

STAKEHOLDER PROCESS

A guide for stakeholders to engage and participate
in policy development at the California ISO



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Join Us

Welcome to the stakeholder process at the California Independent System Operator (the ISO).

As a stakeholder, your participation is essential to the ISO, the CAISO Board of Governors and the Western Energy Markets Governing Body. Stakeholder engagement drives the development of innovative policy and helps shape a reliable, sustainable grid for the future.

Who We Are

The ISO ensures reliable energy transmission for 80 percent of California and parts of Nevada, managing grid reliability, energy flow, and transmission planning within the CAISO footprint to serve 32 million customers.

The ISO operates a real-time and day-ahead wholesale energy market which includes the Western Energy Imbalance Market and the evolving Extended Day Ahead Market. These two markets currently cover over 80% of the energy flow throughout the Western United States, including Oregon, Washington, Idaho, Montana, Nevada, Wyoming, Utah, Arizona and New Mexico.

As RC West, the ISO serves as the reliability coordinator for the majority of the Western Interconnection – an essential role in maintaining grid stability across a wide and diverse region.

Stakeholder insights and engagement play a crucial role in helping the ISO maintain a secure and dependable energy system for each of its critical functions.

The ISO holds deeply the following guiding principles and values in its stakeholder engagement:

Inclusivity – We welcome diverse ideas and perspectives, knowing that collaboration leads to stronger and mutually beneficial solutions.

Transparency – We are committed to open, information-driven decision-making that fosters accountability with clear and transparent outcomes.

Trust – We build trust and understanding through meaningful dialogue, respectful engagement and consistent communication.

We invite you to collaborate with us and look forward to your active participation in the stakeholder process.

POLICY DEVELOPMENT

New market policy initiatives begin with a structured catalog and prioritization process that helps identify and sequence key issues that form a policy roadmap. Once on the roadmap, initiatives move through various phases of proposal development where stakeholder collaboration and engagement are central to shaping effective solutions. The process culminates in a formal decision and FERC approval if required and then the policy is implemented and put into practice.

Initiate: Catalog and Roadmap



Each year the ISO conducts its Annual Policy Initiatives Catalog and Roadmap process to initiate and prioritize the development of new policy and/or modifications to existing policies. The Policy Initiatives Catalog generally includes several potential new initiatives whereas the Roadmap defines the prioritized subset of the initiatives from the Catalog and describes the active policy initiative workplan for the coming three years. The process commences in January with a stakeholder workshop that opens the submission window for new initiatives to be considered.

Once input from stakeholders is received, the submissions are categorized into either discretionary market policy initiatives that require a tariff change and are included in the Catalog for consideration as new additions to the Roadmap or non-catalog items that are routed to the appropriate ISO processes. Public workshops are held throughout the spring where submitters share and discuss their proposed policy initiatives and work together to group proposed initiatives, assess potential impacts and identify priorities.

Subsequently the Western Energy Imbalance Market's Regional Issues Forum (RIF), which is composed of liaisons from different stakeholder sectors, hosts a Roundtable where RIF sector liaisons share sector perspectives on the proposed initiatives. Stakeholders can engage in the Roundtable through their sector liaison and by attending the Roundtable meeting.

Following the public workshops and the RIF Roundtable, the ISO conducts a survey inviting all interested parties to rank the proposed initiatives based on their priorities. The survey serves as a direct channel for stakeholder input into the development of the Roadmap timing and gives helpful insight into which initiatives are most supported by the broader community.

The final Catalog of initiative proposals is published in June and sets the foundation on which to build the Roadmap that serves as a guide for the work plan over the following three years.

When developing the Roadmap, factors such as urgency, technical feasibility, alignment with broader market objectives, as well as regulatory and reliability requirements are considered. The availability and capacity of ISO, stakeholder, and vendor resources are also considered to ensure each initiative can be adequately supported. The potential interplay across proposed and existing initiative proposals is also evaluated.

A draft Policy Initiatives Roadmap is released for comment in the fall prior to the final Roadmap. Once these comments have been taken into consideration, a final Policy Initiatives Roadmap is presented to the ISO Board of Governors and the Western Energy Markets Governing Body with the final Roadmap published each December.

Urgent Initiatives

Occasionally, the need for a policy initiative may arise outside of the annual Catalog and Roadmap process – particularly when addressing a significant and immediate reliability concern or complying with a regulatory requirement.

An urgent policy initiative may be submitted by stakeholders or brought forward by the ISO.

All urgent requests are carefully evaluated in collaboration with stakeholders to understand the issue and assess the urgency. If accepted, the Roadmap may be updated to incorporate the requested initiative. If a proposal does not meet the criteria for urgent consideration, it may be resubmitted during the next annual submission window.

Proposal Process

Once an initiative is added to the Roadmap, it enters the proposal development phase based on its priority.

This stage guides a new initiative from initial scoping and problem statement definition through solution development to the presentation of a final proposal for decision-making. It is often the most collaborative and time-intensive part of the process, requiring significant stakeholder engagement to ensure a well-informed outcome.

Scope:



The first step of a new policy initiative focuses on identifying and prioritizing issues and opportunities to determine the overall scope of the effort. This typically involves educational workshops, discussion papers and convening stakeholder working groups to analyze data, identify business scenarios, define guiding principles and problem statements, propose potential solutions, and address any complex issues. Working groups are public, open meetings led by ISO staff, consultants, or stakeholders with the goal of building understanding and developing a set of recommendations and priorities that determine the scope of the initiative captured in a discussion paper.

Active stakeholder participation is essential to the success of this phase, ensuring that diverse perspectives are reflected in the resulting issue paper.

Develop:



Once the discussion paper is finalized, the working group phase concludes. Policy development then begins with an issue paper that provides context and background on the issues scoped by the working group. This then leads to a straw proposal, followed by a draft final proposal, and culminates in a final proposal.

Here is what to expect in the policy development phase:

- **Issue paper:** Outlines scope, principles, problem statements, and priorities informed by stakeholders and through working group discussions captured from the discussion paper.
- **Straw proposal:** Presents preliminary solutions based on issue paper comments and solutions identified in the working group.
- **Draft final proposal:** Refines solutions informed by stakeholder feedback through iterative proposal revisions.
- **Final proposal:** Finalizes solutions, incorporating previous comments and discussions.

Throughout each stage of a policy initiative, there are regular public meetings to provide draft proposals, share updates and invite feedback through both verbal and written comments. Concurrently, the ISO conducts internal reviews of proposals to evaluate technical feasibility, timelines for implementation, and the proposal's alignment with other initiatives or planned system enhancements. These considerations are shared in a transparent and iterative manner throughout the process to ensure stakeholders are informed and allow further opportunity for meaningful input.

Stakeholder comments and alternative proposals are solicited throughout the development of a proposal. This iterative process offers critical insights and understanding of perspectives on issues which help shape and refine and improve proposals. This also allows sharing and collaboration with all participating stakeholders.

The final opportunity to provide feedback on an initiative occurs when the draft final proposal is reviewed and discussed. The outcome of this process is a final proposal developed collaboratively with stakeholders through public meetings, open comments, and review of iterative proposal drafts. The proposal presented to the WEM Governing Body and/or the Board of Governors is based on the final proposal of the initiative.

Decide:



In this phase, final proposals that require approval are presented to the CAISO Board of Governors and/or the Western Energy Markets Governing Body. Proposals presented to the Governing Body may be placed on the consent agenda for the Board of Governors depending on the initiative's decisional classification. If the initiative requires a tariff change, the relevant board or boards will approve the proposal and authorize implementing tariff language to be filed with FERC.

When an initiative is presented for approval, stakeholders may present their perspectives alongside the staff's presentation of the final proposal recommendation. When proposals are presented, stakeholders are also encouraged to provide public comments during the Board of Governors or Western Energy Markets Governing Body general session meetings. Members of each body have the opportunity to ask questions and discuss the proposal prior to a decisional vote.

If the policy proposal is approved and there are applicable tariff changes, draft tariff language will be presented and vetted publicly with stakeholders in the tariff amendment stakeholder process. Depending on the circumstances, the stakeholder process for the tariff changes may commence either before or after the policy proposal is approved.

Typically, at least 14 calendar days are provided for stakeholders to review the draft tariff language and submit written comments. Once the comments are considered, a public meeting is held to discuss proposed changes to the draft tariff language. After the language is vetted, a final version of the tariff language is published and filed with FERC for approval.

Implement:



The final phase of the policy development process is the implementation of the approved proposal, which can include changes to systems and software, business processes, operating procedures and Business Practice Manuals (BPM). This phase is also focused on customer readiness training and testing.

BPMs outline certain implementation-level rules, procedures, and requirements for the administration, operation, planning, and accounting necessary for the operation of the grid and wholesale energy markets. The BPM change management process allows market participants to receive notice of proposed changes and provide feedback. Changes to BPMs can be proposed by the ISO or stakeholders through a web-based Proposed Revision Request system. The [BPM change management BPM](#) provides the details on the change process.

A robust market simulation and customer training program, as appropriate for each initiative, ensures that all market participants have an opportunity to prepare for changes through pre-deployment activities such as customer training and scenario testing in a pre-production test environment.

Training for policy initiatives in the implementation phase typically occurs 1-4 weeks before the start of the market simulation. Training sessions are posted on the ISO web calendar well in advance of the training date, and most scheduled training sessions are recorded so that training materials and video of the training sessions can be made available on demand on the ISO [Training Center webpage](#).

Once customer readiness criteria has been met, the new policy will be deployed and activated – also known as “go-live.”

The deployment plans include communications to customers regarding the date and time of the project deployment along with the associated system changes. We communicate through a number of channels including notices, customer service notifications, email, and grid notifications. [Visit the Subscriptions page](#) for more information.

The go-live phase includes a plan to support customers during the transition from market simulation to go-live which includes real-time open conference support lines and help desk support.

Post-go-live support is ongoing and is provided by our Customer Experience and Stakeholder Engagement teams along with other teams across the ISO.

RECURRING PROCESSES INVOLVING STAKEHOLDERS

In addition to policy development, we facilitate a range of recurring stakeholder processes that support various aspects of operations and business functions. Details of these processes can be found on the [Recurring processes page of our website](#).

Transmission Planning and Infrastructure Development

The ISO's Transmission Planning and Infrastructure Development group is responsible for determining short- and long-term infrastructure needs. This includes overseeing the interconnection of generation facilities and establishing reliability requirements and deliverability criteria for load-serving entities.

The ISO hosts open public meetings to develop transmission plans and propose changes to the transmission planning processes. On a recurring basis, stakeholder meetings are conducted for the Transmission Planning Process and the Local Capacity Requirement Process which follows a structure similar to policy development where interested parties are able to participate and provide verbal and written comments throughout these processes.

Transmission Planning

The ISO develops transmission plans in close collaboration with the California Public Utilities Commission, California Energy Commission, load-serving entities, and other key stakeholders to identify system expansion and upgrade needs that support reliability and policy objectives.

The annual Transmission Planning Process (TPP) takes a forward-looking approach, evaluating infrastructure needs over a 10-to-15-year horizon. It is intended to address policy, economic, and reliability requirements while supporting state energy policy and facilitating project development. The ISO hosts at least four TPP meetings each year providing opportunities for stakeholder input through verbal and written comments.

The resulting ISO Transmission Plan assesses grid reliability, summarizes key studies, and outlines recommended transmission projects. The plan is presented to the ISO Board of Governors each year in May, with stakeholders invited to provide feedback before the Board prior to final adoption.

In parallel, the ISO has completed two 20-Year Transmission Outlook reports to support California's long-term energy and climate goals including greenhouse gas reduction. This strategic outlook complements the Transmission Planning Process by informing broader grid development and helping to align infrastructure planning with future policy direction.

In 2027, the ISO plans to implement changes to the Transmission Planning Process to comply with FERC Order no. 1920, which includes many requirements to ultimately develop a long-term regional transmission plan. Compliance with this FERC Order will necessitate changes to the ISO's annual transmission planning process, and at such time, the ISO will seek to work with Stakeholders to develop specific opportunities for stakeholder participation in the revised transmission planning processes.

Financial Planning and Procurement

The ISO's Financial Planning and Procurement team manages several recurring stakeholder processes, including the Grid Management Charge (GMC) Revenue Requirement and the Cost-of-Service Study. These processes determine the ISO's annual revenue requirement – effectively its operating budget – and the grid management charges allocated across service categories. Interested parties from all sectors are invited to participate by attending public meetings and submitting verbal and written comments throughout the process.

Each year, the ISO initiates the GMC process with a mid-year meeting to review the organization's financial condition and gather input for the next year's revenue requirement. A subsequent meeting in the fourth quarter presents the draft revenue requirement and associated charges for discussion. After incorporating stakeholder feedback, the ISO finalizes the proposal and presents it to the Board of Governors for approval in December.

The triennial Cost-of-Service Study process complements the GMC process by analyzing time and cost data to determine resource needs to support ISO services.

The study informs updates to the GMC percentage allocations across key service categories such as market services, system operations, and congestion revenue rights services. The study results are also used to update supplemental service percentages such as the Western Energy Imbalance Market cost category percentages and the Reliability Coordinator (RC) funding requirement percentage. Finally, the study is used to analyze the costs to support supplemental services, such as the Transmission Ownership Rights (TOR) services, and to set the charges, fees, and rates for these supplemental services accordingly.

The study process begins mid-year and continues through fall.

ADDITIONAL VENUES FOR STAKEHOLDER INVOLVEMENT

Recurring Meetings and User Groups

There are a variety of recurring meetings and user groups that support ongoing collaboration and transparency across ISO operations. These meetings provide opportunities for stakeholders to stay informed and engage in discussions. Upcoming meetings are posted on the ISO calendar which includes meeting details and links to relevant materials.

Below are examples of user groups and recurring meetings featured on the calendar:

User groups/recurring meetings	Description
Market issues and performance report meetings	Quarterly and annual web conference meetings that provide an overview of reports issued by the Department of Market Monitoring on market issues and performance.
Market performance and planning forum (MPPF)	Quarterly forum that provides an update on market performance and outcomes from the previous quarter, and to allow for dialogue and updates on project implementations, release planning, and market enhancements.
Market update	Biweekly call covering updates on the weekly market performance reports, weekly price correction reports and the status of action items tracked on a biweekly basis.
Release user group (RUG)	Biweekly forum for market initiatives in implementation where project milestones and deliverables are reviewed.
Settlement user group (SUG)	Biweekly forum for market participants and RC West customers to obtain information, provide input and ask questions on current ISO initiatives and activities affecting the settlement and invoicing processes.
Technical user group (TUG)	Biweekly technical forum that provides market participants with a platform to discuss and evaluate technology solutions for implementation.

Transmission development forum (TDF)	The ISO, in conjunction with the California Public Utilities Commission and participating transmission owners, holds quarterly public forums to provide status updates on approved transmission projects and network upgrades identified in the generation interconnection process.
Transmission Maintenance Coordination Committee (TMCC)	Quarterly committee meetings made up of electric utility industry experts to discuss maintenance concerns, recent improvements in maintenance and construction processes/techniques, industry best practices and vegetation management.

Western Energy Markets Regional Issues Forum

The Western Energy Markets Regional Issues Forum (RIF) is an independent stakeholder-led forum organized by 12 sector-selected liaisons to facilitate input and participation from their respective sectors on relevant topics related to the Western Energy Markets. It provides a collaborative and informative space for diverse perspectives to be shared and discussed in support of regional market development. More information on the RIF is available on the [RIF website](#).

PRINCIPLES AND PRACTICES

Public Meetings

The ISO is committed to ensuring that all interested parties have meaningful opportunities to participate and engage in stakeholder meetings.

To support broad engagement, we offer meetings in virtual and hybrid formats. Virtual-only meetings are announced via the [Daily Briefing](#) at least one week in advance, while hybrid meetings – held both in person and online – are typically noticed three weeks in advance. While we strive to meet these timelines, unforeseen circumstances may occasionally require shorter notice.

Meeting materials are posted to the relevant ISO webpage prior to each meeting and stakeholders are generally invited to submit written comments following meetings.

Details on upcoming meetings, comment periods and other key deadlines can be found on the [ISO calendar](#).

Some meetings are recorded for informational purposes and convenience. These recordings are posted to the appropriate webpage for a limited time. Please note that transcriptions or recordings may not be reproduced or distributed without prior permission from the ISO.

Public Comment

Feedback is a vital part of the ISO's stakeholder process. To support transparency and ease of participation, a standardized online commenting tool is provided that allows stakeholders to submit written comments and review comments submitted by others.

The tool streamlines and standardizes the comments submission process through a user-friendly online template and offers features such as the ability to sort and filter comments by organization or question, as well as provide the ability to download comments into a Word or PDF document format. It also supports rich text and in-line graphics. All submitted comments are securely stored and publicly posted to the relevant initiative or process webpage.

To submit comments, users must complete a one-time registration by providing basic contact and company information. The tool is available for all policy initiatives and recurring stakeholder processes.

Public comment at CAISO Board of Governors and Western Energy Markets Governing Body meetings and letters submitted to the Board and Governing Body in advance of meetings are also welcomed and encouraged.

STAKEHOLDER ENGAGEMENT BEST PRACTICES

To foster productive, respectful, and inclusive stakeholder engagement, we encourage participants to observe the following best practices:

Prepare in advance

Familiarize yourself with the provided meeting materials beforehand to support a productive and informed dialogue.

Understand the process

Come to meetings with an understanding of the phases of the stakeholder process. Raise issues in a timely manner and engage in the appropriate forums. Stakeholder meetings are the ideal venue to express concerns, propose solutions and engage in collaborative discussions.

Stick to the agenda

Respect the meeting agenda by staying focused on planned topics. This helps ensure efficient use of time and that all material is covered.

Engage respectfully

Help create a collaborative environment by maintaining professionalism and a courteous tone in all interactions. Refrain from demeaning, discriminatory, or harassing behavior and language.

Respect draft materials

Understand that materials presented are often in draft form, intended to stimulate discussion and gather feedback.

Follow up responsibly

If you commit to providing feedback or materials, follow through in a timely manner to maintain momentum and accountability.

Adopt a problem-solving mindset

Contribute constructively by identifying issues and offering thoughtful solutions to promote progress. Ask questions, share insights and be curious. Strive to move conversations forward with proactive and helpful input.

Promote inclusive participation

Encourage diverse perspectives and ensure all voices are heard and respected. Recognize the value of varied expertise and experiences across stakeholder groups.

Communicate your perspective

Clearly articulate your perspective and reasoning—don't assume others are familiar with your position or are experienced with an issue. Thoughtful, well-explained contributions help foster meaningful dialogue and understanding.

Meeting Etiquette

For all meetings:

- Introduce yourself and your organization when speaking.
- Follow the facilitator's guidance for speaking or asking questions.

For in-person meetings:

- Silence all mobile devices and minimize distractions.
- Avoid multitasking to stay engaged.

For online meetings:

- Mute your microphone when not speaking.
- Calls are recorded for informational purposes only and convenience only. Any related transcriptions should not be reprinted without the ISO's permission.

We are committed to supporting inclusive and robust stakeholder engagement to ensure the ISO's energy markets and operations reflect a broad range of perspectives. Your collaboration and engagement in the ISO's processes help shape a reliable and sustainable grid for the future.

Please reach out to us at isostakeholderaffairs@caiso.com with any questions regarding our stakeholder process or how to get involved. We welcome and look forward to your participation.