1.1 and 33.26.1. Following the process and procedures in the Business Practice Manual, each Participating Transmission Owner recovering EDAM Recoverable Revenue must include its associated EDAM Recoverable Revenue requirement within its High Voltage Transmission Revenue Requirement, unless the Participating Transmission Owner demonstrates that a portion of its EDAM Recoverable Revenue requirement is associated with local facilities recoverable through its Low Voltage Transmission Revenue Requirement. The CAISO will distribute amounts received through the EDAM Entity EDAM Access Charges 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 Charges, 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 appropriate portion of the historical Wheeling Access Charge revenue foregone only for each Scheduling Point that corresponds with an EDAM Internal Intertie as component 1 of its EDAM Recoverable Revenue requirement in the manner further detailed in Section 33.26.2.1.1 and sub-sections set forth below.

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 for the three years leading up to its EDAM participation. Component 1 will include such Wheeling Access Charge revenues the Participating Transmission Owner reasonably expects to forgo 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 Recoverable Revenue for the CAISO Balancing Authority Area's participation, 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 would otherwise exceed this limit, then each Participating Transmission Owner will reduce 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 appropriate portion of costs resulting from reduced revenues associated with the release of transmission from Existing Contracts or forgone transmission sales on certain new Upgrades as component 2 of its EDAM Recoverable Revenue requirement in the manner further detailed in Section 33.26.2.2.1 and sub-sections set forth below.

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 Contracts 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 (a) are 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, in the manner described in Section 33.26.2.2.2; 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 (a) its share of the excess volume, based on its individual Transmission Revenue Requirement in relation to the total Transmission Revenue Requirements for the CAISO Balancing Authority Area, by (b) 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 CAISO EDAM Access Charges

Any EDAM Entity Access Charges assessed to the CAISO Balancing Authority Area in accordance with Sections 26.2.1.2 and 33.26.3 will be sub-allocated to Scheduling Coordinators representing Gross Load in the CAISO Balancing Authority Area through the CAISO EDAM Access Charge. Each Scheduling Coordinator's proportional allocation of CAISO EDAM Access Charges will be based on its share of represented Gross Load in relation to the total Gross Load represented in the CAISO Balancing Authority Area during the assessment period. CAISO EDAM Access Charge revenue will be credited to EDAM Entity Balancing Authority Areas in the manner set forth in Section 33.26.3. Any difference between the amount of CAISO EDAM Access Charges and revenues will be reflected as debits or credits in the annual true-up, as provided in Section 33.26.1.2.

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.