

**Western Energy Markets (WEM) Regional Issues Forum
Annual Policy Initiatives Catalog and Roadmap - 2025
Roundtable Report to the WEM Governing Body
May 13, 2025**

I. Introduction and Background

This report provides documentation of the second annual Regional Issues Forum (RIF) Roundtable meeting, held in Portland, Oregon on April 9, 2025.¹ The Regional Issues Forum is established and operates as a component of the governance structure of the Western Energy Imbalance Market (Western EIM or WEIM) and the Extended Day-Ahead Market (EDAM) under the Charter for the WEIM and EDAM Governance (Charter).² Pursuant to the Charter, the Regional Issues Forum comprises sectors of participants and stakeholders in the Western EIM, represented by sector liaisons and organized as follows:

Western EIM Entities	Lindsey Schlekeway, NV Energy (<i>Vice Chair</i>) Josh Walter, Seattle City Light
CAISO Participating Transmission Owners	Meg McNaul, Six Cities Jonathan Rumble, Southern California Edison Company
Consumer-Owned Utilities	Doug Boccignone, Flynn Resource Consultants, Inc. Lauren Tenney Denison, Public Power Council
EDAM Entities	Vijay Singh, PacifiCorp (<i>Secretary</i>)
Public Interest Groups and Consumer Advocates	Vijay Satyal, Western Resource Advocates Jaime Stamatson, Montana Consumer Counsel
Independent Power Producers and Marketers	Rahul Kalaskar, AES Corporation Scott Olson, Avangrid Renewables
Power Marketing Administrations	Allison Mace, Bonneville Power Administration (<i>Chair</i>)

The Charter provides for the Regional Issues Forum to discuss issues related to the Western EIM, including topics that are pending in ongoing CAISO stakeholder initiatives. The Charter also authorizes the issuance of documents and opinions of the Regional Issues Forum to the WEM

¹ All Regional Issues Forum public meetings, including the April 9th Roundtable, are recorded. The meeting recording, together with supporting materials, is publicly available on the Regional Issues Forum page of the Western Energy Imbalance Market website, available at [Regional Issues Forum - Western Energy Imbalance Market \(westerneim.com\)](https://www.westerneim.com/Regional-Issues-Forum-Western-Energy-Imbalance-Market).

² Charter for WEIM and EDAM Governance, Cal. Indep. Sys. Operator Corp. Board Policy, Rev. 1.7 (Jul. 17, 2024), available at <https://www.westerneim.com/Documents/Charter-for-WEIM-and-EDAM-Governance.pdf>.

Governing Body and/or the CAISO. WEM Governing Body Member Rebecca Wagner currently serves as the Governing Body’s liaison to the Regional Issues Forum.

The purpose of the Roundtable meeting and this report is to implement a step in the CAISO process for development of its Policy Initiatives Catalog and Roadmap as set forth in the Final Proposal for Western EIM Governance Review – Phase 3 (EDAM),³ which established an expanded role for the Regional Issues Forum in identifying and prioritizing discretionary policy initiatives undertaken by the CAISO to establish and implement new and revised policies and corresponding rules for the operation of its markets. The GRC Final Proposal provided for the Regional Issues Forum to augment the CAISO’s initiation of its annual initiatives prioritization process by holding a “roundtable discussion” about priorities within the set of possible discretionary initiatives identified by the CAISO. The GRC Final Proposal also provided that this discussion would occur prior to the CAISO’s publication of its own proposed prioritization of policy initiatives to enable the consideration of input by the RIF into the prioritization process.⁴

The Regional Issues Forum coordinates with the CAISO staff on the schedule and timing of the RIF Roundtable. For 2025, they agreed upon the following timeline for the Roundtable within the CAISO process:



³ See Final Proposal, Western EIM Governance Review – Phase Three (EDAM), Governance Review Committee (Jan. 9, 2023) (GRC Final Proposal), available at [EDAM-Governance-Final-Proposal-WEIM-Governance-Review-Committee-Phase-3.pdf](https://www.westerneim.com/EDAM-Governance-Final-Proposal-WEIM-Governance-Review-Committee-Phase-3.pdf) ([westerneim.com](https://www.westerneim.com)).

⁴ See GRC Final Proposal at 37-40; see also Western EIM Charter at § 7.4.

The Roundtable also complements the CAISO's plans for one workshop on prioritization, which was held in early April.

In an effort to communicate with market participants and stakeholders regarding the planned timing of and opportunities for input into the Roundtable, updates regarding the Roundtable were provided during the CAISO's stakeholder meeting to initiate the Policy Initiatives Catalog and Roadmap Process for 2025, held on January 30, 2025, and at the Western EIM Body of State Regulators (BOSR) meeting on February 14, 2025.

The liaisons for each sector also communicated with sector members regarding policy initiative priorities, in addition to seeking general input on the CAISO's Policy Initiatives Catalog and Roadmap Process. These activities are outlined in more detail within the sector reports provided below.

During the April 9th Roundtable meeting, the sector liaisons for each of the Regional Issues Forum sectors provided an overview of policy initiatives and priorities on behalf of their respective sectors, followed by comments from Member Wagner in her capacity as the Governing Body Liaison to the Regional Issues Forum, comments by Commissioner Letha Tawney of the Oregon Public Utilities Commission on behalf of the Western EIM BOSR, comments by Joanne Serina, the CAISO Vice President of Stakeholder Engagement and Customer Experience, and general public comments.

The report provided below summarizes the priorities that the Regional Issues Forum sectors have identified for the 2025 Policy Initiatives Catalog and Roadmap Process.

II. Overarching Themes and Common Priorities Across Sectors

In contrast to the 2024 Policy Initiatives Catalog and Roadmap effort which saw nearly 30 submittals, stakeholders submitted fewer policy initiative proposals in 2025 (18 proposals)⁵. Consistent with the decline in the quantity of submissions, some stakeholders commented that they were near or at resource limits to fully participate in the existing set of working groups even without adding initiatives. Nevertheless, there was support among several commenters for a policy initiative focused on evaluation of the methodology for allocation of congestion revenue in EDAM, which the CAISO has recently launched with an expedited stakeholder process.

In addition to the EDAM Congestion Revenue Allocation initiative, there was general sector support for the CAISO to address both intertie bidding and market seams issues that may emerge with the implementation of EDAM in May of 2026. Other discrete policy initiative proposals were submitted without specific support from multiple stakeholders or sectors. These pertained to the following subject areas:

⁵ See Cal. Indep. Sys. Operator Corp., *Annual Policy Initiatives Roadmap Process – 2025, 2025 Policy Catalog Submissions Summary* (Mar. 20, 2025), available at <https://stakeholdercenter.caiso.com/InitiativeDocuments/2025-Catalog-Submission-Summary.pdf>.

- Flexible Ramping Product
- Settlements in WEIM
- Grid enhancing technologies in the Transmission Planning Process
- Long-duration storage as a transmission asset
- Real-time congestion offsets
- Transmission Access Charge structure
- Data access

Sectors provided positive feedback for the continued efforts by the CAISO to undertake more inclusive and stakeholder-focused initiative and working group processes. Some differences appeared in sector views regarding the continuation of the existing initiatives, such as Price Formation Enhancements and Greenhouse Gas Coordination, as some sectors requested that the CAISO maintain a focus on these initiatives, whereas other sectors looked for the CAISO to slow or pause these initiatives, citing a strain on resources available to participate in all working groups. This divergence also appeared with respect to the upcoming EDAM implementation, with some sectors indicating a preference for the CAISO to primarily focus on EDAM's successful implementation, while other sectors have a preference to begin to address anticipated EDAM market design issues prior to EDAM's scheduled go-live date.

III. Sector Overview and Summary of Priorities

A. Western Energy Imbalance Market Entities

The EIM Entity Sector membership is made up of EIM Entities that have entered an EIM Entity Agreement with CAISO to enable the Real-Time Market in the EIM Entity's Balancing Authority Area. The specific definition of an EIM Entity can be found in the definition section of the CAISO tariff.

For the purposes of gathering feedback for the Regional Issues Forum Roundtable, the EIM Entity liaisons sent out a request for feedback from members via email. Additionally, feedback was gathered by reviewing the comments from members that were sent in to the CAISO annual policy catalog and roadmap process.

i. Feedback on the Policy Initiatives Catalog and Roadmap Process

The EIM Entity Sector appreciates CAISO's effort to revise the policy initiatives catalog and roadmap process to become more receptive to stakeholder feedback within that process. This will be the second year following this new process, which worked well in response to concerns regarding Battery Energy Storage resources and prioritization of other initiatives that were important to stakeholders. Additionally, the catalog timeline and initiative grouping methodology were well structured and transparent.

ii. Current Policy Initiatives Priorities

The EIM Entity Sector received mixed feedback on the current policy initiatives roadmap priorities. It was noted that the 2024 policy roadmap appears to underrepresent the initiatives related to the WEIM, particularly those proposed by entities outside the CAISO Balancing

Authority Area. In contrast, the EIM Entity Sector received comments stating support for the current roadmap prioritization as it was reflective of issues that were important to multiple sectors. Further, the EIM Entity Sector received feedback commending CAISO for demonstrating a nimble stakeholder process that can move quickly when topics or concerns are brought forward. This has most recently been demonstrated with the congestion allocation topic that has been brought forward and proposed by multiple stakeholders. Furthermore, this serves as an excellent example of how the CAISO stakeholder process is working and is receptive to stakeholder feedback.

iii. New Initiative Priorities

The EIM Entity Sector also commented on new priorities that CAISO should add and prioritize to the Policy Initiatives Catalog and Roadmap process with a caution to not take on too much at one time. These included the EDAM Congestion Revenue Allocation, EDAM Intertie Bidding, and Market Seams.

The EDAM Intertie bidding initiative should focus on an elevated priority to optimize market efficiency through enhanced generation asset utilization and improved transmission asset management.

Additionally, the EIM Entity Sector requested a Market Seams initiative to identify the two Day Ahead Market seams in order to discuss how they will be handled when both markets go live sooner rather than later. It is intended that the conversation will help as other entities are preparing for their respective Open Access Transmission Tariff changes and market implementations.

Finally, the EIM Entity Sector recommends that CAISO be cognizant of the time and effort required to participate within the stakeholder process and to not pursue too many initiatives at once that would result in less participation.

B. California ISO Participating Transmission Owner Sector

The Participating Transmission Owner (TO) Sector consists of entities that have entered into the Transmission Control Agreement among and between the CAISO and Participating TOs and have placed their respective transmission facilities and entitlements under the CAISO's operational control.⁶ These entities include both original and new Participating TOs such as the California investor owned utilities (IOUs), including Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E); certain California municipalities, including the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities); a number of independent transmission asset owners; and the Western Area Power Administration Sierra Nevada Region (WAPA).

⁶ See also CAISO Tariff at App. A.

i. Feedback on the Policy Initiatives Catalog and Roadmap Process

The Participating TO Sector appreciates the work that the CAISO has undertaken in the last few years to broaden stakeholder involvement in its initiatives processes, update the annual Policy Initiatives Catalog and Roadmap process, and balance a range of policy priorities in the lead-up to the implementation of EDAM. With the upcoming EDAM go-live date in mind, the Participating TO sector encourages the CAISO to maintain its focus on initiatives that are most critical to EDAM implementation and those that represent issues of key importance to the CAISO balancing authority area. With approximately one year remaining before EDAM implementation, the PTO sector believes that a high level of policy and platform stability is necessary for market participants to have sufficient time and resources to focus on implementation activities such as software development and testing, market simulation, system integration, and parallel operations. Consequently, outside of the recently initiated EDAM Congestion Revenue Allocation initiative, the PTO sector recommends that the CAISO not pursue new policy initiatives and pause or even conclude other initiatives that have run their respective courses, including, in particular, the Price Formation Enhancements working groups.

ii. Current Policy Initiative Priorities

The PTO sector recognizes that there are a number of working groups currently addressing various market and market design priorities that are at differing points in their respective progression towards resolution. The PTO sector urges the CAISO to look closely at these ongoing working group efforts and evaluate each as to whether it could be paused or concluded to free up CAISO and stakeholder resources to allow for better focus on the highest priority issues, especially EDAM implementation. Specifically, some stakeholders within the PTO sector have recommended that the CAISO consider whether there is an opportunity to evaluate the continuation of the Price Formation Enhancements working groups, particularly on the topic of fast-start pricing.

iii. New initiative priorities

No stakeholder within the Sector submitted new proposals for the 2025 Policy Initiatives Catalog and Roadmap. As described above, this is primarily because of resource constraints and a desire by the Sector for CAISO to maintain its focus on EDAM implementation. In connection with EDAM implementation, there would be value in commencing discussions regarding market seams-related topics.

C. EDAM Entity Sector

The newly created EDAM sector consists of PacifiCorp and Portland General Electric. Both companies are active participants in the CAISO stakeholder process on initiatives that impact the EDAM and Western Energy Imbalance Market (WEIM). As the sector is still small, input on the CAISO Policy Initiatives Catalog and Roadmap was gathered in a meeting to discuss the sector's priorities for this year's catalog and to discuss priorities of the ongoing initiatives.

i. Feedback on the Policy Initiatives Catalog and Roadmap Process

The EDAM sector appreciates participating in the Policy Initiatives Catalog and Roadmap process as the sector believes it is an effective way to ensure stakeholders have a voice in determining market enhancements. As other entities expressed in the April 2025 RIF meeting, the EDAM

sector is also experiencing challenges fully participating in the initiatives currently ongoing. As such, the sector's feedback is focused on prioritization. Specifically, the sector would like to better understand how the CAISO uses the prioritization survey to determine which initiatives are included in the catalog and roadmap. The sector also believes it would be helpful to see a hierarchy of proposals based on the stakeholders' prioritization surveys, so it is clear which initiatives have a 'critical mass' of support to justify including the proposal in the catalog and roadmap. In general, both PacifiCorp and Portland General Electric want to fully participate and contribute to policy initiatives. The companies therefore believe the prioritization process could be used to ensure stakeholders can fully participate in the initiatives that are of interest to them.

ii. Current Policy Initiative Priorities

With respect to the current initiatives in the CAISO stakeholder process, the EDAM sector considers the Greenhouse Gas Coordination working group and the Demand and Distributed Energy Market Integration initiatives as high priorities. On the WEIM Resource Sufficiency Evaluation Enhancements, the EDAM sector supports extending the assistance energy transfer product using the current design and exploring enhancements in the future when other important initiatives have concluded. Next, the sector supports slowing down the Price Formation Enhancements initiative to accommodate the EDAM Congestion Revenue Allocation initiative. The one topic within the Price Formation Enhancements initiative the sector believes could be continued is the balancing authority area-level market power mitigation topic, which seems closer to the policy design phase than fast-start pricing and scarcity pricing. Lastly, the EDAM sector believes the Storage Design and Modeling initiative should stay on schedule.

iii. New Initiative Priorities

The EDAM sector identified two initiatives that the sector believes warrant a high priority.

- 1) EDAM Enhancements: The EDAM sector supports moving quickly in the EDAM Congestion Revenue Allocation initiative. For other initiatives broadly related to EDAM enhancements, the sector's priority is to focus on critical market function improvements after go-live. Broadly speaking, the sector believes experience is needed before considering major enhancements to the EDAM design.
- 2) Seams: The topic will be very important as the EDAM develops and expands, but it is difficult to determine now exactly what the initiative would focus on.

iv. Other High Priority Issues

For the EDAM sector, the top priority is EDAM implementation. As such, the sector is finding it challenging to participate in all stakeholder initiatives as staff sometimes work across policy and implementation teams.

D. Consumer-Owned Utilities Sector

The Consumer Owned Utility (COU) sector includes entities that represent load served by a COU within the WEM footprint. The sector includes over fifty organizations including municipalities, public utility districts, and cooperatives, as well as trade associations and consultants that represent those entities. Community Choice Aggregation electricity providers also soon will be

joining the sector. The COU Sector entities are located across the WEM footprint in seven states (AZ, CA, NV, OR, UT, WA, and WY). The COU sector includes entities that are in WEIM BAAs, planned EDAM BAAs, and the CAISO BAA.

To gather input on the CAISO Policy Initiatives Catalog and Roadmap the sector liaisons developed draft COU sector positions based on written submissions into the CAISO Policy Initiatives Catalog and Roadmap as well as the liaisons' ongoing discussions with Sector members. The liaisons sent the draft positions to the COU sector distribution list, soliciting feedback from the sector. They also hosted a sector meeting to discuss the draft and provide additional opportunity for input. The liaisons incorporated the feedback received during that meeting to develop the final sector position shared at the April Regional Issues Forum meeting.

i. Feedback on the Policy Initiatives Catalog and Roadmap Process

The COU Sector is very appreciative of the opportunity to provide input into the Roadmap Initiative process and of CAISO staff's efforts to seek additional stakeholder engagement on the roadmap – including through the RIF Roundtable exercise.

This year the COU Sector observed limited feedback on the CAISO Policy Initiatives Catalog and Roadmap. We understand this to be largely driven by the robust engagement in last year's process - which has led to a greater level of comfort with the proposed roadmap - and other competing priorities. The COU sector recommends considering shifting the robust review of the stakeholder initiative roadmap to a biennial exercise. This would allow stakeholders to consolidate their efforts into more meaningful feedback every two years. This could be paired with a lighter lift "mid-cycle" review to ensure that if any emergent issues were identified, stakeholders would have the opportunity to raise those topics for consideration. In recommending this approach the sector also acknowledges that there are other paths for priority issues to be added outside of the formal initiatives roadmap process. The recent rapid addition of the EDAM Congestion Revenue Allocation initiative in response to stakeholders' concerns is one such example.

After the presentation at the April RIF, the COU sector liaisons also received feedback from the sector that it would be helpful for the sectors to solicit feedback and debate sector priorities after entities have the opportunity to present on their proposed initiatives so those presentations could inform sector member input.

Additionally, there was interest from within the COU Sector to see the CAISO strategic plan refreshed with a clear crosswalk to how that strategic plan influences the priority of various initiatives within the roadmap.

ii. Current Policy Initiative Priorities

The COU sector is largely comfortable with the existing priorities identified in the policy initiatives roadmap. In particular, the sector supports the addition of the EDAM Congestion Revenue Allocation initiative. While the sector is supportive of the addition, sector members would like to better understand the interim vs. long term solutions to this issue and whether an additional initiative is required to make sure that a long-term solution to the issue is addressed. The COU Sector also understands the need to pause other initiatives for a short period to

facilitate a timely conclusion of the EDAM Congestion Revenue Allocation initiative. While they are both still priority issues for the sector, a pause in the Storage Design and Modeling and Price Formation Enhancements initiatives is reasonable for a short time.

iii. New Initiative Priorities

The COU Sector did not propose any new initiative priorities, but did suggest reviving and/or reprioritizing previous initiatives, as discussed in the following section.

iv. Other High Priority Issues

Transmission Access Charge (TAC) Structure Enhancement

The COU Sector is supportive of revisiting the Transmission Access Charge (TAC) Structure Enhancement initiative to better reflect cost causation by recovering a portion of transmission revenue requirements from demand measurements, rather than solely using volumetric measures. The initiative was at the draft final proposal stage when it was paused in late 2018 to allow regionalization efforts to develop. The COU Sector understands that the CAISO intends to address this initiative via its transmission planning process or the interconnection process enhancements initiative.

Real-Time Congestion Offset (RTCO) Enhancements

The COU Sector is supportive of addressing the increasing and volatile real-time congestion offset charges, including investigating transforming the RTCO into a neutrality charge that returns day-ahead and hour-ahead congestion revenues to loads.

Seams Enhancements

The COU Sector is supportive of the “Internal and External Market Seams Issues” topic proposed by the IPP sector. This was a topic that the COU and many other sectors also raised last year. As footprints for future markets in the West become more clear, it is timely to begin discussions on “seams” issues. It may be best to at first include a “scoping” effort into the roadmap for the next year, looking to incorporate specific actions that result from that scope review in the subsequent year’s roadmap. In particular, delimitating between operational and commercial seams and the urgency to address each would be a helpful first step.

The COU Sector continues to have an interest in the future evolution of the stakeholder “working groups” that are being utilized by the CAISO. Sector members are very appreciative of this inclusive approach and CAISO’s flexibility and responsiveness in adapting these working groups. As the use of working groups in the CAISO stakeholder process continues to mature, it is important that CAISO set clear expectations for when a working group transitions from identifying the problem statement to forming policy. That transition is currently unclear. To make the most efficient use of everyone’s time, including that of CAISO staff, it will be important that we do not rehash issues addressed in the working group as the group makes this transition.

COU sector members identified additional areas of opportunity to continue to build on the success of the new working groups. Specifically, the COU sector recommends:

- More structured project management around working groups including established deadlines and commitments from stakeholders on participation.

- CAISO working papers could serve as a starting point for the discussion (with reasonable opportunity for incorporation of stakeholder feedback).
- Select/concentrated in-person sessions could enable productive discussions.

The COU Sector is appreciative of CAISO's efforts to increase its responsiveness to stakeholders and see the new processes recently developed to solicit additional feedback on the Roadmap as a positive outcome for both CAISO and stakeholders.

E. Public Interest Groups Subsector

The Public Interest Groups subsector requested additional time to develop and write its roundtable report. Slides from the PIO roundtable presentation are available on the Regional Issues Forum website.⁷ The PIO subsector hopes to have its feedback included in the report prior to the June 17th RIF meeting.

F. Consumer Advocates Subsector

The consumer advocates subsector is composed of both state-legislated consumer advocates, who represent residential and small commercial customers, and groups that advocate for large commercial and industrial customers. Feedback on priorities is gathered through regularly scheduled meetings and email.

i. Feedback on the Policy Initiatives Catalog and Roadmap Process

The consumer advocates subsector does not have process feedback at this time.

ii. Current Policy Initiative Priorities

Allow competitive bidding on transmission projects over 100 kV.

The scope of projects eligible for competitive bidding should be increased. Projects between 100 kV and 200 kV should be eligible if clear, measurable regional benefits exist.

This submittal is considered a process improvement by the ISO. This proposed change is closely related to the scope of issues encompassed in FERC Order 1920 and therefore, the ISO will need to consider how best to respond to this proposal as it establishes a path forward for its FERC Order 1920 compliance.

Add a schedule incentive clause in standard terms to the approved project sponsor agreement (APSA).

The timely completion of projects can help contain costs, maintain grid reliability, and fulfill climate goals.

Again, this submittal is considered a process improvement by the ISO. This proposed change is closely related to the scope of issues encompassed in FERC Order 1920 and therefore, the ISO will need to consider how best to respond to this proposal as it establishes a path forward for its FERC Order 1920 compliance.

⁷ See April 9th Presentation – WEM Regional Issues Forum at slide 27

Add enforcement of cost containment terms to the APSA.

Project sponsors should be required to agree that all terms are legally binding and enforceable in a FERC rate case, including maximum cost and cost containment measures. A statement that cost overruns not accepted in Appendix E are not recoverable and the FERC has the authority to enforce these measures should also be added.

Again, this submittal is considered a process improvement by the ISO. This proposed change is closely related to the scope of issues encompassed in FERC Order 1920 and therefore, the ISO will need to consider how best to respond to this proposal as it establishes a path forward for its FERC Order 1920 compliance.

Allow reliability demand response resources (RDRR) to reflect minimum on times greater than one hour and allow minimum on time to be considered in the economic evaluation of dispatch.

Additionally, explore methods to consider fixed costs in economic dispatch decisions for RDRR.

A CPUC decision in June of 2023 allows the ISO to use RDRR upon the declaration of an Energy Emergency Alert Watch 1 (EEA1). An EEA1 allows the ISO to enable bids for resources into the market before an EEA1. There are concerns about increased chances of economic dispatch and attrition of customers from retail DR programs, reducing RDRR capacity. There also needs to be an accurate reflection of RDRR physical operation characteristics to effectively optimize dispatch.

This submittal was accepted by the ISO and is being considered within an upcoming initiative. The ISO started a new DR/DER policy initiative in the first quarter of 2025 that begun with scoping demand response working groups. This topic will be proposed for further discussion in this venue.

iii. New Initiative Priorities

The consumer advocates subsector did not submit any policy initiatives to the ISO for consideration in its 2025 Policy Initiatives Catalog and Roadmap.

iv. Other High Priority Issues

Other priorities of consumer advocates are seams issues, and minimizing those impacts, between the Western EIM and other market structures emerging in the west and market functionality, as generation and loads continue to change due to both market forces and public policy.

G. Independent Power Producers and Marketers Sector

The Independent Power Producers and Marketers (IPPM) sector comprises a diverse range of parties engaged in transactions within the WEIM footprint. The sector is comprised of competitive power producers of all resource types, competitive retail electric service companies, wholesale power marketers, financial institutions, demand response and virtual power plant providers, and relevant trade associations. As of the April 9th RIF roundtable, there were 86 unique entities voluntarily registered as members of the IPPM sector.

Developing IPPM sector priorities for 2025 began with reviewing the items submitted to the 2024 Policy Initiatives Catalog and Roadmap. Policy recommendations not addressed by CAISO

or included in the 2024 roadmap were highlighted and reviewed by members to determine if they remain a priority or if they could be added to an active stakeholder process. Next, high priority, time sensitive issues identified by members were discussed and recommended for submission. Finally, members developed additional new priorities based on their market observations.

Following member submissions, a list of all member priorities was categorized and discussed in an IPPM sector meeting. This discussion provided an opportunity to fully understand the issue, determine if it fits within a current stakeholder process, and identify any concerns among members. This list was then used as the basis for the presentation made at the April 9th roundtable and the discussion below.

i. Feedback on the Policy Initiatives Catalog and Roadmap Process

The IPPM sector was very supportive of the changes implemented in the 2024 annual Policy Initiatives Catalog and Roadmap process and is pleased to see that the structure has continued into 2025. Having a clear window for submitting priority policy initiatives, holding stakeholder prioritization workshops, and incorporating the input of the RIF sectors into the roadmap all represent improvements to the previous policy roadmaps. Keeping continuity in the 2025 process ensures the approach is well understood so stakeholders can plan their submissions appropriately. As demonstrated by the time-sensitive process to implement energy storage bidding enhancements in 2024, stakeholders now know that the roadmap is an appropriate forum to highlight and prioritize items for action within the calendar year.

IPPM sectors identified two areas for improvement in the roadmap process. First, greater transparency is desired to understand how proposals are accepted or rejected. After submitting priorities and completing surveys by sector members, the criteria used to come up with the final policy roadmap are unclear. While CAISO staff does a good job at stating why a proposal did or did not make the final list, it would be helpful to better understand and comment on the deliberation process. Second, the roadmap identifies near-term policy priorities but could be improved if policies for longer-term consideration are included. This would both establish a vision for future market design and eliminate the annual resubmission requirement for policies found to be worthwhile but not a near-term priority.

ii. Current Policy Initiative Priorities

In the 2024 policy roadmap, the IPPM sector identified five priority policy areas. CAISO stakeholder processes are currently addressing these three proposals:

- **Governance Enhancements:** Efforts being undertaken by CAISO to both improve the stakeholder process and reform regional market governance have been beneficial. The methodical approach to establishing problem statements and gathering stakeholder input before developing an issue paper and policy proposal assures thorough consideration of stakeholder concerns. However, the process can be improved by establishing firm timelines so that the reforms needed can be made in a timely manner.
- **Non-Generating Resource Enhancements:** The Storage Design and Modeling stakeholder initiative that kicked off in late 2024 has scoped several items of concern to the IPPM sector including outage management issues, modeling improvements, state of charge

management and mitigation rules. Members would like consideration of additional items, as highlighted in the next section.

- **Price Formation Enhancements:** The IPPM sector continues to support the exploration of several topics related to price formation in the ISO markets focused on real-time market pricing.

Two 2024 policy recommendations, Intertie Trading Enhancements and Transmission Planning Process Enhancements, were not selected in the 2024 roadmap process. These items remain a priority for the IPPM sector, with each refined and resubmitted for consideration.

iii. New Initiative Priorities

The IPPM sector has submitted three areas of initiatives that it would like to have prioritized by CAISO. Two of them expand upon submissions made in the 2024 roadmap that were not selected for prioritization.

- **Extended Day Ahead Market (EDAM) Refinements:** This initiative encompasses multiple suggestions by members. The top priority is reconsideration of the rules for allocation of congestion revenues, a time-sensitive issue that the sector desires to have resolved before EDAM launch. The sector is pleased that CAISO has begun an initiative to address this issue.

Member recommendations for EDAM refinements also include reconsideration of intertie bidding, addressing seams issues between day ahead markets, and convergence bidding. While the EDAM design addresses all these issues to a degree, the IPPM sector would like greater consideration of each prior to or soon after market launch. Having an on-going EDAM Refinements initiative with stakeholder feedback on issues of highest priority would be beneficial to setting direction for future day ahead market reform.

- **Energy Storage:** Two distinct submissions were made under this category. First, Long Duration Storage as a Transmission Asset would address options for storage to provide reliability, economic, and policy driven improvements typically addressed through transmission upgrades. This proposal was submitted in 2024 but deferred by CAISO pending coordination with the CPUC and other regulatory bodies. Second, members suggested changes to bid cost recovery that provides payments for uneconomic storage dispatch and for removal of the must-follow requirement for variable energy resources co-located with battery resources receiving ancillary service awards. The sector is open to inclusion of these resources under the existing Storage Design and Modeling stakeholder initiative or creation of a new initiative if deemed appropriate.
- **Transmission Planning Process (TPP) Enhancements:** The IPPM sector submitted a broad transmission planning enhancements request in 2024 that was refined in 2025 to focus on a single topic, integration of grid enhancing technologies (GETs) into CAISO's TPP. While this is done currently to a degree in the TPP when evaluating non-wires alternatives, the sector would like to see an adoption of a systematic approach for the use of GETs when evaluating approaches to reduce congestion and renewable energy curtailment.

iv. Other High Priority Issues

The IPPM sector resubmitted a request from 2024 to improve transparency as a part of the on-going stakeholder initiatives. Specifically, the sector is interested in a venue for participants to make formal documentation and data requests. Members have made recent requests for information that would be beneficial for multiple initiatives, but the appropriate forum and staff to field these requests have been unclear. Having a clear venue for participants to make data and market transparency requests will ensure a response to all requests in an open and public process.

H. Power Marketing Administration Sector

The Power Marketing Administration (PMA) sector represents the two power marketing administrations in the West – Bonneville Power Administration (BPA) and Western Area Power Administration (WAPA). BPA along with WAPA's Sierra Nevada and Desert Southwest regions are active in the WEIM and other CAISO markets.

i. Feedback on the Policy Initiatives Catalog and Roadmap Process

The PMA sector appreciates the opportunity for stakeholder participation in developing the Policy Initiatives Catalog and Roadmap. The bottom-up approach to build the catalog provides an opportunity for the stakeholders to have input into the initiatives proposed from the start and the prioritization of initiatives for selection. The annual process is timely for the introduction of new critical issues and updates to the roadmap. The PMA sector has two suggestions to improve the process for the next year: 1) Consider adding a step for stakeholder review and comment on the draft or final roadmap prior to presentation to the Governing Body, including an opportunity for stakeholders to express agreement or opposition to the proposed prioritization, and 2) Seek a vote and approval of the final roadmap by the WEM Governing Body for a clear opportunity for the Governing Body to weigh in on initiative prioritization.

ii. Current Policy Initiative Priorities

The PMA sector supports CAISO continuing with the current roadmap as planned. Three current initiatives are of high priority to the sector:

- 1) Completion of the recently-launched initiative on congestion revenue allocation in EDAM. This is a top priority for the sector in the near term.
- 2) Completion of the Price Formation Enhancements working group and transition into initiative and implementation.
- 3) Continue the Greenhouse Gas Coordination and working group and move to implementation as appropriate.

One initiative is of medium priority to the sector:

Launch Resource Sufficiency Evaluation Enhancements (RSEE) Phase 3 to address RSEE failure penalties and elements of RSEE Phase 2 that were put on hold, including addressing oversupply through the EIM.

iii. New Initiative Priorities

The PMA sector identified three areas of high priority for new initiatives:

- 1) WEIM settlements enhancements: this initiative was proposed to examine areas of settlements that could be enhanced to improve efficiency and outcomes for market participants.
- 2) EDAM enhancements initiatives with an emphasis on economic intertie bidding in EDAM. The sector notes that there were differing opinions amongst the sectors regarding whether to address EDAM enhancements prior to EDAM go-live. The PMA sector believes there are specific enhancements that should be addressed prior to go-live while balancing with the need for CAISO staff to focus on preparations for go-live. Other EDAM enhancements could be delayed until after go-live.
- 3) Internal and external market seams issues: as day ahead markets form in the West and it looks likely that there will be day ahead markets seams, CAISO will need to resource and support seams coordination efforts to support coordination across the region and begin engaging with the market operator and reliability coordinator.

iv. Other High Priority Issues

The PMA sector is interested in the initiative submitted by WPTF focused on ongoing transparency. The sector is generally supportive of enhanced transparency in the CAISO markets. However, the sector considers this to be an element to integrate into CAISO stakeholder processes rather than as a standalone initiative.

IV. Report Conclusion and Next Steps

The April 9th Regional Issues Forum Policy Roundtable was a first step for the Regional Issues Forum to bring the sector initiative priorities forward and to open the opportunity for further engagement with the Forum on Roundtable topics. Going forward, the Regional Issues Forum sector liaisons will continue to engage with the CAISO Policy Initiatives Catalog and Roadmap. This report will be submitted to the WEM Governing Body and subsequently to CAISO staff as an input into the 2025 Policy Initiatives Catalog and Roadmap Process. Regional Issues Forum liaisons will be available to present sector perspectives at other public meetings as part of the CAISO policy roadmap catalog prioritization process as requested.

The Regional Issues Forum liaisons will continue to engage with the CAISO process and will specifically track high priority topics that were identified in the Roundtable, such as, for example, the EDAM congestion revenue allocation issue. As appropriate, the Regional Issues Forum will seek to incorporate presentations on high priority initiative topics into its public meeting agendas throughout 2025, including continued conversation on market seams at the June 17th Regional Issues Forum meeting.