

WESTERN ENERGY MARKETS

Regional Issues Forum

March 16, 2026

1:00 p.m. – 4:00 p.m. (Pacific Time)



Agenda

| | |
|-----------------------|--|
| 1:00 p.m. – 1:10 p.m. | Welcome, Opening Remarks & Announcements |
| 1:10 p.m. – 2:20 p.m. | Roundtable Discussion – CAISO Policy Initiatives Catalog and Roadmap |
| 2:20 p.m. – 3:00 p.m. | RIF Enhancements Update |
| 3:00 p.m. – 3:15 p.m. | Break |
| 3:15 p.m. – 3:55 p.m. | WEIM/EDAM Resource Adequacy Briefing |
| 3:55 p.m. – 4:00 p.m. | Closing remarks and wrap up |

WESTERN ENERGY MARKETS

Roundtable Discussion – CAISO Policy Initiatives Catalog and Roadmap

RIF Liaisons

Alyssa Krag-Arnold, Senior Policy Integration & Governance
Specialist, CAISO



RIF Roundtable Discussion - Overview

- Provide an open and transparent stakeholder forum to review and discuss sector-level priorities for the 2026 Policy Initiatives Catalog and Roadmap
- Agenda:

| | |
|--|------------|
| CAISO review (set the stage) | 10 minutes |
| Sector Presentations | 40 minutes |
| Comments by stakeholders not assigned to sectors and public comments | 5 minutes |
| Summary, WEM Governing Body, Body of State Regulators, and CAISO remarks | 15 minutes |



Update: 2026 ISO Market Policy Catalog & Roadmap

Alyssa Krag-Arnold

Senior Policy Integration & Governance Specialist, Market Strategy and Governance

Amelia Blanke

Principal Economist & Director, Market Strategy and Governance

March 16, 2026

Annual market policy catalog & roadmap process

Market policy catalog

- ISO accepts market policy initiative proposals from stakeholders and documents stakeholder support
- Key input to the prioritization process

Market policy roadmap

- Work plan that describes the market policy initiatives the ISO will undertake from 2027-2029
- Final roadmap represents intersection of stakeholder-identified priorities from the catalog, [ISO critical & strategic objectives](#), initiative feasibility, urgency, and ISO resources

New in 2026: Infrastructure policy catalog & roadmap process

- Separate from existing market policy roadmap process
- All infrastructure and transmission-related proposals are proposed and prioritized in this process
 - Focused on ISO grid operating area
 - The ISO Board of Governors has decisional authority for all infrastructure policy roadmap items

Catalog: stakeholder-led prioritization process

Regional Issues Forum Roundtable & Report

- RIF sector liaisons compile feedback from members about themes, issues, and priorities; synthesize common priorities among sectors

Stakeholder prioritization workshop

- Clarify purpose of submissions
- Develop understanding of breadth of stakeholder support for individual submissions & reasons for support

Prioritization ranking survey

- Stakeholders prioritize proposed and existing policy initiatives

2026 market policy catalog and roadmap schedule

| | |
|-----------------------------|---|
| January | 2026 kickoff stakeholder meeting |
| February | Stakeholders submit market policy initiative proposals to Catalog |
| March | Regional Issues Forum (RIF) Roundtable |
| April | Stakeholder workshop |
| | Briefing to BOSR |
| Mid-April to Mid-May | RIF Roundtable Report |
| | Stakeholder prioritization survey |
| June | Updated 2026 Market Policy Roadmap released |
| | 2026 Market Policy Catalog released |
| October | Draft Market Policy Roadmap released for stakeholder comment |
| | Briefing to RIF + RIF feedback |
| | Briefing to BOSR + BOSR feedback |
| December | Final Market Policy Roadmap released |

2026 catalog submissions

| Organization | Submission Title |
|---------------------------------------|--|
| Seams | |
| Appian Way Energy Partners | Western Market Seams Coordination |
| BPA | Market-to-Market Seams |
| WPTF | Internal and external market seams |
| EDAM Intertie Bidding | |
| The Energy Authority | EDAM BAA Transactional Market Seams Enhancements |
| Vitol Inc. | Economic intertie bidding under EDAM |
| Western Resource Advocates | Intertie bidding with EDAM |
| In Scope of Current Initiative | |
| The Joint Parties | Maximum Import Capability (MIC) Enhancements |
| WPTF | Eliminate Flex RA & Update CPM |
| WPTF | EDAM enhancements |
| PG&E | 2028 EDAM Review |
| PG&E | Ancillary Services Real-Time Re-Optimization |
| Resubmitted Items | |
| CDWR - State Water Project | Rising costs to LSEs with Real-Time Congestion Offset (RTCO) Charges |
| CDWR - State Water Project | TAC Enhancements |
| CPUC Energy Division | Liquidity of bilateral indices in FERC Order 831 implementation* |
| New Topic | |
| CDWR - State Water Project | Flex RA phantom obligation due to delayed commercial operation date |
| Pacificorp | Imbalance reserve product enhancements |
| Storage | |
| NextEra | Streamlined Augmentation of Operational Batteries |

Resources

- Visit webpage to view all Catalog submissions and meeting materials: [2026 Policy Catalog & Roadmap webpage](#)
- Questions? Please contact Brenda Marquez at bmarquez@caiso.com or ISO Stakeholder Affairs: isostakeholderaffairs@caiso.com

EIM Entity Sector – RIF Roundtable

Kalia Savage

Policy Initiatives Process Feedback

- 2026 Process seems reasonable and in line with previous years
- Urge CAISO to remain mindful of the resources and bandwidth of stakeholders when determining the schedule and priority of policy initiatives

Current Policy Initiatives Roadmap Priorities

- Mixed feedback regarding delaying Price Formation Enhancements until data becomes available following the implementation of EDAM and DAME
- Prioritizations included:
 - Enhancements needed for EDAM following implementation
 - Implementation of GHG accounting and reporting
 - EDAM Congestion Allocation Phase 2
 - Price Formation Enhancements
 - Storage Design and Modeling

New Initiative Priorities

- Mixed reactions:
 - Seams discussions and the creation of a guidance document
 - Understanding the impacts to the WEIM Benefits following EDAM go-live

Other High Priority Issues

- Continued discussion on inertia scheduling and the implications of the Gap-Tie modeling
- Interested in exploring challenges related to modeling hybrid resource configurations, even though the potential enhancements may not rise to the level of a standalone policy initiative.
 - Specifically, regarding more co-located resource types sharing a single point of interconnection (multi-fuel co-located)

New Process to Bifurcate the Infrastructure Catalog and Roadmap from the Market Policy

- RIF should treat the two processes as separate for this year
 - i.e. separate sections in the RIF report
- After the first year, stakeholders should have a better idea of how to participate in the infrastructure process, and the CAISO should have a clearer idea of what initiatives should be under which policy roadmap
- If the infrastructure policy roadmap primarily focuses on CAISO BA initiatives, then the RIF may determine to not include in subsequent years
- Support for the bifurcation of the market policy from infrastructure, as it will make topics more focused for different stakeholders

EDAM Entity Sector – RIF Roundtable

Vijay Singh

Policy Initiatives Process Feedback

- Feedback is from opinions of a few and not representing consensus from the sector
- In general, roadmap process is improving every year
 - It is a good opportunity for stakeholders to shape what issues get worked on
- Suggestions for improvement
 - Not clear on how to prioritize initiative that may fit within a broader initiative already planned
 - Example is the EDAM Enhancements

Current Policy Initiatives Roadmap Priorities

- Implementation timelines seem ambitious
 - Seeking update from CAISO on whether timeline still works
- Split scarcity pricing and market power mitigation into separate initiatives
 - Keep the market power mitigation initiative moving forward
 - Delay scarcity pricing until EDAM implications are better understood
- Congestion revenue allocation initiative may need to be extended

New Initiative Priorities

- EDAM Enhancements
 - Generally, want to see how EDAM is working before making big market design changes
 - Data analysis will be important for finding improvements

California ISO Participating Transmission Owner Sector – RIF Roundtable

Meg McNaul
Jon Rumble

Policy Initiatives Process Feedback

- The PTO Sector is monitoring the bifurcation of the Catalog/Roadmap process between “Market Policy” and “Infrastructure Policy”
 - Process for initiative classification should be transparent and consider stakeholder input
 - The process should allow for certain initiatives that may concern both Market and Infrastructure Policy
- In 2025, the PTO Sector recommended pausing some Working Groups to ensure broader participation in high priority initiatives given limited stakeholder and CAISO resources
 - CAISO’s responsiveness to this input is appreciated

Current Policy Initiatives Roadmap Priorities

- Comments on the 2025 Draft Roadmap were submitted by SDG&E, SCE, PG&E, and Six Cities
 - Highlighted importance of maintaining bandwidth in the Roadmap for EDAM Enhancements following go-live
 - Identified the need for flexibility to revise priorities to address emerging issues
 - Concurred with the decision to postpone consideration of fast-start pricing within the Price Formation Enhancements initiative

New Policy Initiatives Roadmap Priorities

- PG&E
 - 2028 EDAM Review
 - Driven by early experience of the EDAM
 - Assess the operation and performance of its key characteristics and allow stakeholders an opportunity to identify and discuss concerns, and to prioritize the next set of EDAM Enhancements
 - Ancillary Services Real-time Re-optimization
 - Expand the re-procurement process to evaluate the inclusion of co-optimization of real time ancillary service and energy bids
 - Encourage more efficient solutions to ancillary service provision across the market footprint

New Policy Initiatives Roadmap Priorities

- Six Cities – Part of “Joint Parties” submittal of Maximum Import Capability Enhancements initiative
 - Proposes holistic review of the CAISO’s policy for determining and allocating MIC
 - MIC is a proxy for deliverability and is used to cap the amount of import resources that are eligible to provide resource adequacy (“RA”) capacity to the CAISO
 - Previously submitted in 2024 Catalog/Roadmap process and slated for consideration as part of the RA Modeling and Program Design initiative
 - Re-submitted in both Market and Infrastructure Catalog/ Roadmap processes
 - Issues are integral to RA policy, not solely an infrastructure issue

Consumer Owned Utility Sector – RIF Roundtable

Doug Boccignone

Policy Initiatives Process Feedback

- COU Sector initiative proposals increased this year but are still limited
- The sector is generally supportive of CAISO's identified priorities and is eager to see in flight initiatives completed
- Newly proposed initiatives should be viewed as suggestions "in addition to" the existing roadmap

Current Policy Initiatives Roadmap Priorities

- COU sector supports completion of ongoing initiatives
 - EDAM congestion revenue allocation
 - Addressing EDAM/DAME implementation issues
 - CRR enhancements

New Initiative Priorities

- Submitted written comments – COU Sector
 - Address seams between organized markets and bilateral markets and seams between organized markets
 - Explore enhancements to the Maximum Import Capability (MIC) calculation and allocation methodology to address MIC (un)availability and uncertainty
 - Complete the Transmission Access Charge (TAC) Structure Enhancement initiative to address allocation of transmission costs with demand-based, time-differentiated volumetric, or hybrid billing structures
 - Address phantom Flexible RA requirements associated with delayed intermittent resource projects
 - Transform Real-Time Congestion Offset (RTCO) into true neutrality charge code

Other High Priority Issues

- COU Sector tracking other high priority issues, such as:
 - Mitigating pricing impacts from loss of WECC soft offer cap
 - Significant demand growth expected through 2045, caused by fuel switching and large loads
 - Further integration of behind-the-meter (BTM) flexibility into regional markets: Vehicle-to-Grid, BTM storage, flexible loads (i.e., heat pumps or induction stoves with built-in batteries)
 - Supply chain impacts from international events

New Process to Bifurcate the Infrastructure Catalog and Roadmap from the Market Policy

- COU sector members submitted comments in both the policy and infrastructure initiatives because it is unclear which is the appropriate venue
 - TAC Structure enhancements
 - MIC enhancements
- COU sector members also submitted comments in the infrastructure catalog process
 - Explore future pathways for Energy Only (EO) projects behind constraints to seek deliverability
 - Reliability Modernization Initiative: Align Resource Adequacy program with evolving grid needs/bridge the gap between CPUC Slice of Day and CAISO assessments
 - Robustness and Adaptability Testing in CAISO Transmission Planning Process: Conduct and refine deliverability assessments over different peak periods, slices of day, summer-peaking RA accreditation

Independent Power Producers and Marketers Sector – RIF Roundtable

Rahul Kalaskar

Executive Summary – IPPM Sector Market Policy Proposals

- **Issue 1 – Economic & Intertie Bidding:** Vitol, WPTF
- **Issue 2 – EDAM/Markets+ & Western Grid Seams:** Appian Way, WPTF
- **Issue 3 – EDAM Design Enhancements:** WPTF
- **Issue 4 – Flexible RA Phantom Obligation:** CDWR
- **Issue 5 – RTCO Charges & True Neutrality:** CDWR
- **Issue 6 – RA Reliability & Flexible RA Removal:** WPTF

Issue 1: Economic & Intertie Bidding at EDAM External Interties

- **Submitted by:** Vitol Inc, TransAlta, Western Power Trading Forum (EDAM Enhancements – intertie participation item)
- **Problem:** EDAM entity tariffs prevent unaffiliated supply/demand from participating economically at EDAM external interties; participants are forced to self-schedule, distorting dispatch and undermining market efficiency
- **Proposal:** Extend CAISO-style economic intertie bidding to all non-CAISO EDAM BAA external interties; enable bilateral, non-resource-specific hourly firm energy imports/exports at market prices
- **Market Impact:** Self-schedules do not reflect willingness to buy or sell at price; price-sensitive bidding stabilizes markets, reduces unnecessary out-of-merit commitments, and provides better congestion signals across the EDAM footprint
- **Timing:** EDAM go-live May 1, 2026; sufficient operating data expected by end of 2026 to support 2027 roadmap implementation

Issue 2: EDAM/Markets+ and Western Grid Seams Coordination

- **Submitted by:** Appian Way Energy Partners (Loop Flow / Western Grid Seams); Western Power Trading Forum (Internal/External Seams – Tracks 1 & 2)
- **Problem – Loop Flows (Appian Way / WPTF Track 1):** Non-CAISO EDAM/Markets+ entities cause loop flows on CAISO grid without paying congestion charges; erodes CRR allocations and financial integrity of CAISO participants' congestion hedges; CAISO estimates ~40% of outside flows can appear on CAISO grid
- **Problem – Market Interface Seams (WPTF Track 2):** EDAM/Markets+ interface creates transactional friction; bilateral-market LSEs cannot participate economically at organized-market boundaries; issue will grow as wave 1 of Markets+ goes live
- **Proposals:** Quantify loop flow cost impact to CAISO stakeholders; allocate transmission rights based on historical usage; charge entities overusing assigned rights; establish standing CAISO policy effort to proactively identify and resolve seams as markets expand
- **Urgency:** EDAM live May 2026; Markets+ Wave 1 imminent; the sooner a standing seams policy effort is established, the more effectively issues can be resolved in a transparent, expedited manner

Issue 3: EDAM Post-Go-Live Design Enhancements

- **Submitted by:** Western Power Trading Forum (WPTF)
- **Background:** During EDAM policy development and implementation, numerous design questions were deferred to preserve go-live timelines; early operations will surface additional issues not yet anticipated
- **Scope:** Standing roadmap initiative to address deferred and emerging EDAM design issues including: inertia participation rules, pancaking of charges, convergence bidding, congestion revenue rights (CRRs), and settlement refinements
- **Approach:** Open-ended workstream to capture both identified gaps from the original stakeholder process and unknowns that emerge from live market operations; complements CPUC's EDAM/DAME Assessment and PG&E's 2028 EDAM Review
- **Prior Submissions:** WPTF submitted EDAM Enhancements in both the 2024 and 2025 roadmap processes and while an “as needed” initiative has been created, greater specifics of the workplan is needed
- **Urgency:** EDAM go-live May 2026; without a specific enhancement workstream, deferred design issues risk becoming entrenched and harder to correct as market practices develop around existing rules

Issue 4: Flexible RA Phantom Obligation Due to Delayed COD

- **Submitted by:** California Department of Water Resources (CDWR)
- **Problem:** LSEs receive flexible RA allocations based on contracted resources with projected commercial operation dates (CODs); when a COD slips by a year or more, the LSE is left holding a phantom obligation for a non-operational resource – contrary to cost causation principles
- **Cost Example:** A 50 MW COD delay could expose an LSE to ~\$300k/month in backstop cost exposure for phantom flexible RA obligations; these costs are passed directly to ratepayers
- **Proposal:** Adjust flexible RA allocations for LSEs whose contracted resources have delayed CODs; prorate the phantom obligation reduction proportionally to delayed MW share; no system-wide allocation true-up required
- **Illustrative Calculation:** 100 MW solar with 50 MW delayed – original 80 MW flex RA allocation reduced by 40 MW. System reliability is unaffected since the resource is not yet operational and contributing no capacity
- **Urgency:** New resource COD delays are increasingly common as supply chain, permitting, and interconnection backlogs grow; issue will compound as contracted capacity portfolios expand under IRP mandates

Issue 5: Rising LSE Costs from Real-Time Congestion Offset (RTCO) Charges

- **Submitted by:** California Department of Water Resources (CDWR)
- **Scale of Problem:** RTCO charges allocated to CDWR-SWP measured demand have increased over 1,500% since 2011 and more than doubled since 2019; costs are passed directly to California ratepayers with no control mechanism
- **Root Cause:** Current RTCO charge code does not achieve true neutrality; it levies costs beyond simply reversing hour-ahead and real-time congestion rents collected from market participants, per CAISO DMM 2024 Q1 report
- **Evidence:** DMM 2025 Q3 report confirms CAISO-wide RTCO charges are increasing; monthly real-time congestion imbalance offset costs reached approximately \$50M in mid-2024
- **Proposal:** CAISO initiate a stakeholder process to transform RTCO into a genuine neutrality charge code that includes LSEs and reverses respective hour-ahead and real-time congestion rents in a symmetrical manner
- **Urgency:** Issue first submitted in 2025; continues to escalate; postponing will result in continued increased charges to LSEs with no recourse; EDAM expansion may further increase volatility of real-time congestion flows

Issue 6: Resource Adequacy Reliability and Flexible RA Removal

- **Submitted by:** Western Power Trading Forum (WPTF)
- **Proposal 1 – Remove Flexible RA:** Flexible RA was never intended as a durable product; after 10+ years it has not been demonstrated to be necessary; EDAM imbalance reserve and reliability capacity real-time must-offer obligations now serve the same function; product adds unnecessary complexity and ratepayer costs without marginal reliability benefit
- **Solution 1:** Remove the Flexible RA product in its entirety
- **Proposal 2 – Align CPM with LOLE Standard:** California legislation requires CPUC to set a 1-in-10 LOLE standard; CPUC's slice-of-day implementation is incompatible with CAISO's peak RA paradigm, reducing CAISO's ability to use Capacity Procurement Mechanism (CPM) as a reliability backstop
- **Solution:** CAISO should backstop to the legislatively mandated 1-in-10 LOLE standard for CPUC LSEs; restores CPM to its original reliability intent and gives CAISO a functional tool as load grows dramatically
- **Urgency:** CAISO currently lacks the ability to backstop needed RA; significant additional load predicted through 2045; time-sensitive given IRP procurement cycles and new resource interconnection lead times

Infrastructure/Policy Roadmap Split

- The sector finds splitting the policy roadmap between market and infrastructure policy beneficial to assure that the appropriate CAISO staff is working on the proposals
- It remains unclear to the sector exactly the distinction between which proposal goes under which initiative
 - Multiple proposals were submitted under both initiatives due to this uncertainty
 - Further guidance from CAISO would be useful to better understand the distinction
- The following are items that may be best suited for the infrastructure roadmap

Executive Summary – IPPM Sector Infrastructure Policy Proposals

- **Issue 1 – TAC Structure Enhancements:** CDWR
- **Issue 2 – MIC Enhancements:** Shell
- **Issue 3 – Streamlined Battery Augmentation:** NextEra

Public Interest Sub-Sector – RIF Roundtable

Kavya Niranjana

Policy Initiatives Process Feedback

- No explicit sector feedback on the 2026 market initiatives process, but general feedback in PIO comments to the *Financial Planning Initiatives (including Start-Up Funding for the ROWE)* stakeholder initiative straw proposal:
 - “We appreciate and support the CAISO stakeholder process. This process provides the opportunity for written and verbal feedback; is open to all stakeholders; and does not have a fee or attendance requirement for full participation in the initiative development and decision-making process”

Current Policy Initiatives Roadmap Priorities

- Appreciation for CAISO's handling of the *EDAM Congestion Revenue Allocation* expedited initiative in 2025
- General support for EDAM-implementing initiatives to maintain high priority level

New Initiative Priorities

- One PIO submission into 2026 Market Policy Catalog - **EDAM Intertie Bidding**
 - “Expanding the opportunities for economic bidding at EDAM interties would foster greater competition, and could lead to the dispatch of lower cost, lower emissions resources, leading to cost savings and environmental benefits”
 - “Enabling intertie bidding may increase the efficiency of imports and exports with the adjacent Markets+ footprint”
 - WRA requests expert panel at Spring or Summer 2026 RIF meeting, and stakeholder presentation opportunity at a roadmap prioritization workshop
- General support for issues raised by other sectors
 - Dedicating roadmap capacity to internal and external market seams issues

Other High Priority Issues

- Multiple PIO comments to the *Financial Planning Initiatives (including Start-Up Funding for the ROWE)* stakeholder initiative straw proposal:
 - Support for the CAISO stakeholder process and CAISO's continued efforts to advance the Pathways Step 2 Final Proposal
 - Support for the initiative straw proposal
 - ISO to provide credit backing for a commercial loan or line of credit to ROWE, with repayment coming from market participants
 - PIOs emphasize keeping startup costs as low as possible, and continuing to supplement startup costs with other sources of funding where possible

Power Marketing Administration Sector – RIF Roundtable

Kelii Haraguchi

Policy Initiatives Process for 2026

- Appreciation for the noticeable efforts toward incorporating more stakeholder feedback
- Encouraged at process modifications to provide increasing transparency into roadmap formation

Current Policy Initiatives Roadmap Priorities

- Price Formation Enhancements: Scarcity Pricing and Market Power Mitigation
 - Significant progress and momentum on these components of the PFE initiative
 - Accurate and transparent price formation is critical when markets are operated in parallel.
- EDAM GAP-Tie intertie bidding framework
 - Need time to assess how potential transition away from SP-Tie framework impacts commercial activity and practices.

New Initiative Priorities

- Seams Issues
 - Temporal seams (forward, day-ahead, real-time)
 - Inter-market seams
 - Bilateral / centrally-cleared market seams

Input from Stakeholders Not Identified with a Sector and Public Comment

Summary of Sector Input, Themes, and Priorities

Vijay Singh, EDAM Entities Sector Liaison

Summary

| Agreement | Mixed |
|--|---|
| <ul style="list-style-type: none">• Generally, the roadmap is working• The need for bifurcation of market policy and infrastructure roadmaps• Priorities from 2025 roadmap• EDAM Enhancements• Congestion Revenue Allocation | <ul style="list-style-type: none">• New submissions included initiatives that are CAISO balancing area focused• Price formation enhancements initiative<ul style="list-style-type: none">• Varying opinions on scarcity pricing track• General agreement that seams conversations are needed but mixed response on how the topic should be addressed• Intertie bidding<ul style="list-style-type: none">• Multiple submissions from IPP and PIO sector |

Remarks on behalf of the WEM Governing Body, Body of State Regulators, and the CAISO

Closing and Next Steps

- Questions or comments by stakeholders following today's discussion may be submitted to sector liaisons
 - <https://www.westernenergymarkets.com/documents/wem-regional-issues-forum-sector-liaison.pdf>
 - Stakeholders not assigned to a sector may contact the RIF Chair and Vice Chair
- RIF liaisons will prepare written report summarizing sector input and documenting comment issues and themes

WESTERN ENERGY MARKETS

RIF Enhancements Update

Kalia Savage, EIM Entities Sector Liaison

Vijay Singh, Secretary, EDAM Entities Sector Liaison

Lindsey Schlekeway, Chair, EIM Entities Sector Liaison

Lauren Tenney Denison, Consumer-Owned Utility Sector Liaison



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Catalog and Roadmap Role Enhancements

Kalia Savage

WEIM Entity Sector Liaison



Current and Proposed CAISO-RIF Roles

| Month | CAISO Activity | WEM RIF Current Activity | SRC Proposal |
|-----------|--|--|---|
| January | 2026 kickoff stakeholder meeting. | | |
| February | Stakeholders submit market policy initiatives proposals to catalog. | | |
| March | Stakeholder prioritization workshop where stakeholders present catalog submissions and respond to questions or requests for clarification. | <ul style="list-style-type: none"> Liaisons solicit feedback on prioritization from sector members. RIF roundtable to discuss and prioritize all the submissions received from stakeholders. | |
| April | Stakeholders submit prioritization rankings. Polling to prioritize new initiatives among existing initiatives. | Sector-level meeting: synthesize comments and issue report | Prioritization of Catalog initiatives by SRC representatives with input from sector members |
| May | Publish updated 2026 market policy roadmap (new, optional). | | |
| June | <ul style="list-style-type: none"> Identify and add non-discretionary initiatives. Publish 2026 market policy catalog (optional) | RIF Meeting | |
| July | Begin 2027-2029 market policy roadmap development. | | |
| August | | | |
| September | | | Draft Roadmap shared for RIF and public comment |
| October | Stakeholder meeting to discuss draft roadmap | RIF Meeting | Staff revises and publishes Final Roadmap |
| November | Draft market policy roadmap released for comment. | | SRC arranges for a stakeholder vote on final roadmap |
| December | Final market policy roadmap released. | | Staff recommends Final Roadmap to RO Board with results of SRC indicative vote |

RIF Enhancement Draft Final Proposal

- Role of RIF within CAISO's Annual Policy Initiatives Catalog and Roadmap Process
 - **Expand RIF's role** from a limited advisory function to actively supporting identification of discretionary issues for the CAISO Policy Initiatives Catalog.
 - **Align RIF responsibilities with the future Stakeholder Representatives Committee (SRC)**, creating continuity in how issues are surfaced and prioritized.
 - **Use a structured roundtable process** to review, assess, and organize sector submittals.

Stakeholder Feedback on Proposal

- **Broad stakeholder support** for expanding RIF's role, particularly to support transition to the future SRC and improve integration with the CAISO Catalog/Roadmap process.
- **Support is conditional** on maintaining CAISO's overall management role until the Regional Organization is operational and leveraging existing RIF roundtable structures.
- **Strong interest in alignment and mirroring** between RIF and SRC (sectors, processes, and parallel functioning) to ensure a smooth transition.
- **Collaboration benefits emphasized**, including better stakeholder understanding of constraints, challenges, and opportunities through closer RIF–CAISO coordination.
- **Key concern raised** around resource availability and funding needed to support an expanded RIF role.
- **Minority opposition** expressed, with one stakeholder viewing RIF's current role as sufficient.

CAISO-RIF Catalog/Roadmap Transitional Proposal (**Bold is New**)

| Month | CAISO | RIF |
|-----------|---|--|
| January | 2026 kickoff stakeholder meeting. | |
| February | Stakeholders submit market policy initiatives proposals to catalog. | |
| March | Stakeholder prioritization workshop - stakeholders present their catalog submissions to fellow stakeholders and answer questions or provide clarification. | <ul style="list-style-type: none"> • RIF solicit feedback on prioritization from sector members. • RIF roundtable to discuss and prioritize all the submissions received from stakeholders. • Chair of RIF Quarterly Update to WEM Governing Body. |
| April | Stakeholders submit prioritization rankings. Polling to prioritize new initiatives among existing initiatives. | Sector-level meeting to synthesize comments and assess consensus, identify resourcing-informed priority initiatives, and develop timeline considerations to prepare liaisons for July/August CAISO coordination. |
| May | Publish updated 2026 market policy roadmap (new, optional). | |
| June | Publish 2026 market policy catalog. | <ul style="list-style-type: none"> • Chair of RIF Quarterly Update to WEM Governing Body. • RIF Meeting |
| July | Begin 2027-2029 market policy roadmap development; internal evaluation of submissions and associated resourcing requirements (technical, financial, and FTE). | Coordination with CAISO staff on Roadmap prioritization and documentation of prioritization rationale. |
| August | | Kick-off RIF liaison review of submissions, existing initiatives, and other relevant factors not captured in submissions. |
| September | CAISO finalizes rough draft roadmap and issues to RIF and public for feedback. | <ul style="list-style-type: none"> • Chair of RIF Quarterly Update to WEM Governing Body • RIF liaisons present draft roadmap to sector and share context from July and August conversations to inform feedback to CAISO |
| October | CAISO presents draft roadmap at October RIF Meeting. | <ul style="list-style-type: none"> • RIF Meeting (discuss roadmap) • Consider: Conduct indicative voting and comment on draft roadmap. |
| November | Draft market policy roadmap released for comment. | RIF arranges for indicative voting on posted roadmap. |
| December | Final market policy roadmap released. | At joint Board of Governors and WEM Governing Body meeting, RIF provides verbal comments on the Roadmap. |

WESTERN ENERGY MARKETS

Sector Sponsor Role

Vijay Singh

EDAM Entity Sector Liaison



Stakeholder Feedback from Draft Final Proposal

Common themes:

- Stakeholders generally believe there is a need for transparency of how sponsor role is functioning and how the RIF is developing the role
- Many asked for the RIF to develop more details
- Commentors thought that there was value in the role but also acknowledged there would be challenges to develop the role

Mixed opinions:

- Which initiative should be used to pilot the role
- Details for the role

Proposal

RIF Proposal

- Pilot the sponsor role in a future initiative using an initial set of guidelines to structure the role
 - RIF and CAISO will have a set of criteria to consider when determining which initiative to use
 - The initial set of guidelines will be broad to maintain flexibility in the role

Purpose of the Pilot

- Work towards enacting a version of the sponsor role in Pathways Step 2 by taking an incremental approach
- Determine where sponsors can add value to the initiative process
- Gain insight into the role so that the RIF, or Stakeholder Representative Committee, can improve the role

Comparison of RIF Enhancements to Pathways Step 2

Purpose of sponsor from Pathways Step 2 Final Proposal

- Sponsors will help drive the initiative by partnering with CAISO/RO staff to move an initiative forward
- Sponsors act as a partner with CAISO/RO staff, but do not take over staff's responsibilities for administering an initiative

How is sponsor pilot different from Pathways Step 2 Final Proposal?

- The sponsors are a supplement to CAISO staff's current processes rather than a driver
 - Will be less time and effort required than what is envisioned in Pathways
- Sponsors' role more focused on communicating stakeholder perspectives than shaping the initiative
 - Sponsors provide the CAISO direct feedback from stakeholders rather than working to find compromises among stakeholders

Responsibilities of Sponsors in the Pilot

Partner with CAISO staff to facilitate engagement among stakeholders and assist with communication between stakeholders and CAISO staff

- Goal is to get more input from stakeholders into the initiative process

Find common areas of agreement or disagreement among stakeholders through individual or group meetings

- Sponsors can include CAISO staff in communications with stakeholders, but are not required to

Act as a conduit for bringing stakeholder proposals into the initiative process

- Sponsor can help move ideas and solutions from stakeholders into CAISO proposals

Help RIF and CAISO develop the sponsor role

- The RIF and CAISO want regular feedback from sponsors to make changes when needed

Initial Guidelines for Pilot

For the guidelines, the RIF sector sponsor working group attempted to balance determining rules for the role while maintaining flexibility for sponsors to find what works best

Sponsors should act as facilitators rather than as advocates

- Sponsors are still expected to advocate for their companies as they normally would in meetings and through comments, but the sponsor should attempt to keep their sponsor role separate from their advocacy role

Role will begin after the problem statement phase of the initiative

- Allows stakeholders to develop an interest in the initiative before committing to be a sponsor

Sponsors will have training with CAISO staff on best practices for facilitating an initiative before starting the role

- Purpose is to align the CAISO staff initiative team with sponsors before starting the pilot role

Initial Guidelines for Pilot

Sponsors will give updates to stakeholders in public initiative meetings on what they have been doing in the role

- Provides transparency to stakeholders

Sponsors, the CAISO initiative team, and the RIF will have regular check-ins to get a feel for how the pilot is going

- Cadence of meetings will be up to sponsors, the CAISO initiative team, and the RIF

RIF liaisons will solicit at least two interested volunteers from different sectors

- Liaisons can volunteer themselves but there is no expectation that RIF liaisons will fill the roles for the pilot

Selecting Initiative to Pilot the Sponsor Role

The RIF does not have a specific initiative at this point, but will ultimately decide with the CAISO on which initiative to use

- Criteria were developed to help guide future discussions on which initiative should be used
- Generally, the initiative should provide an opportunity to judge the effectiveness of the sponsor role

Criteria:

- Western Energy Markets Governing Body has primary authority over the initiative
- Initiative has a well-defined problem statement
- Initiative has clear pathways to solutions
 - The initiative is likely to move from problem statement to solution in structured format rather than like in a more nebulous initiative that may involve more exploration of an issue
- Initiative will span enough time for the sponsors to gain experience in the role

Timeline

The timeline is predicated on future initiatives

- The RIF and the CAISO will use the criteria to decide which initiative to use for the pilot
 - The sector sponsor working group did not believe there was a current initiative that would be good for the pilot
 - EDAM Enhancements, at this point, is too nebulous to start the pilot role
 - A more targeted initiative under the EDAM Enhancements umbrella could be chosen
- Allows the RIF to spread workload of implementing the RIF Enhancements between now and the SRC transition
- The sector sponsor working group does not have concerns with pilot role happening during transition of RIF to SRC

When the RIF and the CAISO decide to start the pilot:

- RIF liaisons will work within their sectors to communicate the selection of sponsors
- The RIF and the CAISO will develop meeting cadences with sponsors

WESTERN ENERGY MARKETS

Indicative Voting

Lindsey Schlekeway

WEIM Entity Sector Liaison and Chair



Indicative Voting – What It Is and Why

Statistical tallies of stakeholder positions throughout an initiative

Enables more robust and broad reporting of stakeholder and sector positions

Aligns with Pathways Step 2

Provides greater insight to the Governing Body



Indicative Voting Process

Who Votes?

- Registered stakeholders

Where will votes be cast and reported?

- Voting to be incorporated into the initiative comment tool
- Results will be posted at the initiative website

How will votes be tallied and reported?

- Tabulated by CAISO staff
- Aggregated by RIF Sector and other metrics desired by stakeholders (for example, geography)

Indicative Voting Process

How will the identification occur for the proposed reporting methods?

Self-identification: Each stakeholder will have an opportunity to identify:

- RIF sector and Other (non-RIF sector members)
- Geographic region (NW, CA, SW, region wide)

How does indicative voting change the stakeholder process?

- Complementary to the existing comment process
- Will be used for informational purposes by staff, stakeholders, and Governing Body

What will be the voting options?

- Support, support with caveats, neutral, oppose with caveats, oppose

Indicative Voting Implementation Timeline



2026

Pilot one initiative

- RIF could also recommend additional voting initiatives, to highlight contentious topics or areas of agreement



2027

Role out to all initiatives in 2027 that the WEM Governing Body has primary authority

Pilot Program: Indicative Voting Stages

At what stages during the stakeholder process will voting occur during the pilot?

1. Problem statement/scope definition: vote to recommend moving from Stage 1 (Issue Evaluation) to Stage 2 (Policy Development)
2. Straw proposal/revised straw proposal: vote to recommend moving to draft final proposal
3. Draft Final Proposal: vote to recommend moving to final proposal
4. Final proposal: vote to recommend taking to the WEM Governing Body for approval (Advisory to WEM Governing Body)

Pilot Program: What is under consideration?

Pilot Initiative:

EDAM Congestion Revenue Allocation Phase 2

A RIF liaison will work closely with CAISO to provide guidance

The RIF liaisons will send out a notice to sectors indicating when indicative voting will commence

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Feedback Process for Western Energy Markets Governing Body

Lauren Tenney Denison

Consumer-Owned Utility Sector Liaison



RIF Comment Process

- In response to the RIF Enhancements Proposal, stakeholders recommended that a process be developed for RIF comments.
 - *What does the RIF comment on?*
 - *When are those comments provided?*
 - *How are the comments developed?*
- Key stakeholders are being consulted in the development of this process:
 - *WEM Governing Body*
 - *CAISO staff*
 - *RIF community*

RIF Comment Process – Proposed Criteria

- Comments can be submitted timely for WEM Governing Body consideration.
 - During the process to inform development
 - In coordination with CAISO staff initiative “spotlights” to provide additional context for the WEM Governing Body.
 - Final proposals
- Broad engagement and interest across most sectors
- Comments can focus on:
 - Both areas of commonality across sectors and areas of difference consistent with sector positions.
 - Perspectives on problem statements, identified alternatives, proposals and/or process related to an initiative.
- Comments should strive to provide the WEM Governing Body with additional context based on indicative voting results.

RIF Comment Process – Developing Comments

1. The RIF liaisons will jointly draft proposed RIF comments that represent their sectors' positions.
 - Informed by public comments from within the sector, liaison's conversations with RIF sector members, and the liaison's knowledge of sector member positions and concerns.
 - Identify areas of agreement and explain differences of perspective.
 - Indicative voting results, which we anticipate will be available during key times during the policy development process, can also help inform the RIF comments.
2. RIF liaisons will solicit feedback (either through email or via meeting) from sector participants on the draft comments.
3. RIF liaisons will finalize comments based on feedback and provide WEM GB comments.

RIF Comment Process – Future Review

- Plan for a future review of this proposed process after it is used several times to develop comments.
- Important to have input from key stakeholders:
 - *WEM Governing Body*
 - *CAISO staff*
 - *RIF community*

WESTERN ENERGY MARKETS

Transition to Stakeholder Representative Committee (SRC)

Vijay Singh

EDAM Entity Sector Liaison and Secretary



Transition Plan

- RIF leadership is currently meeting with Pathways leadership regularly to collaborate on RIF Enhancements and plan the transition of the RIF to the SRC
- At this point, the plan is to hold off transitioning until the Regional Organization for Western Energy is stood up
 - Transition will therefore likely be in late 2027/ early 2028
- For now, the RIF will focus on implementing the RIF Enhancements
- The RIF, CAISO, and Pathways will begin transition once there is more clarity on the timing of the ROWE's processes

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Closing and Next Steps

Lindsey Schlekeway

WEIM Entity Sector Liaison and Chair



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Break

3:00 p.m. – 3:15 p.m. (Pacific Time)



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WEIM/EDAM Resource Adequacy Update

Scott Olson, Vice Chair, Independent Power Producers and Marketers sector liaison (facilitator)

Ben Faulkinberry, Sr. Power Marketer/ Originator, PacifiCorp

Jon Olson, Director – Energy Trading, Contracts & Market Policy,
Sacramento Municipal Utility District



Agenda

- Participants
- Origins & Background
- Objectives
- Guiding Design Principles
- Current Status
- Next Steps

Who is Involved?

- BANC, LADWP, NVE, PAC, PGE, PNM, TID
- Self-organized group
- CAISO involved in a consulting capacity

Significant Footprint Diversity

- 2025 study indicated significant load and resource diversity amongst the group
- Results warranted continued exploration of an RA program

Objectives

- **Enhanced System Reliability**
 - A broad, interconnected footprint improves system resilience against localized outages and weather risks
- **Transparency and Accountability**
 - Uniform capacity rules and verification create trust and clarity among participants across jurisdictions
- **Alignment of Market and RA Frameworks**
 - Aligning footprints and governing bodies reduces potential policy conflicts and supports consistent incentives
- **Customer Value**
 - Regional coordination can enable capacity savings without compromising reliability
- **Voluntary Offering**
 - Allow entities to retain agency, as with WEIM and EDAM participation

Guiding Design Principles

- Leverage transmission connectivity of the EDAM to enable capacity savings for customers.
- Minimize administrative burden and costs for participants, without sacrificing reliability
- Utilize market dispatch for RA resource delivery
- Common capacity counting standard, with mechanisms to incent compliance

Discussions So Far

- LOLE study assumptions
- Capacity counting methodology
- Load forecast methodology
- Compliance period & timelines
- Resource qualification requirements
- Transmission requirements
- Cure options
- Reporting & transparency
- Market coordination

Current Status

- **April 2026** – Initial draft design release
 - Intended to leave room for stakeholder input

- **Spring / Summer 2026** – Stakeholder Process by EDAM Sector
 - Open to additional sector participation
 - Opportunities for public input

Next Steps

- **Autumn 2026** – Revised Design, incorporating stakeholder input
- **Autumn / Winter 2026-27** – Handoff to Regional Organization for Western Energy

Questions?

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Future RIF Meetings

June 16, 2026

Tentatively set for Albuquerque, New Mexico

October 5, 2026

Tentatively set for Sacramento, California



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Regional Issues Forum

Adjourned

