

WESTERN ENERGY MARKETS

Market performance update

Guillermo Bautista Alderete

Director, Market Performance and Advanced Analytics

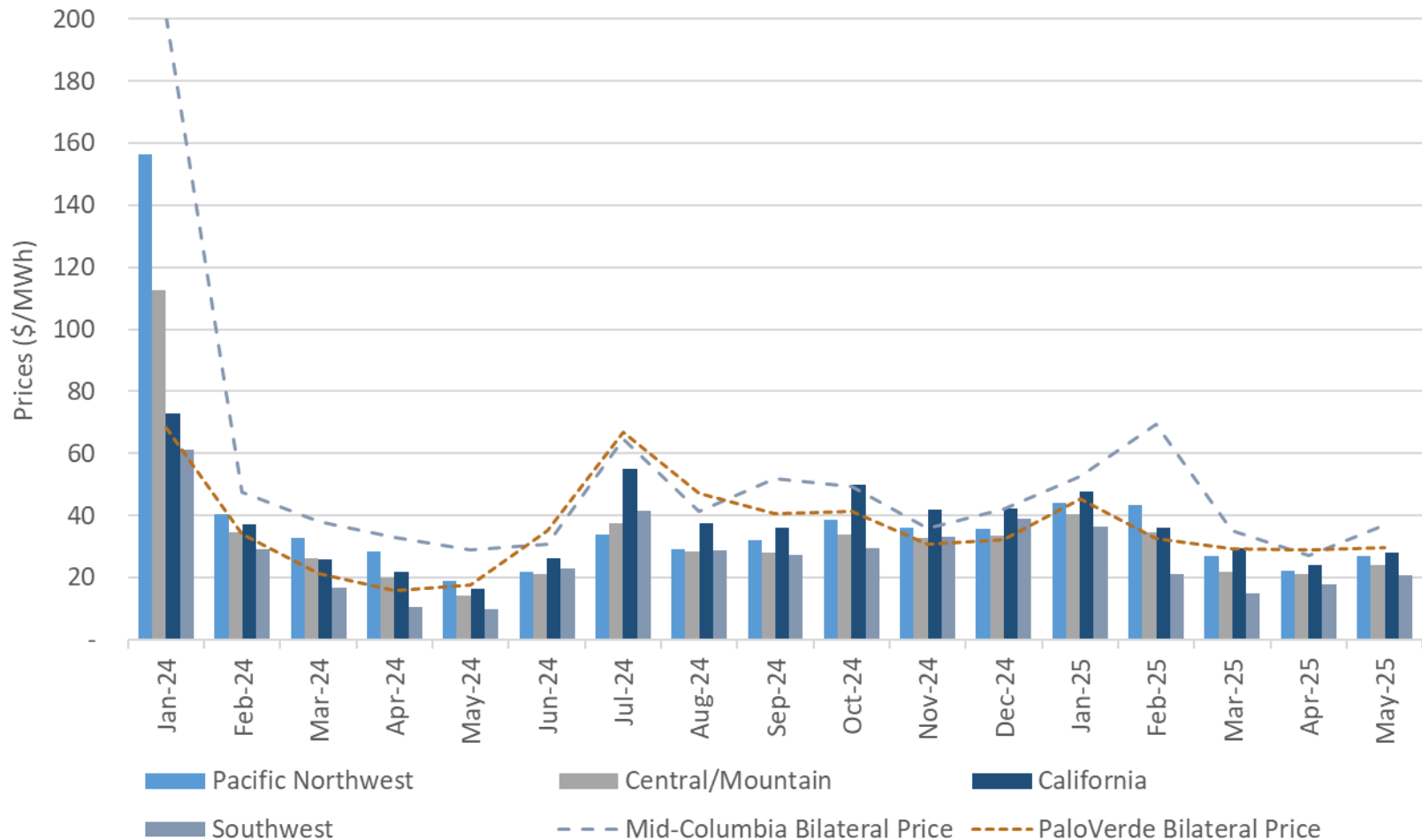
Western Energy Markets Governing Body

General Session

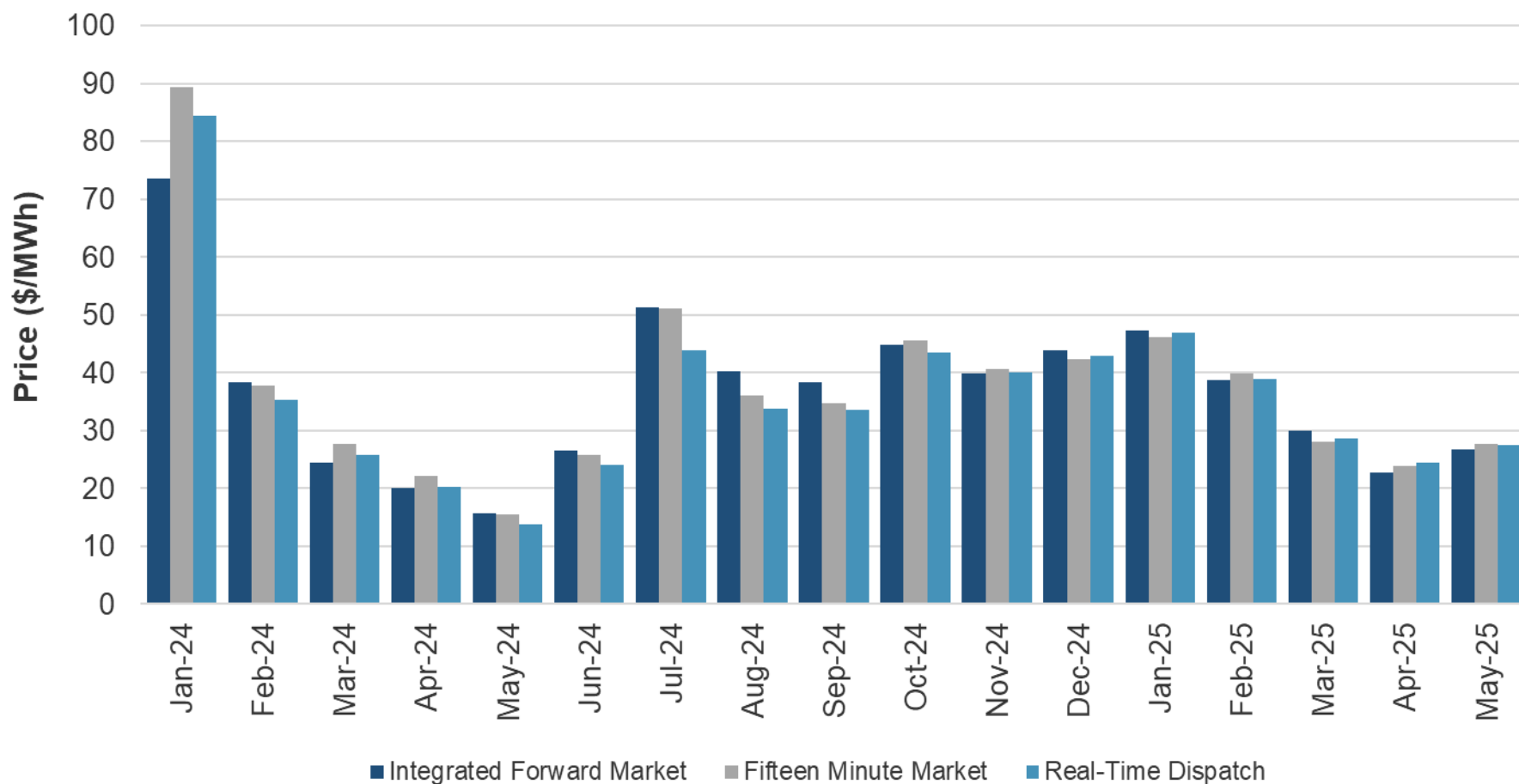
July 22, 2025



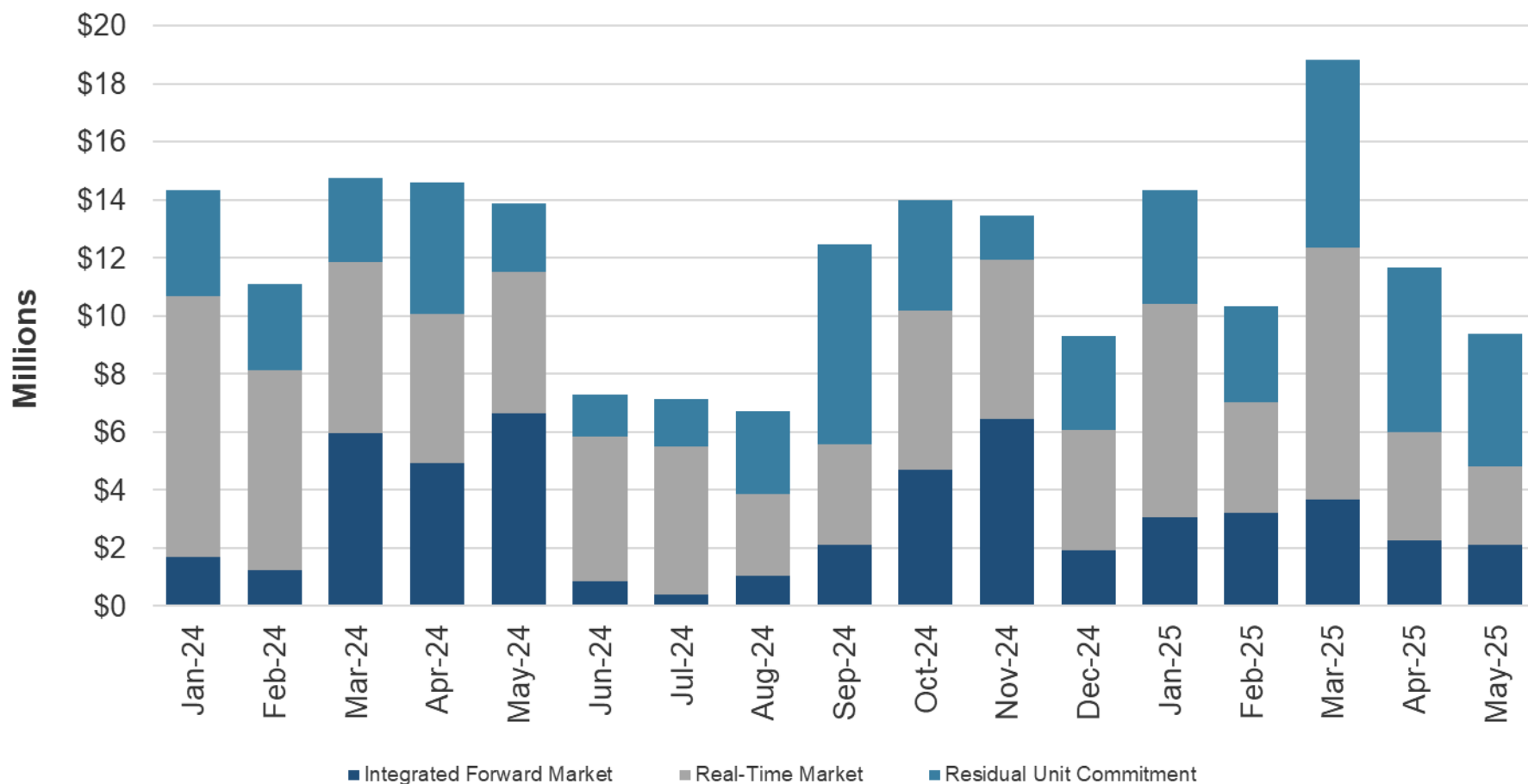
Real-time prices in the western energy imbalance market remained low through spring 2025



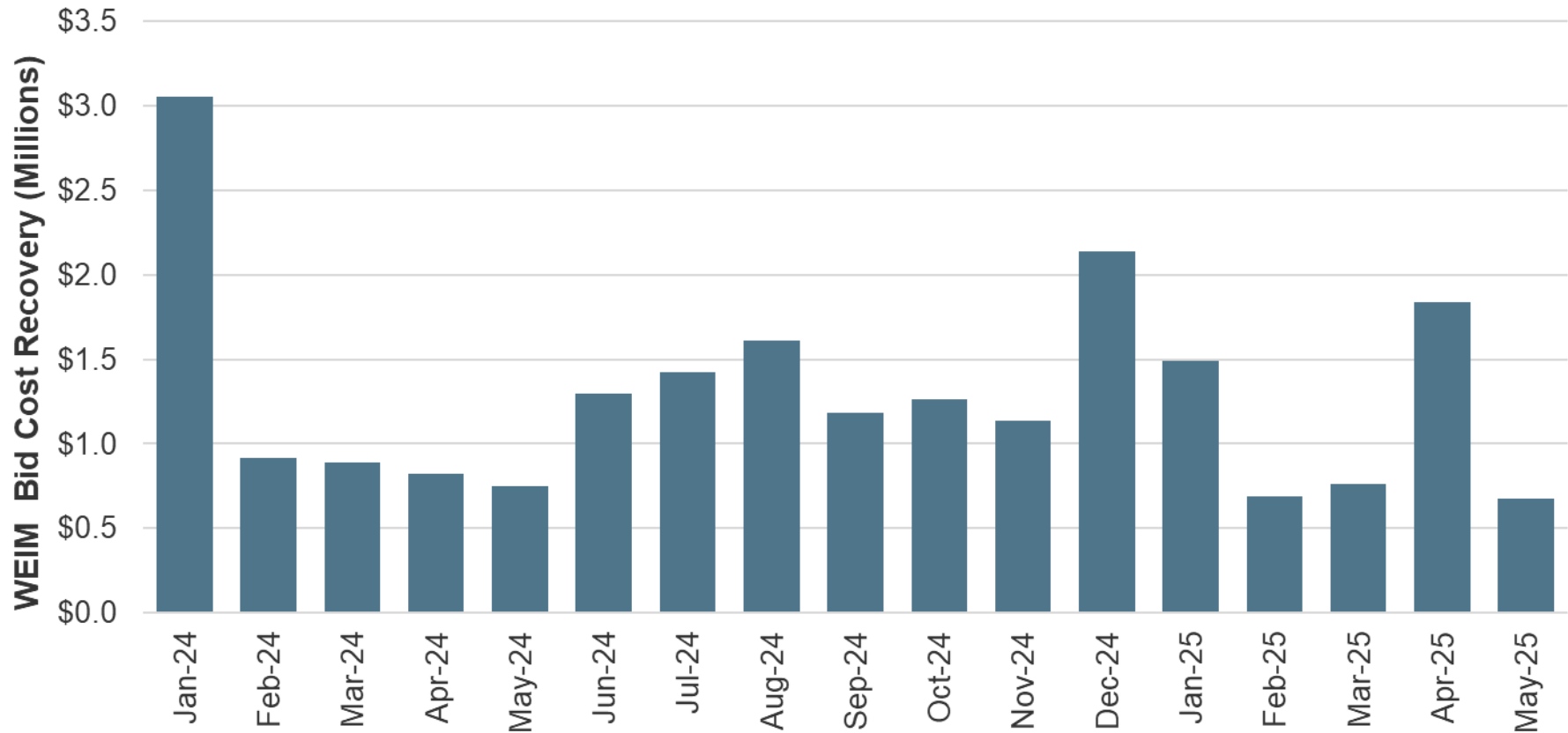
ISO prices remained low through the shoulder months



ISO bid cost recovery peaked in March largely from commitments of units to manage congestion

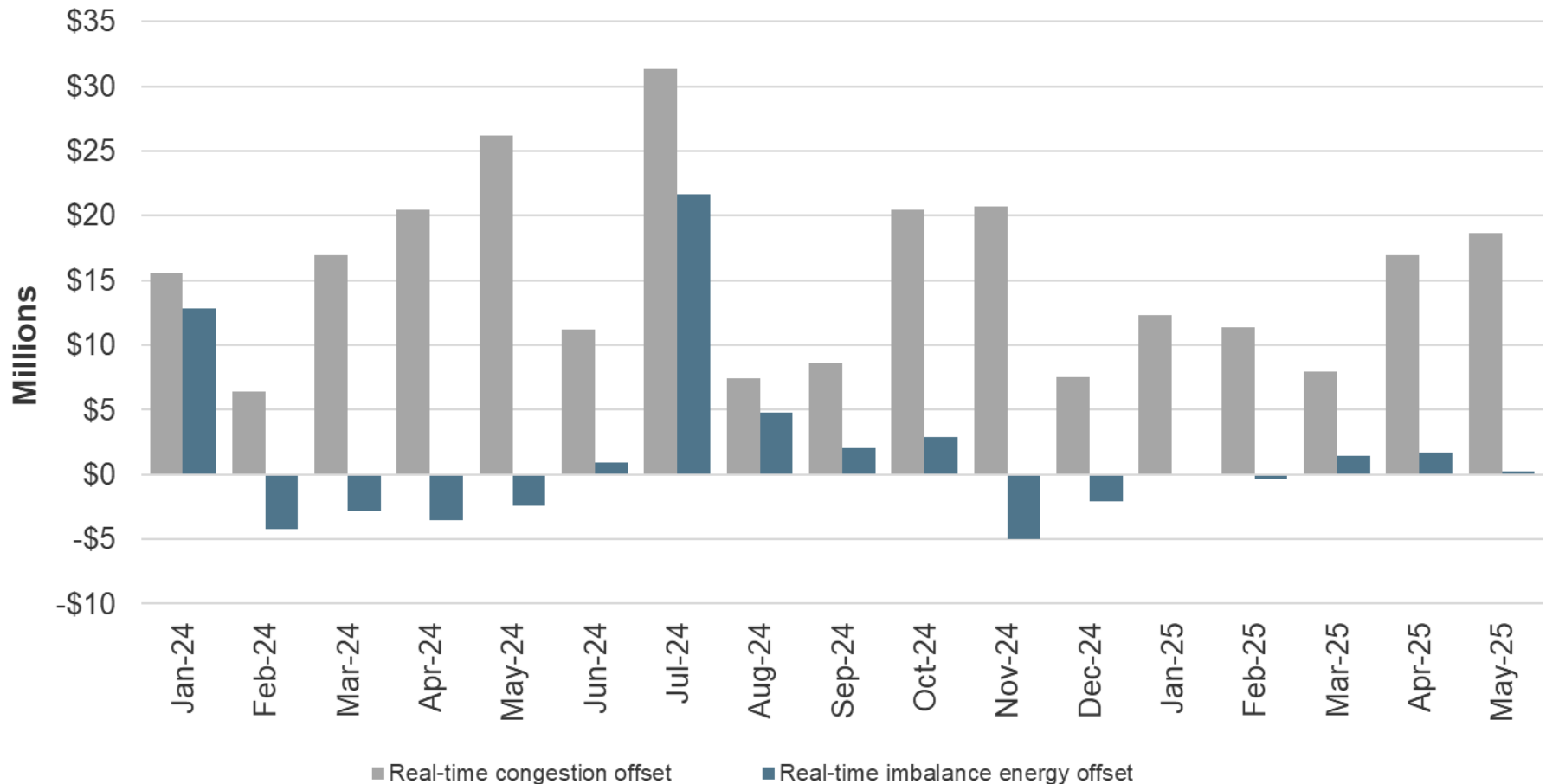


Bid cost recovery for areas in the Western Energy Imbalance Market stayed low in recent months



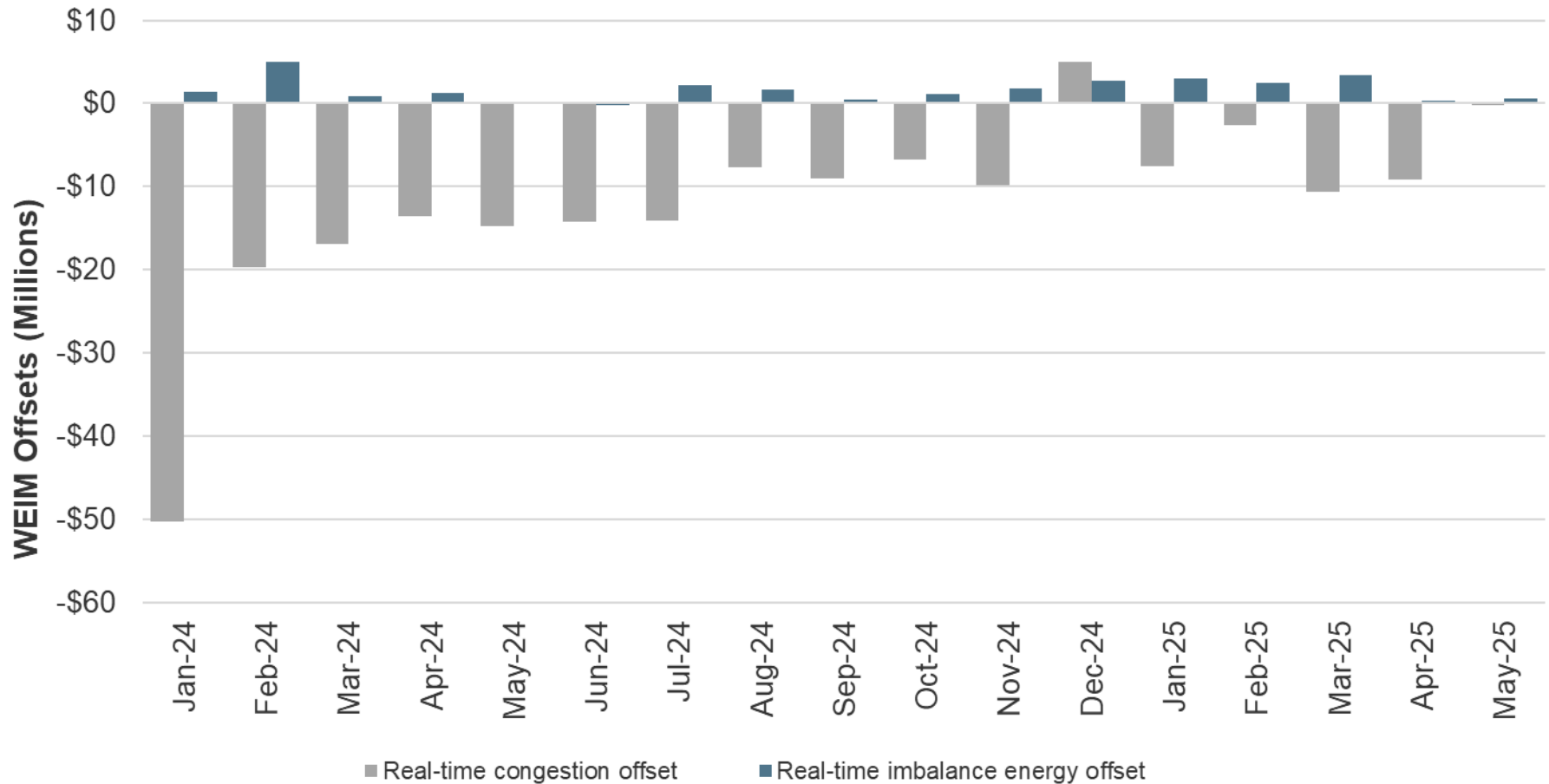
This trend does not include cost associated to the CAISO balancing area

ISO real-time offsets remain within typical levels in recent months



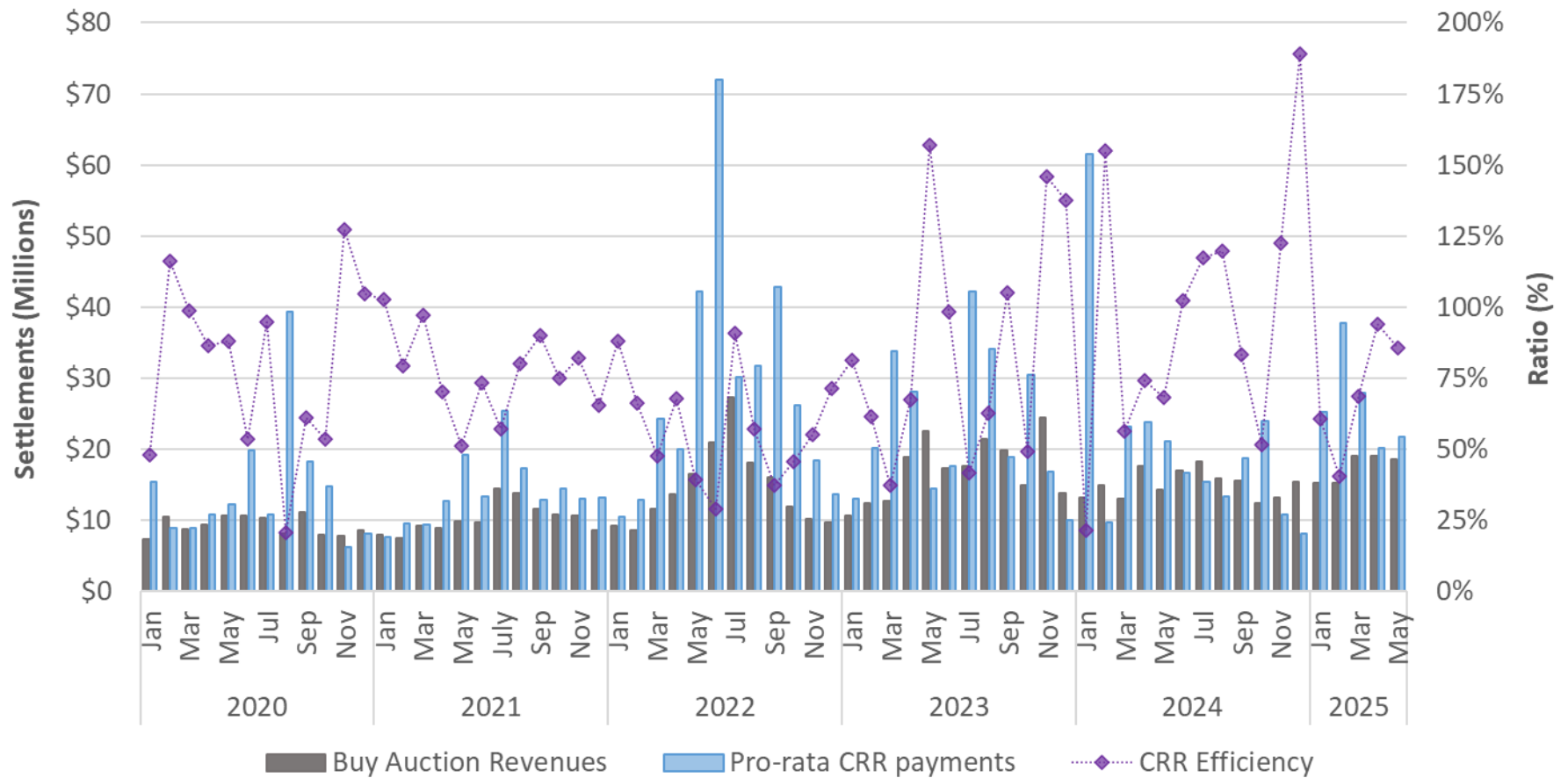
*Both real-time congestion offsets and congestion revenue right surplus/shortfalls are allocated to measured demand

Real-time offset costs in the imbalance market areas, excluding ISO, remain at low levels



A negative value represents a payment to the balancing area

Auction efficiency for congestion revenue rights increased in recent months with milder congestion



Enhancement to storage resource modelling

- The ISO identified that upward flexible ramping product awards were not factored into storage resource state of charge estimates.
- The ISO developed an enhancement to address this gap and discussed this with market participants in three different sessions.
- The enhancement was added to the real-time market on June 3. This enhancement accounts for upward flexible ramping product awards in the state of charge of batteries.
- This change is documented in the Market Operations Business Practice Manual section 7.8.2.5 and in the Market Operations Proposed Revision Request #1627.

Enhancement to storage resource modelling

- The enhancement is working as intended based on the first three weeks of operational data.
- No significant changes to market results have been observed after the enhancement, but load is moderate.
- As summer conditions develop, ISO will continue to assess and report on the enhancement's performance.
- ISO presented an update on enhancement performance in the Market Performance and Planning Forum on June 26.