

March 17, 2026

Submitted by Bonnie Blair on Behalf of the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (“Six Cities”)

Initial Comments on PRR 1664: Attachment A – CISO BAA Supplement to the EDAM Business Practice Manual

The proposed Supplement lacks sufficient detail and does not provide adequate guidance regarding the items addressed therein.

EDAM Net Export Transfer Constraint (“NETC”):

The section summarizing the NETC does not appear to provide a complete description of the CAISO’s intended implementation of this tool. As an initial matter, for reasons of clarity and readability, the Supplement should explain and describe the nature of the NETC consistent with relevant provisions of the CAISO tariff. The Supplement should also define and explain the confidence factor and the additional reliability margin as referenced in the first paragraph, rather than solely citing to the CAISO tariff.

Second, while the CAISO Supplement states that the confidence factor is “tunable,” the Supplement also states that it is set at 0% in each hour. The proposed Supplement should explain and describe the tunable nature of the factor, and it should specify conditions in which the 0% may be adjusted and when the CAISO expects to do so. If this will not occur absent a stakeholder process (or Proposed Revision Request), the Supplement should so state.

Third, the CAISO states that it will determine the additional reliability margin in stressed hours based on the maximum of replacement reserves based on forecasts of the most severe single contingency and protection for non-credible contingencies. There is no detail for what types of non-credible contingencies can be included, beyond the three examples listed (i.e., fires, weather, and gas operational flow orders). The CAISO’s Final Proposal in the EDAM ISO BAA Participation Rules stakeholder initiative included additional information (see pages 14-15 and nn. 13-14 and, at a minimum, this information should be included in the BPM for context. There is also no discussion of how these factors correlate with the level of adjustment to the reliability margin.

Fourth, in non-stressed conditions, the Supplement states that hourly values for the additional reliability margin will be determined “though operator experience based on system conditions.” While it is reasonable for the reliability margin to consider these factors, there is no discussion of how operator experience or system conditions will inform the setting of these values. Is there guidance being provided to operators that is not included in the BPM Supplement?

Finally, the Six Cities acknowledge that the examples of stressed hours may indeed constitute a range of stressed conditions, but it is not clear how this range is to be reflected in the tuning of the applicable confidence factor. For example, while all net peak load hours for the entire calendar year are considered stressed, irrespective of actual conditions, the confidence factor on an average net peak load day will be materially different than an interval where there is an EEA Watch in effect or an area-wide Transmission Emergency. In its Final Proposal in the EDAM ISO BAA Participation Rules stakeholder initiative (at page 10), the CAISO stated that net peak load hours

would be treated as stressed “unless it can be shown clearly with data through the BPM process that net-load peak hours in specific months or seasons are not correlated with stressed/tight conditions.” How will the adjustments for stressed conditions vary during these types of conditions? The Supplement should be revised to provide additional transparency.

Day Ahead Sufficiency Within the CAISO BAA:

First, although this Supplement and its subject heading purport to address the CAISO BAA’s participation in EDAM, there are several references to what EDAM BAAs (i.e., non-CAISO BAAs) can and cannot do. For example, the Supplement states that the “processes and actions discussed below are equally applicable and available to any EDAM BAA . . .” This language does not seem relevant to the Supplement and should be deleted, along with other similar references.

Second, the Six Cities request, for added clarity, that the second sentence of the first paragraph discussing the “BA supply and demand obligations to support reliability operation” be revised to begin with “While Scheduling Coordinators are not required to do so, fFailure to submit ~~timely~~ bids . . .” This modification is needed to make clear that the 9 am bid submittal represents a request by the CAISO to assure accurate Day Ahead RSE results, but is not mandatory.

Third, there is not sufficient information to describe how operator judgment and experience will inform the determination that the CAISO is at risk of failing the RSE.

Fourth, the Supplement does not specify what steps operators may take or how they will assess the likelihood of RSE failure based on amounts of resources that are expected to bid into the CAISO market by 10 am, but have not done so by 9 am. This information should be included. The Final Proposal for the EDAM ISO BAA Participation Rules initiative included additional detail at Table 2 that may be helpful to reference.

Fifth, the Supplement does not discuss whether CAISO BAA market participants will be notified of and provided with an opportunity to cure any projected RSE shortfall. Will the CAISO attempt to secure other voluntary bids in the market or make other assumptions about, for example, unbid resource adequacy resources, prior to engaging in Exceptional Dispatch of additional resources to solve a problem that may not actually emerge in real-time?

As explained initially, the Six Cities request that the CAISO expand the Supplement to describe additional details regarding the CAISO BAA’s participation in the EDAM. At a minimum, the Supplement should include a complete description of the process and criteria for the confidence factor and EDAM RSE failure scenarios.