

192 FERC ¶ 61,195
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: David Rosner, Chairman;
Lindsay S. See and Judy W. Chang.

Portland General Electric Company

Docket Nos. ER25-1868-000
ER25-1868-001

ORDER ACCEPTING TARIFF REVISIONS SUBJECT TO CONDITION

(Issued August 29, 2025)

1. On April 3, 2025, pursuant to section 205 of the Federal Power Act (FPA)¹ and part 35 of the Commission's regulations,² Portland General Electric Company (Portland) filed proposed revisions to its Open Access Transmission Tariff (Tariff) to enable its participation in the California Independent System Operator Corporation (CAISO) Extended Day-Ahead Market (EDAM). The proposed revisions to Portland's Tariff would enable Portland to schedule on behalf of generation resources and load-serving entities (LSE) in CAISO's day-ahead market and process EDAM-related settlements. As discussed below, we accept Portland's revisions to Attachment P-1 of its Tariff, effective June 2, 2025, as requested.³ We also accept the remainder of Portland's proposed revisions, subject to condition, effective as of the actual implementation date, as requested.⁴

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2024).

³ Portland General Electric Company, Portland General Electric OATT Volume No. 8, attach. P-1 EDAM Preparation Activities (1.1.0) (Portland Tariff).

⁴ See Appendix for eTariff records.

I. Background

A. Western Energy Imbalance Market (WEIM)

2. In June 2014, the Commission conditionally accepted revisions to CAISO's tariff to implement the WEIM,⁵ which allows other balancing authority areas (BAA) in the Western Interconnection to participate in the imbalance energy portion of CAISO's real-time market. In the WEIM, participating entities may purchase and sell energy in the 15- and five-minute real-time markets to meet their energy imbalance needs. Participation in the WEIM is voluntary, and participating balancing authorities retain their reliability responsibilities and manage their own day-ahead processes and ancillary services requirements. Currently, the WEIM has 22 participants that represent roughly 80% of load within the Western Electricity Coordinating Council.⁶

B. CAISO's Extended Day-Ahead Market

3. CAISO's existing day-ahead market consists of four steps: (1) bid submission; (2) market power mitigation of the submitted bids to supply energy, ancillary services, and residual unit commitment (RUC) capacity; (3) the Integrated Forward Market; and (4) the RUC process.⁷ CAISO's EDAM extends participation in the CAISO day-ahead market to entities outside the CAISO BAA; participants in EDAM manage their electricity needs and supplies on a day-ahead and real-time basis.

4. On December 20, 2023, the Commission accepted CAISO's proposed EDAM tariff revisions pertaining to EDAM onboarding and implementation, effective December 21, 2023, and accepted in part and rejected in part the balance of CAISO's EDAM tariff revisions effective as of the actual implementation date.⁸ On February 16, 2024, CAISO submitted revisions to its tariff to add and modify provisions in compliance with the directives in the EDAM Order, which the Commission accepted on April 30,

⁵ *Cal. Indep. Sys. Operator Corp.*, 147 FERC ¶ 61,231 (WEIM Order), *reh'g denied*, 149 FERC ¶ 61,058 (2014).

⁶ The WEIM only settles imbalance energy, which is a fraction of the energy needed to settle the 80% of load that participating entities represent. In contrast to CAISO's existing day-ahead and real-time markets, the WEIM does not procure or settle ancillary services.

⁷ Capitalized terms used but not otherwise defined in this order have the meanings ascribed to them in their respective Tariffs.

⁸ *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 (2023) (EDAM Order).

2024.⁹ On June 11, 2024, the Commission accepted further revisions to CAISO's tariff to enable the EDAM access charge, which the Commission initially rejected in the EDAM Order.¹⁰

5. Similar to the WEIM, participation in EDAM is voluntary at the BAA level, and participating BAAs manage their electricity needs and supplies through CAISO's day-ahead and real-time markets.¹¹ There are four main participant roles in each BAA participating in EDAM, with each role represented by a scheduling coordinator: (1) Balancing Authority (EDAM Entity),¹² (2) Resource Owner/Operator (EDAM Resource and EDAM Resource Facility), (3) Transmission Service Provider (EDAM Transmission Service Provider), and (4) LSE (EDAM Load-Serving Entity).¹³ The primary prerequisite for balancing authorities to join EDAM is current participation in, or concurrently joining, the WEIM. Each participating balancing authority remains responsible for maintaining the reliability of its BAA, and functional separation of participants in EDAM will remain like in the WEIM.¹⁴ Unlike in the WEIM, which allowed for non-participating resources, all resources within an associated BAA must participate in EDAM (which also entails real-time market participation) by submitting economic bids and self-schedules.¹⁵

⁹ Transmittal at 15 (citing *Cal. Indep. Sys. Operator Corp.*, Docket No. ER23-2686-001 (Apr. 30, 2024) (delegated letter order)).

¹⁰ *Cal. Indep. Sys. Operator Corp.*, 187 FERC ¶ 61,154 (2024).

¹¹ Transmittal at 7.

¹² CAISO's tariff defines EDAM Entity as "A Balancing Authority that enters into an EDAM Addendum to WEIM Entity Agreement with the CAISO to enable the operation of the Day-Ahead Market in addition to the Real-Time Market in the EDAM Entity Balancing Authority Area. The CAISO is not an EDAM Entity." CAISO, CAISO eTariff, app. A Definitions (0.0.0) (defining EDAM Entity) (CAISO eTariff).

¹³ Transmittal at 7 (citing *Cal. Indep. Sys. Operator Corp.*, Transmittal Letter, Docket No. ER23-2686-000, at 106 (filed Aug. 22, 2023) (CAISO EDAM Transmittal)).

¹⁴ CAISO, CAISO eTariff, § 33.4 Roles and Responsibilities (6.0.0)).

¹⁵ *Id.* § 33.4.4 EDAM Resource (0.0.0), § 33.4.4.2; *id.* app. B.27 (EDAM Addendum to EIM Entity Agreement (0.0.0)). Existing WEIM non-participating resources currently represented by a WEIM Entity scheduling coordinator can either establish a direct scheduling coordinator relationship with CAISO under EDAM or be represented by the EDAM Entity Scheduling Coordinator.

6. EDAM will optimize all resources and loads within the market to ensure scheduled and forecasted loads are met; load and resources will be subject to day-ahead and real-time market pricing under CAISO's locational marginal price (LMP) model. Notably, EDAM will not co-optimize ancillary services. During EDAM bid submission, scheduling coordinators must provide either an economic bid or a self-schedule for all resources and loads.¹⁶ Prior to running the day-ahead market, CAISO runs the Resource Sufficiency Evaluation (RSE) for each BAA in the EDAM area to determine if each BAA's resources are sufficient to meet its projected needs in the day-ahead market. After the day-ahead market, CAISO settles EDAM payments and charges with all EDAM Entities. Finally, EDAM includes a greenhouse gas accounting framework that uses bid adders to identify which resources serve demand in a state with carbon pricing policies, allowing scheduling coordinators to recover the compliance cost within designated regulation areas.¹⁷

7. EDAM will produce resource commitments and EDAM energy transfers that CAISO (as the market operator) will settle and allocate to the appropriate scheduling coordinator for the BAA. According to CAISO, the EDAM framework addresses the structure for such charges and the creation of any revenue, noting that individual balancing authorities will distribute charges and revenue to the appropriate entities within their BAA according to the terms and conditions of their individual Open Access Transmission Tariffs (OATT).¹⁸ EDAM will use CAISO's existing post-market settlements timelines and procedures, except when unique features of EDAM settlement necessitate an additional provision, which CAISO states primarily arise in the context of transfer and congestion revenues, greenhouse gas bid adders, and the RSE failure surcharge.¹⁹

C. Portland

8. Portland is a vertically integrated utility that serves approximately 900,000 wholesale and retail customers in the state of Oregon. Portland operates the Portland BAA and provides open access transmission service under its Tariff. Portland owns and operates over 1,200 miles of transmission and is a co-owner of the Northwest AC Intertie.

¹⁶ Scheduling Coordinators for generation resources submit separate bids for energy, ancillary services, and RUC capacity, while those for LSEs submit bids for load. *See id.* § 4.5.1 Scheduling Coordinator Certification (18.0.0); *id.* § 4.5.3 Responsibilities of a Scheduling Coordinator (12.0.0).

¹⁷ EDAM Order, 185 FERC ¶ 61,210 at P 17.

¹⁸ CAISO EDAM Transmittal at 198.

¹⁹ EDAM Order, 185 FERC ¶ 61,210 at P 18.

Portland currently participates in the WEIM administered by CAISO and began its participation in 2017.²⁰ Portland is also a participant in the Western Resource Adequacy Program (WRAP).

D. PacifiCorp EDAM Implementation Filing

9. PacifiCorp is an Oregon corporation that provides retail electric service in portions of six states and electric transmission service in nine Western states. PacifiCorp operates two BAAs, one of which is adjacent to Portland's, and is also a current WEIM participant. On January 16, 2025, PacifiCorp filed proposed revisions to its Tariff to enable its participation in EDAM in Docket No. ER25-951. The Commission is issuing an order concurrently accepting PacifiCorp's proposed tariff revisions to enable its EDAM participation (PacifiCorp EDAM Order).²¹

E. CAISO EDAM Congestion Revenue Allocation Filing

10. On June 26, 2025, CAISO filed revisions to its tariff to modify the allocation of congestion revenues among BAAs participating in EDAM so that the day-ahead congestion revenues attributable to parallel flows are allocated to the EDAM BAA where market participants paid prices that include those congestion costs, rather than to the BAA where the constraint occurs. The Commission is issuing an order concurrently accepting CAISO's proposed tariff revisions, which address certain comments that are outside the scope of this proceeding, as discussed below.²²

II. Portland Filing

11. Portland states that, following its successful participation in the WEIM, joining EDAM will allow the efficient optimization of pooled resources and transmission, which will support Portland's ability to serve load growth, meet customer and state climate goals, and achieve cost savings for Portland and its customers.²³ Portland explains that participation in EDAM, like participation in the WEIM, requires revisions to the OATTs of transmission service providers that wish to join EDAM. Further, transmission service providers must make certain decisions on how to implement EDAM participation under their OATTs because CAISO's EDAM tariff provisions leave those decisions to the

²⁰ Transmittal at 2; *Portland Gen. Elec. Co.*, Docket No. ER17-1075-000 (Apr. 19, 2017) (delegated order).

²¹ *PacifiCorp*, 192 FERC ¶ 61,197 (2025).

²² *Cal. Indep. Sys. Operator Corp.*, 192 FERC ¶ 61,196 (2025).

²³ Transmittal at 1-4.

transmission service providers.²⁴ Portland states that in many cases it has chosen to adopt EDAM implementation decisions and Tariff language similar to PacifiCorp, but it has also made implementation decisions specific to Portland. Portland asserts that despite the general alignment with PacifiCorp's proposed tariff revisions, its filing stands on its own as just and reasonable and consistent with or superior to the Commission's *pro forma* OATT.²⁵ Portland acknowledges the ongoing stakeholder process with CAISO to address external congestion issues in EDAM but states that this issue is beyond the scope of its filing.²⁶

12. To enable its EDAM participation in advance of the date when its remaining EDAM Tariff provisions take effect, Portland proposes a new Attachment P-1 to its Tariff, which contains a single provision requiring transmission customers to take necessary steps to prepare for Portland's participation in EDAM and refers to certain EDAM "onboarding" provisions in CAISO's tariff that are already in effect. Portland represents that Attachment P-1 will assist transmission customers in executing scheduling coordinator agreements and taking other actions that may be required to meet a customer's objective of acting as its own Scheduling Coordinator for load. Portland adds that Attachment P-1 will assist Portland in gaining necessary modeling information and fulfilling its onboarding responsibilities as the EDAM Entity. Portland requests an effective date of June 2, 2025, for Attachment P-1, and explains that Attachment P-1 is the sole provision with that effective date.²⁷

13. On May 29, 2025, Commission staff issued a deficiency letter advising Portland that additional information was necessary to process its filing.²⁸ On June 30, 2025, Portland filed a response to the Deficiency Letter, which amended its filing.²⁹

²⁴ *Id.* at 7.

²⁵ *Id.* at 8-9.

²⁶ *Id.* at 2. As noted above, the Commission is issuing an order in Docket No. ER25-2637-000 concurrently accepting CAISO's proposed tariff revisions that resulted from this stakeholder process.

²⁷ *Id.* at 37.

²⁸ *Portland Gen. Elec. Co.*, Docket No. ER25-1868-000 (May 29, 2025) (delegated order) (Deficiency Letter).

²⁹ Portland June 30, 2025 Deficiency Letter Response (Portland Deficiency Letter Response).

III. Notice and Responsive Pleadings

14. Notice of the filing was published in the *Federal Register*, 90 Fed. Reg. 15233 (Apr. 9, 2025), with interventions and protests due on or before April 24, 2025. On April 10, 2025, Powerex Corp. (Powerex) filed a motion for extension of the comment period. On April 18, 2025, a notice was issued extending the deadline for submitting comments, protests, and motions to intervene from April 24, 2025, to and including May 1, 2025. Seattle City Light Department; Nevada Power Company and Sierra Pacific Power Company (together, NV Energy); Balancing Authority of Northern California (BANC); Pacific Gas and Electric Company (PG&E); Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California; PacifiCorp; Idaho Power Company; DC Energy, LLC; Northwest Power Pool; and Northern California Power Agency filed timely motions to intervene. Utah Municipal Power Agency filed an out-of-time motion to intervene.

15. CAISO filed a timely motion to intervene and comments (CAISO May 1 Comments). Tri-State Generation and Transmission Association, Inc. (Tri-State); Brookfield Renewable Energy Marketing US LLC and Brookfield Renewable Trading and Marketing LP (together, Brookfield Renewable); Bonneville Power Administration (Bonneville); Shell Energy North America (US), L.P. (Shell Energy); Salt River Project Agricultural Improvement and Power District (Salt River Project); Southwest Power Pool, Inc. (SPP); Renewable Northwest and American Clean Power Association (together, Clean Energy Associations); Puget Sound Energy, Inc. (Puget Sound Energy); Calpine Corporation (Calpine); City of Tacoma, Department of Public Utilities (Tacoma); Indicated WRAP Participants;³⁰ Western Power Trading Forum (WPTF) and Northwest & Intermountain Power Producers Coalition (NIPPC); Powerex; and The Energy Authority, Inc. (The Energy Authority)³¹ filed timely motions to intervene and protests. Public Power Counsel (PPC) filed a timely motion to intervene and out-of-time protest.

³⁰ The Indicated WRAP Participants are Arizona Public Service Company, Avista Corporation, Bonneville, Public Utility District No 1 of Chelan County, Clatskanie People's Utility District (Clatskanie), Powerex, Puget Sound Energy, Salt River Project, Shell Energy, Public Utility District No. 1 of Snohomish County, Tacoma, and The Energy Authority. Clatskanie did not file a motion to intervene.

³¹ The Energy Authority submitted a protest with Cowlitz County Public Utility District (Cowlitz), Franklin County Public Utility District (Franklin), Klickitat Public Utility District (Klickitat), and Lewis County Public Utility District (Lewis). Cowlitz, Franklin, Klickitat, and Lewis did not file motions to intervene. The protest is referred to herein as The Energy Authority Protest.

16. On May 19, 2025, CAISO filed a motion for leave to answer and answer. On May 23, 2025, Portland filed a motion for leave to answer and answer (Portland May 23 Answer). On June 9, 2025, Calpine filed a motion for leave to answer and answer. On June 18, 2025, Bonneville filed a motion for leave to answer and answer.

17. Notice of Portland's Deficiency Letter Response was published in the Federal Register, 90 Fed. Reg. 29539 (July 3, 2025), with interventions and protests due on or before July 21, 2025. SPP (SPP July 21 Comments) and CAISO (CAISO July 21 Comments) filed timely comments to Portland's Deficiency Letter Response. On July 21, 2025, Powerex (Powerex July 21 Protest) filed timely comments on Portland's Deficiency Letter Response and a motion for leave to answer and answer to Portland's May 23, 2025 Answer.

18. On July 29, 2025, Powerex filed a motion for leave to file supplemental comments and comments on Portland's Deficiency Letter Response (Powerex July 29 Protest). On August 5, 2025, SPP filed a motion for leave to file additional comments and comments on Portland's Deficiency Letter Response (SPP August 5 Comments). On August 7, 2025, CAISO filed a motion for leave to answer and answer to the Powerex July 21 Protest (CAISO August 7 Answer). On August 13, 2025, Portland filed a motion for leave to answer and answer (Portland August 13 Answer). On August 21, 2025, CAISO filed a motion for leave to answer and answer to the Powerex July 29 Protest and SPP August 5 Comments (CAISO August 21 Answer).

IV. Discussion

A. Procedural Matters

19. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.³²

20. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we grant Utah Municipal Power Agency's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

21. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2024), prohibits an answer to a protest or answer unless otherwise

³² Entities that filed comments or protests but did not file a notice of intervention or motion to intervene are not parties to this proceeding. *See* 18 C.F.R. § 385.211(a)(2) (2024) ("The filing of a protest does not make the protestant a party to the proceeding.").

ordered by the decisional authority. We accept the answers filed in this proceeding because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

1. General Issues

a. Comments and Protests

22. CAISO states that it supports Portland's EDAM implementation filing and asserts that Portland's proposed Tariff revisions align with the requirements of CAISO's EDAM tariff provisions.³³ CAISO states that Portland's proposed Tariff revisions represent the next step in the evolution and expansion of West-wide markets and that acceptance of Portland's Tariff will enable Portland and other participants to realize economic benefits.³⁴ CAISO explains that EDAM will necessarily evolve over time as CAISO, participants, and stakeholders gain operational experience with the initial design and that, to this end, it will engage with stakeholders at all levels to evolve the market design in the same spirit of collaboration it has demonstrated to date.³⁵

23. The Energy Authority asserts that Portland's proposed revisions to effectuate EDAM participation are not just and reasonable because they "force" participation on wheeling customers.³⁶

24. Bonneville and Salt River Project state that because of the similarities between Portland's proposed Tariff revisions and those of PacifiCorp, many issues identified by the Commission and other entities in the PacifiCorp proceeding remain unresolved in Portland's filing.³⁷

25. SPP explains that it has an interest in aspects of Portland's proposal that will complicate seams issues, affect open access principles, and impact firm transmission rights for its customers. SPP states that Portland has proposed to adopt many of the contested provisions that PacifiCorp has proposed that were the subject of the Commission's inquiry in a deficiency letter. Because these issues are not resolved in the

³³ CAISO May 1 Comments at 1-2.

³⁴ *Id.* at 8-9.

³⁵ *Id.* at 9-10.

³⁶ The Energy Authority Protest at 1-2.

³⁷ Bonneville Protest at 1-4; Salt River Project Protest at 1.

PacifiCorp proceeding, SPP asserts that the Commission cannot accept Portland's proposal without the resolution of similar issues by Portland.³⁸ SPP states that it is critical that the Commission evaluate the impact of proposals such as Portland's on other markets, programs, or proposals and guard against the erosion of key governing principles such as open access and transmission rights.³⁹

26. Other protesters cite EDAM governance concerns as a reason to reject Portland's proposal. WPTF and NIPPC believe that CAISO's delegation of OATT provision development to individual BAAs that seek to join EDAM represents a major limitation of the overall market design. They argue that, unless overall EDAM governance modifications are enacted, the current design could result in either: (1) an EDAM Entity implementing an OATT design that is inconsistent with the intended EDAM market design; or (2) EDAM Entities implementing market provisions that are highly inconsistent with one another.⁴⁰ WPTF and NIPPC recommend expanding the Charter of the Western Energy Market Governing Body to include an express responsibility to review and approve each EDAM Entity's proposed EDAM implementation OATT provisions to ensure consistency with CAISO's EDAM market design and avoid adverse effects on the EDAM market. WPTF and NIPPC encourage CAISO to work with EDAM Entities and stakeholders to adopt *pro forma* implementation provisions to ensure consistency throughout the footprint while avoiding the "race to file" that is created by the current approach to EDAM implementation.⁴¹

b. Answers

27. Portland states that the majority of the comments in this proceeding are supportive of the West moving towards greater regionalization and market integration and that the Commission should examine whether protesters address Portland's proposal or seek to undermine the underlying EDAM market design itself, which the Commission has already approved.⁴² Portland states that it is understandable that many parties have the same concerns as those in the PacifiCorp proceeding, but asserts that the Commission has already addressed many of these concerns. Portland contends that protesters offer a "wish-list" of changes to Portland's proposal rather than evaluate the proposed Tariff under the just and reasonable standard. Portland asserts that the Commission has allowed

³⁸ SPP Protest at 11-12.

³⁹ SPP Protest at 1-6.

⁴⁰ WPTF and NIPPC Protest at 32-33.

⁴¹ *Id.* at 35.

⁴² Portland May 23 Answer at 2-3.

flexibility in the development of regional market constructs and that different approaches to designing EDAM and SPP's Markets+⁴³ reflect legitimate regional differences.⁴⁴ Portland states that it will continually monitor the market and enhancements proposed by other EDAM participants, and what may be suitable for Portland, and states that it would bring those enhancements to the Commission through the appropriate filings.⁴⁵ Portland requests the Commission accept its filing so that it may continue timely preparations to join EDAM in 2026.⁴⁶

28. CAISO states that EDAM builds upon the platform and success of the WEIM, which has delivered \$6.99 billion in cumulative economic savings to WEIM participants. CAISO asserts that the Commission should not delay or condition Portland's participation in EDAM unnecessarily as Portland's EDAM participation is a significant milestone in extending Western markets. CAISO states that Portland's proposed Tariff is consistent with CAISO's tariff and is consistent with or superior to the *pro forma* OATT. CAISO explains that many of the concerns protesters raise are identical to those raised in PacifiCorp's EDAM implementation proceeding and that in lieu of duplicating its responses, CAISO includes as an attachment its response in the PacifiCorp proceeding.⁴⁷

c. Determination

29. We find that Portland's proposed Tariff revisions, which implement Portland's participation in EDAM, are just and reasonable and not unduly discriminatory or preferential and are consistent with or superior to the *pro forma* OATT. We accept

⁴³ Markets+ is a Commission-approved day-ahead market that will be operated by SPP in the Western Interconnection. Markets+ intends to go-live in quarter 2 of 2027 and has participation commitments from a number of Western utilities. Like EDAM, Markets+ participants will need to revise their OATTs to effectuate their participation. *Sw. Power Pool, Inc.*, 190 FERC ¶ 61,030, at PP 95, 329 (Markets+ Order), *order on reh'g & clarification*, 191 FERC ¶ 61,177 (2025).

⁴⁴ Portland May 23 Answer at 59 (citing *Regional Transmission Orgs.*, Order No. 2000, FERC Stats. & Regs. ¶ 31,089 (1999) (cross-referenced at 89 FERC ¶ 61,285), PP 52-53; *Wholesale Competition in Regions with Organized Elec. Mkts.*, Order No. 719, 125 FERC ¶ 61,071, at P 159 (2008) (noting that regional flexibility alongside its created demand response criteria will allow for creation of market rules tailored to regional markets)).

⁴⁵ Transmittal at 28.

⁴⁶ Portland May 23 Answer at 5.

⁴⁷ CAISO May 19 Answer at 1-3.

Portland's revisions to Attachment P-1,⁴⁸ effective June 2, 2025, as requested. We accept the remaining proposed Tariff revisions, subject to condition, effective as of the actual implementation date, as requested. No less than seven days prior to the date Portland implements the proposed Tariff revisions with a 12/31/9998 effective date, Portland is required to make a compliance filing in this docket through the Commission's eTariff system with the accepted Tariff record text, that establishes the actual effective date of the Tariff records and designates the records accepted in this order as OBE (overtaken by events).⁴⁹

30. We generally limit our discussion and findings below to those aspects of Portland's proposal that are contested by commenters. We find that the aspects of Portland's proposal that are not contested and not specifically discussed herein are just and reasonable and not unduly discriminatory or preferential and are consistent with or superior to the *pro forma* OATT.⁵⁰

31. Further, we disagree with protesters' arguments that Portland's filing is premature due to its similarity to PacifiCorp's contested tariff revisions. For the reasons discussed below, we find that Portland has demonstrated independently of PacifiCorp that its proposed Tariff revisions are just and reasonable and not unduly preferential or discriminatory and are consistent with or superior to the *pro forma* OATT.

32. Regarding The Energy Authority's argument on the voluntary nature of EDAM, we find that Portland's proposal is consistent with the EDAM market design previously approved by the Commission. In the EDAM Order, the Commission understood that

⁴⁸ Portland Tariff, attach. P-1 EDAM Preparation Activities (1.1.0).

⁴⁹ Portland must make a compliance filing using Type of Compliance Code 80 in this docket by including the associated filing identifier (associated_filing_id) for this filing at the filing level. The filing must include Tariff records with the effective date for the previously-accepted Tariff records and that also includes, at the Tariff record level, the associated filing identifier (associated_filing_id), associated record id (associated_record_id), and associated option code (associated_option_code) of the original Tariff records accepted with a 12/31/9998 date.

⁵⁰ These proposed Tariff revisions include, among others, revisions to: (1) designate the Portland EDAM Entity as the Scheduling Coordinator Metered Entity for EDAM LSEs and EDAM Resource Facilities, which does not include metering facilities that Portland does not own; (2) address system operations under normal and emergency conditions, including Portland's responsibilities for maintaining reliable operation of its BAA consistent with good utility practice; and (3) sub-allocate payments and charges associated with the EDAM access charge. *See generally* Transmittal at 29-37 (enumerating proposed Tariff revisions).

EDAM was only voluntary at the BAA level, and the Commission found that “WEIM entities (i.e., balancing authorities participating in the WEIM) are the appropriate participants in EDAM because in many cases, the EDAM Entity will be the only or most significant transmission service provider in a BAA.”⁵¹

33. Finally, we are not persuaded by protesters’ requests for *pro forma* EDAM implementation provisions. Each EDAM Entity has unique circumstances that it may need to account for in its proposed EDAM implementation provisions. Prospective EDAM participants must demonstrate that their proposed OATT revisions to implement their participation in EDAM are consistent with the EDAM design. Moreover, the Commission in the EDAM Order expressly stated that “in accepting CAISO’s proposal, we are not pre-judging a prospective EDAM Entity’s or EDAM transmission service provider’s future filing to revise its OATT; these entities will still need to demonstrate that their proposed OATT revisions are consistent with or superior to the *pro forma* OATT.”⁵²

2. Congestion Revenue Allocation

a. Background

34. Under CAISO’s tariff, EDAM transfer revenue will be generated when one BAA in the EDAM area provides energy, imbalance reserves, and/or reliability capacity to another BAA in the EDAM area and there is a difference in the prices of the associated EDAM transfer system resources or components. Congestion revenue, meanwhile, is “collected when a Transmission Constraint or intertie scheduling limit binds at different locations of the transmission system and the LMP varies across a [BAA] in the EDAM Area.”⁵³ Under its tariff, CAISO will allocate congestion revenue arising from parallel flows and associated with balanced day-ahead self-schedules for eligible firm OATT transmission service rights to the BAA where the congestion revenue accrued. CAISO will then allocate the remaining congestion revenues associated with parallel flows to the BAA where the internal transmission constraint arises; thus, each EDAM Entity will need to update its OATT prior to participating in EDAM to propose a method for sub-allocating those revenues within its BAA.

⁵¹ *Id.* P 220; *see also id.* P 20 (“similar to the WEIM, EDAM participation is voluntary and on a balancing authority level”).

⁵² EDAM Order, 185 FERC ¶ 61,210 at P 308.

⁵³ CAISO, CAISO eTariff, § 33.11.1 (Transfer Revenue and Congestion Revenue Allocation) (0.0.0).

b. Portland Filing

35. Portland explains that it would implement section 33.11.1.2 of the approved CAISO tariff through a two-step sub-allocation process.⁵⁴ Portland states that in Step One, the Portland EDAM Entity seeks to reverse day-ahead congestion price differentials (positive or negative) arising from the Portland BAA for balanced self-schedules (point-to-point transmission service and network integration transmission service customers) associated with firm monthly and longer-term transmission service rights. Portland goes on to explain that in Step Two, the amount remaining in Charge Code 8704 after the Step One allocation (i.e., the amount remaining in that account for the EDAM Entity to sub-allocate) will be proportionally allocated to load and exports for the applicable period not already included in the Step One allocation. Portland avers that Step Two is essentially the same as a “Measured Demand” allocation except that it excludes any entities that received congestion revenue in Step One, to avoid double-payments.⁵⁵ Portland argues that this approach creates an “equitable hedge” for transmission customers and network load alike, in contrast to the “perfect hedge” that some stakeholders request.⁵⁶

36. Portland states that it is aware that various Western stakeholders have raised concerns in different forums about the potential for congestion charges due to loop flow on neighboring systems, and that an allocation method does not yet exist for such costs in the EDAM design. Portland asserts that this issue is outside of the scope of its filing, but nonetheless offers to delay its EDAM participation until CAISO completes review of external congestion settlement issues and acknowledges that the Commission may condition its acceptance of Portland’s proposal upon this commitment.⁵⁷

37. Portland explains that the “single-system” approach (e.g., a standalone balancing authority) to transmission scheduling under its Tariff relies on limited redispatch for the management of transmission constraints, but such management has always come at a cost to transmission customers as standalone balancing authorities have limited tools to

⁵⁴ Transmittal at 17.

⁵⁵ *Id.*

⁵⁶ *Id.* at 15, 17. However, Portland proposes to allow legacy-pre-OATT rights holders to participate without congestion impacts, which it deems a “perfect hedge” from CAISO, or to release their rights to be eligible to receive transfer or congestion revenues. *Id.* at 13 (citing Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.1).

⁵⁷ *Id.* at 2.

manage transmission constraints and cannot economically optimize redispatch.⁵⁸ As such, Portland asserts that significant cost reductions can be achieved by expanding beyond the Tariff's single-system approach to load and resource management to a multi-system pooled approach that optimizes transmission, load, and resources. Portland claims that the Commission has never held that OATT customers must receive a "perfect hedge" from all potential congestion charges and instead has limited this comprehensive protection to the discrete class of legacy/pre-OATT transmission service contracts.⁵⁹

c. Comments and Protests

i. Cost Causation and Transmission Pricing Policy

38. WPTF and NIPPC argue that Portland's proposal violates the cost causation principle by subjecting firm transmission customers that submit balanced self-schedules to costs they did not cause. They further claim that charges imposed on Portland's firm transmission customers will be used to subsidize the provision of service to customers within the BAA where the internal constraint arises, due to CAISO allocating EDAM congestion revenues to a BAA where the constraint is binding. WPTF and NIPPC argue that Portland's proposal will reduce the cost of service for CAISO customers at the expense of Portland transmission customers and their ratepayers.⁶⁰

39. Powerex argues that Portland's proposal to reverse congestion charges arising from the Portland BAA for balanced self-schedules amounts to a new charge for transmission service that is unrelated to the costs of Portland's transmission facilities, its transmission losses, and ancillary services, and is divorced from allowable redispatch costs on Portland's system. Powerex states that the *pro forma* OATT does not allow Portland to charge firm customers for the cost of redispatch to manage congestion on other systems, and that under Portland's proposal, congestion price differences within

⁵⁸ *Id.* at 18.

⁵⁹ *Id.* (citing *Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274, at PP 931-46, 976 n.416, 1000, *order on reh'g & clarification*, 119 FERC ¶ 61,076 (2006), *order on reh'g & clarification*, 120 FERC ¶ 61,271 (2007); *Cal. Indep. Sys. Operator Corp.*, 110 FERC ¶ 61,113, at PP 61-62 (2005); *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,236, at P 232 (2004), *order on reh'g*, 111 FERC ¶ 61,042, *order on reh'g*, 112 FERC ¶ 61,311 (2005), *aff'd sub nom. Wisc. Pub. Power, Inc. v. FERC*, 493 F.3d 239 (D.C. Cir. 2007)).

⁶⁰ WPTF and NIPPC Protest at 24-26 (asserting that the Commission cannot approve Portland's proposal when it will have the effect of requiring Portland customers to subsidize service to CAISO BAA customers). *See also* Calpine Protest at 22-23 (indicating support for WPTF and NIPPC's Protest).

Portland's BAA will result from constraints outside of the Portland system. Powerex also argues that congestion price differences will be charged on the full quantity of each transmission customer's scheduled deliveries, whereas under the *pro forma* OATT, redispatch costs are incurred only on the quantity of electricity production needed to relieve the applicable constraint.⁶¹ According to Powerex, these new, unhedged congestion charges amount to "and" pricing, which is prohibited under the Commission's Transmission Pricing Policy Statement.⁶²

40. PPC states that Portland's proposed two-step congestion revenue allocation arbitrarily uses different methodologies to return congestion revenue to similarly situated transmission customers. PPC argues that Portland's proposal to only allocate congestion revenue to balanced self-schedules is problematic and based upon flawed rationale. PPC argues that Portland does not provide clear reasoning as to how a congestion hedge for economically awarded schedules would undermine the efficiency of a market and its embedded congestion price signals. PPC states that it expects resources will still bid according to their marginal costs, in which case the market would be able to rely on economic bids to most economically dispatch around constraints to meet demand. PPC asserts that if anything, explicitly tying a congestion payment to self-schedules, or any specific schedule, creates economic incentive for a less efficient dispatch as resources will want to receive market schedules to receive congestion payments. PPC argues that Portland incorrectly characterizes stakeholder concerns as "speculative and out of scope" in relation to congestion and argues that Portland could address protesters' concerns within the confines of its Tariff.⁶³

41. Indicated WRAP Participants and Bonneville also assert that Portland's congestion revenue allocation proposal violates the Commission's longstanding

⁶¹ Powerex Protest at 38-39 (citing *pro forma* OATT §§ 13.5, 15.4, 27).

⁶² *Id.* at 40 (citing *Inquiry Concerning the Commission's Pricing Policy for Transmission Servs. Provided by Pub. Utils. Under the Fed. Power Act*, Policy Statement, 59 Fed. Reg. 55031 (Nov. 3, 1994), FERC Stats. and Regs. ¶ 31,005, at 31,146 (1994) (Transmission Pricing Policy Statement)). Powerex also argues that Portland's proposal abandons the Transmission Pricing Policy Statement's principle that "a utility must allocate among individual customers or classes of customers that portion of the total revenue requirement that is attributable to providing transmission services, in a manner which appropriately reflects the costs of providing transmission service to such customers or classes of customers." *Id.* (quoting Transmission Pricing Policy Statement, FERC Stats. & Regs. ¶ 31,005 at 31,141).

⁶³ PPC Protest at 7-9.

transmission pricing principles in the *pro forma* OATT.⁶⁴ Specifically, Indicated WRAP Participants assert that under these principles, transmission service is provided largely at fixed rates based on embedded cost of transmission facilities, plus limited variable charges that follow cost-causation principles; however the *pro forma* OATT does not enable a transmission service provider to impose new fixed or variable charges unrelated to the cost of providing transmission service on its system—and certainly does not enable other transmission service providers to collect and retain a share of congestion charges paid by transmission customers of the transmission system at issue.⁶⁵

ii. Unhedgeable Costs and Inferiority to OATT Firm Service

42. Several protesters argue that Portland's proposal does not provide long-term firm transmission holders with certainty that these transmission rights are firm for both the physical and financial components of the transaction. Protesters assert that Portland's proposal will undermine the certainty that LSEs and market participants depend upon to enter long-term supply agreements and that customers within the Portland BAA will not have access to financial transmission rights (FTRs) or another instrument to hedge exposure to congestion differentials within the Portland BAA arising from other EDAM BAA constraints.⁶⁶ Powerex states that although the *pro forma* OATT establishes that firm service be both firm in price and quantity, Portland's proposal would set aside the requirement that firm service be firm in price. Powerex asserts that all Commission-approved organized markets have ensured that market participants have a mechanism to hedge their congestion costs from the source to the sink of their transmission rights. Powerex states that there must be a mechanism to offset the cost and manage the financial risk of those charges.⁶⁷

⁶⁴ Indicated WRAP Participants Protest at 16; Bonneville Protest at 26.

⁶⁵ Indicated WRAP Participants Protest at 16 (noting that variable charges under the *pro forma* OATT are specifically limited to costs incurred by transmission service providers to provide service, namely transmission losses, applicable ancillary services, and re-dispatch to protect reliability on the transmission service provider's system); *see also* Bonneville Protest at 26.

⁶⁶ WPTF and NIPPC Protest at 8-9 (citing CAISO EDAM Transmittal at 14; EDAM Order, 185 FERC ¶ 61,210 at P 307); Shell Energy Protest at 2, 9-10; Salt River Project Protest at 2, 8-9; Clean Energy Associations Protest at 5-9; PPC Protest at 3-6; Puget Sound Energy Protest at 4-5; Tri-State Protest at 2; Calpine Protest at 3, 22-23; Powerex Protest at 19-20; Bonneville Protest at 24-27.

⁶⁷ Powerex May 1 Protest at 30-32 (citing *Long-Term Firm Transmission Rights in Organized Elec. Mkts.*, Order No. 681, 116 FERC ¶ 61,077, at P 30 (2006) (Order

43. Powerex argues that Portland's proposal will require transmission customers that use firm transmission service—including customers with Existing Transmission Contracts/Transmission Ownership Rights (ETC/TOR)—to submit schedules into EDAM, exposing them to new congestion charges between the source and sink of their deliveries. Powerex claims that the charges will be unhedgeable, unpredictable, and potentially large, with significant harmful implications for regional reliability programs, state policy programs, and bilateral agreements.⁶⁸

44. WPTF and NIPPC note that transmission customers within an EDAM BAA are exposed to market pricing for all day-ahead and real-time transactions even when there is no "imbalance," so even firm customers submitting a balanced self-schedule are unable to limit their market pricing exposure. According to WPTF and NIPPC, the risks are exacerbated by requiring transmission customers to self-schedule to receive even a partial hedge of congestion costs. They state that, by requiring transmission customers to offer as price takers, Portland's proposal effectively forces transmission customers to accept any congestion cost amount arising from non-Portland BAA constraints to obtain even a partial hedge.⁶⁹ Powerex similarly argues that the Commission has accepted mechanisms that apply *pro rata* reductions on congestion revenue disbursements, but that the partial reversal proposed here does not address a shortfall in the total congestion charges collected.⁷⁰ WPTF and NIPPC state that Portland's solution for parties with transmission service agreements with Portland is to buy congestion revenue rights (CRRs) on the CAISO system.⁷¹ Brookfield Renewable states that it shares NIPPC's and WPTF's concern about the ability of third-party transmission rightsholders such as Brookfield Renewable to adequately hedge congestion cost exposure under Portland's proposed OATT revisions.⁷²

No. 681)); *see also* Indicated WRAP Participants Protest at 14-16 (citing CAISO eTariff, § 33.18.1 Transmission at EDAM External Interties (0.0.0), § 33.18.1.4; EDAM Order, 185 FERC ¶ 61,210 at P 2).

⁶⁸ Powerex May 1 Protest at 22-23.

⁶⁹ WPTF and NIPPC Protest at 14-15 (noting that a transmission customer taking service on a WEIM BAA's system is only subject to congestion costs to the extent there is an imbalance between a customer's schedules and real-time transactions).

⁷⁰ Powerex May 1 Protest at 35-36 (citing *PJM Interconnection, L.L.C.*, 163 FERC ¶ 61,165, at P 30 (2018)).

⁷¹ *Id.* at 4.

⁷² Brookfield Renewable Protest at 3.

45. WPTF and NIPPC echo Powerex's arguments that Portland has failed to demonstrate its proposal is consistent with or superior to the *pro forma* OATT, because one of the defining characteristics of firm transmission rights under the *pro forma* OATT is protection from congestion costs. WPTF and NIPPC assert that Portland's proposal will require firm transmission customers to pay highly variable and uncertain congestion charges, will not offer firm transmission customers any protection from congestion charges, and will subject firm transmission customers to new costs.⁷³ Protesters state that section 217 of the FPA and Order No. 681 together require every transmission organization to recognize long-term firm transmission rights as a mandatory feature, and that Portland's proposed Tariff revisions will undermine certainty that LSEs and other market participants depend upon to enter long-term supply arrangements.⁷⁴ Further, Salt River Project argues that exposure to such inappropriate charges will discourage entities from building or purchasing the output from resources that need firm transmission rights on Portland's system or any other EDAM transmission service provider system. Salt River Project argues that the Commission should promote OATT designs that encourage development of resources in the EDAM footprint and the purchases of firm transmission, not discourage them.⁷⁵ PPC similarly asserts that the ability to hedge congestion costs provides protection between a source and sink, limiting unknown cost exposure and supporting forward contracting. PPC argues that the proposed Tariff undermines key OATT firm service attributes that support forward contracting and a competitive wholesale electricity landscape.⁷⁶

46. Powerex and Shell Energy argue that Portland's proposal ignores the requirement in Order No. 681 that firm transmission rights must provide customers with an effective hedge against congestion charges.⁷⁷ Shell Energy states that Portland's proposed "equitable hedge" is a misnomer, because it is neither equitable to the holders of existing

⁷³ WPTF and NIPPC Protest at 10-12, 16 (citing Order No. 681, 116 FERC ¶ 61,077 at P 9, *order on reh'g*, Order No. 681-A, 117 FERC ¶ 61,201 (2006), *order on reh'g and clarification*, Order No. 681-B, 126 FERC ¶ 61,254, at PP 9, 170 (2009)).

⁷⁴ *Id.* at 21-24 (citing 16 U.S.C. § 824q; Order No. 681, 116 FERC ¶ 61,077 at PP 16, 122); Powerex May 1 Protest at 33-34 (citing 16 U.S.C. § 824q; Order No. 681, 116 FERC ¶ 61,077 at PP 16, 101, 108); Salt River Project Protest at 9 (citing 16 U.S.C. § 824q; Order No. 681, 116 FERC ¶ 61,077 at P 116); Shell Energy Protest at 12 (quoting Order No. 681, 116 FERC ¶ 61,077 at PP 11, 170).

⁷⁵ Salt River Project Protest at 9.

⁷⁶ PPC Protest at 7-8.

⁷⁷ Powerex May 1 Protest at 35 (citing Order No. 681, 116 FERC ¶ 61,077 at PP 116, 170 172, 174, 473); Shell Energy Protest at 12.

firm transmission rights nor a hedging tool transmission customers can use to manage risk from new congestion charges.⁷⁸ WPTF and NIPPC assert that Portland has failed to demonstrate that its proposal is consistent with or superior to the *pro forma* OATT, because firm transmission customers will have no way to hedge their exposure to congestion costs arising from external constraints under Portland's proposal. WPTF and NIPPC argue that firm transmission customers will also be exposed to unhedgeable congestion costs even if they submit balanced self-schedules.⁷⁹

47. Indicated WRAP Participants state that the Commission's Order No. 681, which carried out the congressional mandate in the Energy Policy Act of 2005 for transmission rights to specifically support supply procurement activity by LSEs, required allowing LSEs to obtain a long-term firm transmission right for purposes of hedging congestion charges associated with delivery of power from a long-term power supply arrangement to its load. Indicated WRAP Participants assert that Portland's proposal is unjust and unreasonable because it falls far short of the Commission's requirements for financial hedges and eviscerates the intent of Congress to enable LSEs to secure firm transmission rights for power supply arrangements made or planned to meet their load-serving needs.⁸⁰

48. WPTF and NIPPC assert that Portland proposes only to provide a hedge for congestion costs arising from constraints within its BAA and provides no hedge for congestion costs arising from any other constraints in EDAM. WPTF and NIPPC argue that the Commission has recognized, "[w]hen FTRs are fully funded, LSEs and firm point-to-point transmission customers are better situated to manage their exposure to congestion costs in the day-ahead market."⁸¹ WPTF and NIPPC argue that Portland makes revenue inadequacy an inherent feature of EDAM and ignores the risk to which firm transmission customers would be exposed. They further assert that EDAM was intended to allow participating BAAs the benefits of a broader market while respecting OATT rights, but Portland's proposed Tariff revisions would result in firm transmission customers being afforded fewer protections than historically available under the OATT framework.⁸²

⁷⁸ Shell Energy Protest at 10-11.

⁷⁹ WPTF and NIPPC Protest at 14-17.

⁸⁰ Indicated WRAP Participants Protest at 15-16.

⁸¹ WPTF and NIPPC Protest at 18 (quoting *PJM Interconnection, L.L.C.*, 156 FERC ¶ 61,180, at P 8 (2016)).

⁸² *Id.* at 18-20.

49. Clean Energy Associations argue that Portland's proposed Tariff revisions will force customers to self-schedule their transmission rights and become market price takers, while exposing them to new, unhedged market prices. Clean Energy Associations argue that not fully protecting self-scheduled transmission rights submitted before the day-ahead market timeline from market pricing and congestion exposure is contrary to the intention of the approved EDAM design.⁸³

50. Clean Energy Associations further claim that Portland's proposed Tariff revisions would not protect long-term transmission rights holders against congestion costs, which will cause existing contracts to become increasingly expensive to implement. Clean Energy Associations claim that, in addition to denying customers an ability to adequately mitigate congestion cost risks, Portland's proposed congestion revenue allocation offers highly uncertain and minimal congestion recovery without any recovery for congestion outside of Portland's BAA. Clean Energy Associations note that the available data from CAISO Department of Market Monitoring indicates that constraints in CAISO frequently cause the largest pricing impacts in Portland. Clean Energy Associations argue that Portland's proposed Tariff revisions are inconsistent with CAISO's approved EDAM market design, which Clean Energy Associations state was developed to hold balanced self-schedules harmless from congestion exposure and to prevent the most obvious impediments to future transactions that would still need to rely on the underlying transmission service across EDAM BAAs.⁸⁴

51. Clean Energy Associations assert that the Commission should reject Portland's filing with clear instructions to remedy these shortcomings so that EDAM participation can still be accomplished as soon as practicable (e.g., by defining in Portland's Tariff the ability for transmission customers to opt out their transmission rights or providing ETC/TOR-like treatment for balanced self-schedules to provide full congestion protections to these transactions.⁸⁵

52. The Energy Authority states that the proposed Tariff will convert its long-term firm point-to-point transmission service rights to a new form of indirectly assigned congestion revenue allocation rights that will expose it, and similarly situated entities, to significant day-ahead congestion settlement risk despite the fact that it does not serve load on Portland's system.⁸⁶ The Energy Authority notes that because EDAM is not an RTO, physical wheel-through transmission rights are not converted to FTRs.

⁸³ Clean Energy Associations Protest at 3.

⁸⁴ *Id.* at 6-9.

⁸⁵ *Id.* at 10-11.

⁸⁶ The Energy Authority Protest at 5.

Furthermore, the Energy Authority contends that neither CAISO's tariff nor Portland's proposed Tariff revisions confer any path-based congestion revenues that are consistent with RTO markets' treatment of such revenues. The Energy Authority alleges that the proposed Tariff allocates an "undefined portion" of revenues to third-party rights holders, which may or may not be sufficient to offset the congestion-based price exposure they will receive on their wheel-through schedules. The Energy Authority asserts that the Commission should not permit Portland to foist organized market OATT provisions that have only been accepted in the context of a full RTO market onto its wheeling customers.⁸⁷

53. Shell Energy argues that Portland's proposal is inconsistent with other markets where transitioning from a physical rights transmission model to an FTR model required the preservation of existing firm transmission rights.⁸⁸ Shell Energy states that Portland's Tariff should have the same protection for firm transmission rights as those in the CAISO market, which has provisions for CRRs and provisions that convert expiring ETCs/TORs into CRRs. Shell Energy concludes that if the Commission will not require Portland to include a carve-out for holders of long-term firm transmission rights then the Commission should order Portland to revise its proposal to include a financial hedging mechanism.⁸⁹

54. Bonneville further argues that Portland's proposed methodology provides no assurances that the congestion revenues that an LSE or a transmission rights holder is allocated will be commensurate with the congestion charges that the entity is forced to pay. Bonneville states that, because the methodology used in EDAM and then implemented in Portland's proposed Tariff does not isolate the congestion allocation to the binding constraint, there is a possibility for inequitable allocation of congestion revenues. Bonneville also argues that Portland's proposed two-step methodology will result in inefficient use of the transmission system. Bonneville claims that Portland has not demonstrated that loads within its BAA will not be unduly harmed by this exposure to new congestion costs.⁹⁰

⁸⁷ *Id.* at 5-6; *see also* Bonneville Protest at 26 ("[Portland's proposal] does not satisfy Commission requirements that firm transmission rights be protected in LMP markets with a financial hedging mechanism.").

⁸⁸ Shell Energy Protest at 12-13 (citing CAISO eTariff, § 36.8.3 CRR Allocation Process (5.0.0) § 36.8.3.5).

⁸⁹ *Id.* at 14-15.

⁹⁰ Bonneville Protest at 24-27.

55. Indicated WRAP Participants state that Portland's proposal will expose Portland's transmission customers to financial settlement at the hourly EDAM LMPs for the relevant locations any time a customer uses its transmission rights. Indicated WRAP Participants state that other jurisdictions with day-ahead markets that use LMPs apply those LMPs to customers that schedule use of firm transmission service. According to Indicated WRAP Participants, those jurisdictions have recognized that LSEs must be able to obtain transmission service to deliver their supply to load without being exposed to hourly day-ahead congestion charges and provide a full source-to-sink financial hedge as a solution to this challenge.⁹¹

iii. Exposure to Congestion Costs Arising Outside the Portland BAA

56. Calpine states that, unless modified, Portland's proposal will expose holders of firm transmission to new, significant, and unhedgeable congestion costs arising from constraints in other BAAs and that such an outcome is untenable and must be rejected as not consistent with or superior to the protections offered to firm transmission customers under the *pro forma* OATT.⁹²

57. Protesters claim that firm transmission customers will be unable to manage or protect against day-ahead congestion charges when the charges result from constraints that occur in the EDAM footprint outside of Portland's BAA.⁹³ WPTF and NIPPC argue that any offset under Portland's proposed Tariff is likely to be inadequate, even for balanced self-scheduling.⁹⁴ Powerex asserts that Portland's partial reversal of congestion charges would force transmission customers to participate involuntarily in EDAM.⁹⁵

58. Powerex argues that Portland's proposed mechanism to reverse EDAM congestion charges will apply only to a small subset of such charges. Specifically, Powerex states that quantitative analysis based on WEIM data indicates that the majority of congestion charges that will be collected will arise from constraints located in CAISO, which will

⁹¹ Indicated WRAP Participants Protest at 14.

⁹² Calpine Protest at 3, 23.

⁹³ Tacoma Protest at 4; Powerex May 1 Protest at 25-27; WPTF and NIPPC Protest at 12-13; PPC Protest at 6-7.

⁹⁴ WPTF and NIPPC Protest at 12-13.

⁹⁵ Powerex May 1 Protest at 28.

not be reversed or offset by Portland.⁹⁶ Tacoma argues that allocating the congestion revenue elsewhere will be at the expense of Portland's firm transmission customers.⁹⁷ WPTF and NIPPC assert that neither Portland nor CAISO has provided any evidence that constraints on the CAISO BAA will not have a material impact on congestion costs on the Portland system.⁹⁸ Indicated WRAP Participants also argue that Portland offers no analysis or evidence regarding whether the partial hedge will provide meaningful protection to firm transmission service customers.⁹⁹

59. Salt River Project and Tacoma note that CAISO has a stakeholder process to address the EDAM framework for allocation of congestion revenue.¹⁰⁰ Tacoma asserts that the Commission should not accept Portland's proposed revisions until CAISO's stakeholder process concludes.¹⁰¹ Several protesters raise concerns that Portland's proposal mirrors PacifiCorp's proposed tariff revisions regarding congestion revenue allocation, which they assert still has unresolved concerns raised by stakeholders and about which Commission staff issued a deficiency letter.¹⁰² Bonneville asserts that the proposed two-step congestion revenue allocation methodology is only capable of addressing the allocation of revenue that occurs inside the Portland BAA.¹⁰³

60. Shell Energy asserts that Portland does not support its statement that concerns about external congestion are speculative. Shell Energy notes that the Commission made it clear in the EDAM Order that external congestion is within the scope of the OATT

⁹⁶ *Id.* at 24-25 (citing *id.*, attach. C, Gribik Test. at 13:20-22); *see also* Bonneville Protest at 25-26 (expressing support for Powerex's analysis); Tacoma Protest at 7 (asserting that day-ahead congestion revenue on Portland's transmission paths will be frequently allocated to the CAISO BAA); Indicated WRAP Participants Protest at 12 (citing CAISO Dept. of Market Monitoring, *Q1 2024 Report on Market Issues and Performance* (Oct. 2024), <https://www.caiso.com/documents/2024-first-quarter-report-on-market-issues-and-performance-oct-11-2024.pdf>).

⁹⁷ Tacoma Protest at 7.

⁹⁸ WPTF and NIPPC Protest at 12-13.

⁹⁹ Indicated WRAP Participants at 12.

¹⁰⁰ Salt River Project Protest at 8 and Tacoma Protest at 8.

¹⁰¹ Tacoma Protest at 8.

¹⁰² *See, e.g., id.*

¹⁰³ Bonneville Protest at 24-27.

filings that entities submit prior to joining EDAM.¹⁰⁴ Shell Energy asserts that the impact of external congestion is not speculative, which is why Portland needs to exempt itself and legacy contracts from congestion exposure.¹⁰⁵

61. PPC states that, should other BAAs join EDAM, congestion on these transmission providers' systems could similarly "spill over" and there may be no mechanism to hedge these costs.¹⁰⁶ PPC claims that if multiple transmission providers within EDAM adopted Portland's approach, transmission customers would be unable to hedge transmission congestion associated with a transmission system that was not in the direct source to sink path of a resource and load.¹⁰⁷

62. Additionally, Indicated WRAP Participants argue that Portland only provides a partial hedge for congestion costs arising within the Portland BAA, but would not reverse any day-ahead congestion charges due to constraints elsewhere in EDAM.¹⁰⁸ Given that EDAM could grow to include a dozen or more transmission providers, Indicated WRAP Participants maintain that the partial hedge would reverse charges for congestion only from constraints within its own system.¹⁰⁹

63. CAISO states that it has confirmed that the two-step congestion revenue sub-allocation methodology aligns with its tariff requirements for EDAM participation.¹¹⁰ CAISO also notes that it is reviewing whether and how to revise the overall EDAM market design to allocate congestion settlements that are in other EDAM footprints, but that this is beyond the scope of this proceeding.¹¹¹

¹⁰⁴ Shell Energy Protest at 11 (citing EDAM Order, 185 FERC ¶ 61,210 at P 438).

¹⁰⁵ *Id.*

¹⁰⁶ PPC Protest at 6-7.

¹⁰⁷ *Id.* at 7.

¹⁰⁸ Indicated WRAP Participants Protest at 11 (citing Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 7.3.6.1).

¹⁰⁹ *Id.* at 13.

¹¹⁰ CAISO May 1 Comments at 10-11.

¹¹¹ *Id.* at 11.

iv. **Impacts on Other Western Constructs**

(a) **WRAP**

64. WPTF and NIPPC argue that Portland's congestion revenue allocation proposal would undermine broader Western arrangements. For instance, they state that an LSE that purchased firm transmission across the Portland system to support a long-term supply arrangement would face new long-term supply arrangement risks, potentially forcing the LSE to renegotiate or cancel that arrangement, increasing costs for the LSE and its ratepayers.¹¹²

65. Powerex argues that Portland's proposal runs contrary to the principles of WRAP because Portland has chosen to require all customers to schedule firm service through EDAM. Powerex explains that Portland's choice to join EDAM will expose entities that build or contract for supply that is delivered through Portland's system to the ongoing financial risk of large and unpredictable delivery charges, and that this uncertainty and risk will hinder WRAP participants' ability to build or contract for new resources.¹¹³ Powerex also argues that the proposal threatens to force reliance on local generation, abrogates existing lawful contracts, stagnates third-party investments in transmission systems, shifts transmission costs to native load, undermines beneficial regional programs, and impedes the development of competing markets.¹¹⁴

66. According to the Indicated WRAP Participants and Bonneville, the ongoing risk of delivery charges can be expected to be unacceptable to many entities, who will be unable to move forward with building or contracting new resources, if those arrangements require Portland transmission service. Specifically, Indicated WRAP Participants and Bonneville explain that WRAP participants will incur higher costs to meet their WRAP forward showing requirements or face material financial penalties if unable to do so. They assert that both outcomes can be expected to undermine the confidence necessary for some entities to commit to WRAP binding operations and could be fatal to WRAP's viability.¹¹⁵

¹¹² WPTF and NIPPC Protest at 23.

¹¹³ Powerex May 1 Protest at 66-67.

¹¹⁴ *Id.* at 59-60.

¹¹⁵ Indicated WRAP Participants Protest at 13-14; Bonneville Protest at 16-17.

(b) Markets+

67. Powerex claims that Portland's proposal would impede Markets+ because transmission customers that make their firm transmission rights available to Markets+ would be exposed to new, large, and uncertain EDAM congestion charges, which would burden Markets+ transfers through Portland's system. Powerex states that, should the Commission accept Portland's proposal, other transmission providers may erect similar barriers, fractionalizing markets and transmission in the West. Powerex asserts that all Western entities should be required to design their respective markets and OATTs to support customer choice and the freedom of transmission customers to participate in the regional programs and markets of their choosing.¹¹⁶

d. Answers

68. Portland asserts that protesters' arguments for either a "perfect hedge" or FTRs and comparisons to the approach taken in Markets+ miss four key facts: (1) faulting the lack of these features is a collateral attack on the EDAM design approved in the EDAM Order, which allocated congestion based on where the constraint binds; (2) the proposed methodology is an equitable hedge, and protesters instead seek for Portland to do the impossible and sub-allocate congestion revenue that it does not have to allocate; (3) FTRs and CRRs often fail to provide a total hedge, and Portland's proposed full reversal is much closer to the "perfect hedge" protesters seek; and (4) the Markets+ approach has yet to be implemented by a transmission provider so it is unknown if it will deliver a "perfect hedge," and SPP has already explained that it is not a "perfect hedge."¹¹⁷

69. Portland asserts that protests on the potential for LMPs within the Portland BAA to reflect the influence of constraints outside of its BAA are beyond the scope of this proceeding. Portland states that protesters agree that the EDAM design does not empower Portland to address parallel flows because EDAM does not allocate congestion revenue associated with non-Portland constraints to Portland for Portland to sub-allocate to its customers. Portland asserts that its proposal is just and reasonable because it will

¹¹⁶ Powerex May 1 Protest at 67-70.

¹¹⁷ Portland May 23 Answer at 13-14 (citing SPP Transmittal, Docket No. ER24-1658-000, at 29 (filed Mar. 29, 2024) (SPP Markets+ Filing) ("The Market Participants with firm transmission service should receive some offset, even if not a perfect offset, for the redispatch costs they will incur as a result of their contribution of transmission rights for use in Markets+ that benefits the broader market.")).

first and foremost sub-allocate congestion revenues to its customers that opt to exercise their OATT rights through balanced self-schedules.¹¹⁸

70. Portland alleges that protesters attempt to reopen the settled issue of how EDAM allocates congestion from CAISO to each EDAM BAA. Portland asserts that, even though CAISO is considering further enhancements to this matter, which Portland supports, that process is separate from the instant filing. Further, Portland notes that CAISO explained in the EDAM proceeding that the approach to congestion was modeled after the WEIM's congestion settlement allocation, which allocates congestion revenues to the BAA where a binding constraint is modeled, and that Powerex offered similar arguments in that proceeding, which the Commission rejected. Portland asserts that the Commission should reject challenges to matters already settled in the EDAM Order as collateral attacks and only consider Portland's proposal to sub-allocate congestion revenue.¹¹⁹

71. Portland notes that congestion costs must be allocated in any LMP-based wholesale market, and the Commission requires allocation methods to be just and reasonable and consistent with or superior to the *pro forma* OATT. Portland argues that EDAM's congestion revenue allocation approach balances the benefits and burdens shared by native load and other users of Portland's system. Portland contends that there are many just and reasonable congestion revenue allocation approaches, and that it intentionally adopted Step Two because it allows Portland to further suballocate congestion revenue to native load in recognition of native load as the primary users and funders of the system.¹²⁰

72. Portland disputes protesters' arguments that it must provide a total congestion hedge between a transmission customer's source and sink because firm transmission customers are entitled to "a fixed and relatively stable rate over the duration of their term of service, while being insulated from variable congestion charges."¹²¹ Portland avers that the risk of unhedged congestion is grossly overstated and that a "perfect hedge" is an unprecedented request. Portland explains that expanding beyond the *pro forma* OATT's single-system approach to load and resource management to a multi-system pooled approach has never required granting a "perfect hedge" from all potential congestion settlements. Portland further states that the Commission has been careful to limit this

¹¹⁸ *Id.* at 5-6.

¹¹⁹ *Id.* at 8.

¹²⁰ *Id.* at 10-11.

¹²¹ *Id.* at 11 (citing Powerex May 1 Protest at 5, 8-9; WPTF and NIPPC Protest at 9, 11; Puget Sound Energy Protest at 4-5; Shell Energy Protest at 11, 16-17).

type of comprehensive protection to a small class of legacy/pre-OATT transmission service contracts in the past and should continue to do so.¹²²

73. Portland further disputes protesters' arguments that the proposed congestion suballocation does not meet Order No. 681's requirements. Portland notes that Order No. 681 applies to "Transmission Organizations," which Portland is not, nor does EDAM constitute an "organized market" under Order No. 681.¹²³ Further, Portland explains that in Order No. 681 the Commission recognized that the price certainty of the OATT is a trade off with a price signal that accurately reflects costs; therefore, when moving from OATT service to organized markets, transmission rights holders exchange a contracted quantity for an auction right to congestion revenue.¹²⁴ Portland avers that, since the introduction of EDAM in 2019, stakeholders have indicated a preference for maintaining the firmness of quantity of ETCs/TORs under the Tariff and that this preference must be balanced by the risk to network customers of funding any revenue adequacy shortfalls, which its proposal does.¹²⁵

74. Portland argues that concerns surrounding its congestion revenue allocation proposal are speculative at best and prompted by cherry-picked data posted by Powerex. First, Portland states that Powerex has not considered the reverse of its external congestion argument. Portland points out that if a constraint in the Portland BAA requires redispatch of resources in the Portland BAA, the congestion revenue would be returned to the Portland BAA even if customers in the CAISO BAA faced congestion charges because of that constraint. Portland disputes the WEIM constraint data protesters use to suggest this allocation will be in favor of California, arguing the Q1 2024 CAISO congestion data protesters used is not representative of normal conditions.¹²⁶ Further, Portland points to the PacifiCorp proceeding where, via a supplemental affidavit, PacifiCorp disputed similar arguments Powerex made using a more representative set of

¹²² *Id.* at 13 (citing *Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274 at PP 931-946, 976 n.416, 1000; *Cal. Indep. Sys. Operator Corp.*, 110 FERC ¶ 61,113; *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,236).

¹²³ *Id.* at 15 (citing 18 C.F.R. § 42.1(b)(1) (2024); Order No. 681, 116 FERC ¶ 61,077 at P 31 ("[N]on-RTO/ISO transmission providers by definition are not transmission organizations.")).

¹²⁴ *Id.* at 16 (citing Order No. 681, 116 FERC ¶ 61,077 at P 9).

¹²⁵ *Id.* at 16-17.

¹²⁶ *Id.* at 17-19.

data.¹²⁷ Finally, Portland notes that Powerex and other protesters fail to acknowledge that the intent of EDAM is to optimize loads and resources over a large footprint and that this should result in fewer curtailments and more efficient operation than the status quo.¹²⁸

75. Portland acknowledges that CAISO has begun a stakeholder process to address concerns regarding congestion costs triggered by external parallel flows. Portland states that, assuming CAISO proposes a change to the EDAM design with respect to congestion allocation, this will likely have little impact on Portland's proposed allocation methodology as Portland is merely sub-allocating the congestion revenues allocated to its BAA. Portland reaffirms its commitment that the Commission may condition approval of the proposed Tariff upon CAISO first addressing the parallel flow congestion issue by either: "(1) mak[ing] a filing under section 205 of the Federal Power Act (FPA) to modify the EDAM congestion revenue allocation methodology on a transitional basis or (2) report[ing] back to the Commission that it is not making any modifications to the approved methodology."¹²⁹

76. CAISO asserts that, contrary to protesters' arguments, the EDAM Order is settled and there are no provisions of the CAISO tariff at issue in this proceeding. CAISO states that protesters have made similar arguments in the PacifiCorp proceeding and are seeking financial protection not contemplated by the EDAM design with respect to congestion revenue. CAISO states that Portland has appropriately focused its Tariff revisions on implementing the approved EDAM design, and collateral attacks on the EDAM design should not be permitted.¹³⁰

77. CAISO argues that the issue of congestion revenue arising from flows across multiple EDAM BAAs is an issue solely under CAISO's tariff. CAISO states that it determined a stakeholder process to address this narrow issue was appropriate and that it anticipates the stakeholder process will conclude in June 2025 when CAISO files a tariff amendment. CAISO states that no CAISO tariff amendments resulting from this stakeholder process should affect Portland's proposal.¹³¹

78. CAISO asserts that the provisions of Order No. 681 do not apply to EDAM or Markets+, neither of which have FTRs, because participating balancing authorities retain

¹²⁷ *Id.* at 19-20.

¹²⁸ *Id.* at 20-21.

¹²⁹ *Id.* at 22-23 (quoting CAISO May 19 Answer at 13).

¹³⁰ CAISO May 19 Answer at 6-9.

¹³¹ *Id.* at 9-14.

physical transmission rights under the *pro forma* OATT. CAISO states that the allocation of congestion revenues is the tool for managing and hedging congestion costs in EDAM and that the Commission approved this mechanism knowing it would not exempt firm transmission customers from congestion costs.¹³²

79. In its August 13 Answer, Portland asserts that Powerex has overly simplified Portland's prior answers regarding congestion revenue allocation and continues to raise arguments that Portland and CAISO have already addressed. Portland argues that its proposed two-step day-ahead congestion revenue allocation approach is consistent with or superior to the *pro forma* OATT because it provides a hedge against day-ahead congestion costs for balanced self-schedules and allocates remaining costs on a measured demand like basis to recognize the contribution to the system from other customers.¹³³ Portland reiterates that CAISO's EDAM congestion revenue allocation filing is outside the scope of this proceeding but affirms that it will make any conforming changes necessary to address EDAM enhancements.¹³⁴

e. Deficiency Letter, Deficiency Letter Response, Comments, Protests, and Answers

80. In the Deficiency Letter, Commission staff requested further details on several topics under Portland's congestion revenue allocation proposal, including how Portland would return congestion revenue using a two-step process. Specifically, Commission staff inquired how Portland intended to allocate congestion revenue within its BAA arising from displaced congestion charges due to imbalance energy reserve flows in CAISO.¹³⁵

81. In its Deficiency Letter Response, Portland states that it "shares PacifiCorp's understanding that the EDAM design ensures displaced congestion charges do not cause an under- or over-allocation of congestion revenues to the EDAM Entity."¹³⁶ Portland explains that displaced congestion charges arising from imbalance energy reserve flows

¹³² *Id.* at 23-25.

¹³³ Portland August 13 Answer at 5-6.

¹³⁴ *Id.* at 7 (citing CAISO, EDAM Congestion Revenue Allocation Transmittal, Docket No. ER25-2637-000 (filed June 26, 2025)). Specifically, Portland offers to make a revision to the proposed Step One suballocation to incorporate additional revenues allocated by CAISO under Charge Code 8704 if directed by the Commission.

¹³⁵ Deficiency Letter at 1-2.

¹³⁶ Portland Deficiency Letter Response at 2.

will not contribute to an under- or over-allocation of congestion revenues to Portland because the displaced congestion charges are returned to EDAM BAAs to account for any effects of imbalance reserves on congestion revenue allocation. Therefore, Portland states that no alternative method is needed for allocating congestion revenue from displaced congestion charges because the total congestion revenue Portland will receive from CAISO will sufficiently represent the costs of congestion from energy flows. Portland adds that its methodology aligns with CAISO's allocation for CRR holders. Portland claims that CAISO will not have a separate allocation method for any congestion revenues that were determined to be displaced by imbalance reserves flow. Portland further claims that its design is consistent with CAISO's methodology, in that Portland will not attempt to separate any congestion revenues that came from displaced energy flows from the total congestion revenue it receives from CAISO in order to allocate it to certain customers in a distinct way.¹³⁷

82. Powerex reiterates arguments from its initial protest concerning congestion charges and scheduling priority. Powerex argues that Portland's claim that its proposal is just and reasonable on the basis that it is merely applying to its transmission customers the same outcomes and charges being determined in EDAM is untenable.¹³⁸ Powerex asserts that Portland's voluntary election to participate in EDAM does not diminish Portland's obligation as a transmission provider to provide transmission service that is just and reasonable and consistent with or superior to the *pro forma* OATT.¹³⁹

83. Powerex argues that Portland's proposal will still fail to provide a workable financial hedge, even if the Commission accepts CAISO's recent tariff revisions to its congestion revenue allocation, because Portland's Step One proposal is hard-wired to reverse only congestion charges "arising from a Portland BAA."¹⁴⁰ According to Powerex, any additional funds Portland receives from CAISO, even if CAISO's congestion revenue allocation tariff revisions are accepted, would instead be allocated broadly to all "day-ahead load and exports" under Step Two.¹⁴¹ Powerex argues that Portland should provide a source-to-sink financial hedge against day-ahead EDAM

¹³⁷ *Id.*

¹³⁸ Powerex July 21 Protest at 3.

¹³⁹ *Id.*

¹⁴⁰ *Id.* at 5 (quoting Portland Tariff, attach. P Energy Imbalance Market and Extended Day-Ahead Market (7.0.0), § 7.3.6.1).

¹⁴¹ *Id.*

congestion charges under its Tariff regardless of how EDAM allocates congestion charges.

f. Determination

84. We find that Portland's proposed two-step sub-allocation of congestion revenues is just and reasonable and not unduly discriminatory or preferential and consistent with or superior to the Commission's *pro forma* OATT. Specifically, Portland's Step One allocation of congestion revenue, which reverses day-ahead congestion price differentials associated with self-schedules of firm point-to-point and network transmission customers, will insulate balanced self-scheduled transmission use from EDAM congestion exposure up to the congestion revenue that CAISO allocates to the Portland BAA. Additionally, we find that Portland's Step Two allocation of congestion revenue will mitigate the congestion costs borne by entities that economically bid into EDAM. Noting Portland's offer to revise the Step One suballocation to conform with any EDAM enhancements if directed to do so by the Commission in a compliance filing, we direct Portland to make this revision and incorporate additional revenues allocated by CAISO under Charge Code 8704 in the compliance filing ordered below within 30 days of the date of this order.¹⁴²

i. Loop Flows, Cost Causation, and Transmission Pricing Policy

85. We disagree with protesters who assert that Portland's proposal will expose firm transmission customers to significant congestion charges arising from transmission constraints on neighboring EDAM BAAs or will result in an impermissible cost shift.¹⁴³ The Commission has already accepted CAISO's proposal to allocate congestion revenue to the BAA where the internal transmission constraint arises. The Commission has previously found that CAISO's method for calculating congestion charges and its allocation of congestion revenues to the EDAM BAA where the congestion arose is just and reasonable.¹⁴⁴ The issue properly before the Commission in this proceeding is thus whether Portland's sub-allocation of the congestion revenues that CAISO allocates to Portland is just and reasonable and consistent with or superior to the *pro forma* OATT. Separately, we note that CAISO has proposed to revise its congestion revenue allocation approach under EDAM so that CAISO will allocate to EDAM Entities the portion of congestion revenue that is associated with balanced day-ahead self-schedules over

¹⁴² Portland August 13 Answer at 7.

¹⁴³ WPTF and NIPPC Protest at 12-13, 24-26; Calpine Protest at 3, 23; Clean Energy Associations Protest at 10; Tacoma Protest at 4-8; Bonneville Protest at 24-29; Powerex Protest at 22-27, 71-73; Indicated WRAP Participants Protest at 11-13, 16; Puget Sound Energy Protest at 4-5; Shell Energy Protest at 11; PPC Protest at 6-7.

qualifying firm OATT service rights in the EDAM BAAs where the congestion revenue accrued. In a concurrent order, we accept CAISO's proposed tariff revisions, finding that they are just and reasonable and not unduly discriminatory or preferential as they ensure that long-term firm transmission customers are able to hedge against day-ahead congestion charges in EDAM. We believe that these tariff revisions may help to address some of the concerns that protesters raised in this proceeding.

86. As such, the manner in which CAISO allocates congestion revenue between BAAs is outside the scope of the instant proceeding. We therefore agree with CAISO and Portland that protesters' arguments regarding how CAISO allocates congestion revenue and whether there may not be sufficient congestion revenue to reverse congestion charges under the Step One allocation are outside the scope of the instant proceeding. Further, we find that Portland's proposal protects firm transmission customers' balanced self-schedules from day-ahead congestion charges to the highest extent possible, limited only by the share of congestion revenue Portland receives from CAISO. We are not swayed by arguments that it is unjust and unreasonable that transmission customers, to fully hedge their congestion exposure on Portland's system, may need to acquire CRRs from CAISO.

87. We disagree with protesters¹⁴⁵ who assert that Portland's proposal violates the Commission's Transmission Pricing Policy Statement by exposing transmission customers to incremental costs on top of embedded costs.¹⁴⁶ Specifically, we note that the Transmission Pricing Policy Statement's definition of incremental costs cannot be read to include congestion-related charges.¹⁴⁷

ii. Unhedgeability/Inferiority to OATT Firm Service

88. While Portland's proposal provides firm transmission rights customers the ability to manage their congestion risk, we reject arguments¹⁴⁸ that transmission customers will

¹⁴⁵ Indicated WRAP Participants Protest at 16; Bonneville Protest at 26.

¹⁴⁶ See Transmission Pricing Policy Statement, FERC Stats. and Regs. ¶ 31,005 at 31,137-38 ("[T]he Commission has allowed a utility to charge transmission-only customers the higher of embedded costs (for the system as expanded) or incremental expansion costs, but not the sum of the two.").

¹⁴⁷ *Id.* at 31,137 n.6 ("Incremental cost is the cost of increasing the level of service provided. In practice, it typically refers to the cost of additional facilities needed to provide the requested service.").

¹⁴⁸ Powerex Protest at 27-32; WPTF and NIPPC Protest at 9; Salt River Project Protest at 8-9; Shell Energy Protest at 4.

be unable to hedge against their congestion exposure in a manner consistent with the requirements of Order No. 681, which established certain guidelines for the design and administration of long-term firm transmission rights in organized electricity markets.¹⁴⁹ FPA section 217 provides that LSEs are “entitled to use the firm transmission rights . . . in order to deliver [energy] required to meet [its] service obligation.”¹⁵⁰ Although participation in EDAM will necessarily entail changes to firm transmission rights, nothing in Portland’s proposal prevents firm transmission right holders from using those rights in the Portland BAA in a manner consistent with the *pro forma* OATT.¹⁵¹ Further, we find that Order No. 681 does not apply to Portland as a market participant. Order No. 681 requires transmission organizations with organized electricity markets to establish a process for market participants to obtain long-term firm transmission rights.¹⁵² Portland is not a “transmission organization” as defined by Order No. 681.¹⁵³

3. Transmission

a. Background

89. Under the EDAM design, each EDAM Entity will provide, prior to the day-ahead market close, data to CAISO on applicable transfer constraints and the transmission capacity available to the day-ahead market. EDAM will use all transmission capacity available to it, including capacity from unscheduled firm transmission rights, while honoring transmission rights and legacy transmission contracts scheduled in the day-ahead timeframe.¹⁵⁴ Although EDAM will optimize all unused capacity, CAISO will

¹⁴⁹ Order No. 681, 116 FERC ¶ 61,077; 18 C.F.R. § 42.1(b).

¹⁵⁰ 16 U.S.C. § 824q(b).

¹⁵¹ As discussed in more detail below, firm transmission customers will be able to schedule their use of the transmission system and make intra-day schedule changes in a manner that is consistent with or superior to the *pro forma* OATT, preserving the physical firmness of firm transmission rights. *See infra* P 178.

¹⁵² Order No. 681, 116 FERC ¶ 61,077 at P 19.

¹⁵³ *Id.* P 63 (defining transmission organization as “a Regional Transmission Organization, Independent System Operator, independent transmission provider, or other independent transmission organization finally approved by the Commission for the operation of transmission facilities”); 18 C.F.R. § 42.1(b)(1).

¹⁵⁴ Transmission customers with ETCs/TORs may: (1) use their rights by submitting a balanced self-schedule and receive a scheduling priority consistent with the terms of the applicable EDAM transmission provider’s OATT, (2) release their rights to the market in return for transfer revenues, or (3) neither self-schedule nor release their

accommodate balanced intra-day schedule changes associated with firm transmission rights, including firm point-to-point, conditional firm point-to-point, and network integration transmission service.

90. CAISO will give intra-day schedule changes associated with firm transmission service an equal scheduling priority to cleared day-ahead schedules.¹⁵⁵ However, if directed by an EDAM transmission service provider, CAISO will grant some intra-day self-schedules priority in the real-time market over other real-time and day-ahead schedules.¹⁵⁶ CAISO's tariff also gives the EDAM Entity discretion to hold back (i.e., "carve out") certain transmission from the market.¹⁵⁷ In CAISO's EDAM Transmittal, CAISO explained that it expected such carve-outs to be "rare."¹⁵⁸

b. Portland Filing

91. Portland states that EDAM will honor firm OATT rights with a high scheduling priority when such rights are registered through Portland and bid-in as a balanced self-schedule. Portland notes that CAISO's EDAM Transmittal explained that "[a] transmission customer that submits a self-schedule before the start of the day-ahead market will be assigned a higher market clearing scheduling priority to allow these transactions to clear ahead of other self-schedules and economic bids."¹⁵⁹ Portland explains that the high scheduling priority for transmission rights holders means that the market algorithm will redispatch all economic bids and self-schedules not associated with firm transmission rights before disrupting schedules associated with firm transmission rights. Portland clarifies that the market scheduling priorities afforded to self-schedules associated with firm transmission rights should not be confused with curtailment

transmission rights, in which case the capacity will be made available to the day-ahead market for optimization. Under the third scenario, the transmission customer retains the right to submit an intra-day self-schedule associated with those rights. See CAISO EDAM Transmittal at 14-15.

¹⁵⁵ CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3.

¹⁵⁶ Transmittal at 11 (citing CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3).

¹⁵⁷ CAISO, CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 33.18.3.3.

¹⁵⁸ CAISO EDAM Transmittal at 16.

¹⁵⁹ Transmittal at 13 (quoting CAISO EDAM Transmittal at 4).

priorities, which remain unchanged under EDAM.¹⁶⁰ Additionally, Portland asserts that transmission customers making intra-day scheduling changes will be responsible for the resulting market impacts and that Portland will only direct CAISO to override this market component, pursuant to section 33.18.2.2.3, in the limited instances regarding certain WRAP transactions.¹⁶¹

92. Portland states that it intends for its implementation to facilitate WRAP transfers and deliverability. Portland states that EDAM as a market will facilitate WRAP transactions and that, regardless of the scheduling priority, Portland will retain the authority to manage its system and adhere to North American Electric Reliability Corporation (NERC) curtailment priorities.¹⁶²

93. Portland states that it proposes the same language as PacifiCorp's EDAM implementation filing with respect to facilitating WRAP transfers. Portland explains that it will exercise its authority under section 33.18.2.2.3 of CAISO's tariff to provide instructions to CAISO to assign a higher scheduling priority than cleared day-ahead schedules for long-term point-to-point wheel-through or export transactions from the Portland BAA that are part of a forward showing of a WRAP participant, such that these schedules will receive a higher real-time scheduling priority. Portland states that it will require WRAP participants to identify qualifying transmission rights over Portland's system as part of a WRAP forward showing, which will help WRAP participants ensure that those transactions have a high confidence of physical delivery, even if scheduled after 10:00 a.m.¹⁶³

94. Portland also states that it will not initiate intertie bidding at market go-live, which CAISO's tariff leaves to the EDAM Entity's discretion. Instead, Portland proposes Tariff revisions that permit the Portland EDAM Entity to activate intertie bidding at some future date.¹⁶⁴

¹⁶⁰ *Id.*

¹⁶¹ *Id.* at 14 (citing EDAM Order, 185 FERC ¶ 61,210 at P 310; CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3).

¹⁶² *Id.* at 27.

¹⁶³ *Id.* at 28.

¹⁶⁴ *Id.*

c. Comments and Protests

i. Scheduling Priority Devalues Firm Service

95. Protesters assert that Portland's proposal is inferior to the *pro forma* OATT because unlike the *pro forma* OATT, under which the use of unscheduled firm service is strictly offered as non-firm transmission service, it would offer the same market scheduling priority to day-ahead use of customers' unscheduled firm service and intra-day schedules of that same firm transmission service.¹⁶⁵ Indicated WRAP Participants and Powerex argue that Portland's proposal to assign intra-day schedules using firm transmission a market scheduling priority equal to EDAM transfers using "unscheduled firm service" violates precedent involving the *pro forma* OATT.¹⁶⁶ Indicated WRAP Participants argue that the Commission has repeatedly stressed this bedrock principle, including in Order No. 764-A and in the *pro forma* OATT, which states that transmission customers must schedule use of firm transmission by 10:00 a.m. of the day prior to the operating day, "schedules submitted after 10:00 a.m. will be accommodated, if practicable," and that "[s]cheduling changes will be permitted up to twenty (20) minutes . . . before the start of the next scheduling interval."¹⁶⁷ Powerex argues that in the SPP and Midcontinent Independent System Operator, Inc. regions, although unscheduled firm transmission capacity is made available for use by other customers, such use is on a non-firm basis and subject to curtailment to accommodate firm transmission service schedules.¹⁶⁸

¹⁶⁵ Powerex May 1 Protest at 47-49; Bonneville Protest at 13-14; Salt River Project Protest at 9-11; Indicated WRAP Participants Protest at 17 (citing CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3). Indicated WRAP Participants state that they do not mount a collateral attack on the EDAM Order because the Commission deferred resolution of this issue until prospective EDAM Entities filed proposed OATT revisions, including priority of intra-day schedules, to implement EDAM within their BAAs. Indicated WRAP Participants Protest at 18.

¹⁶⁶ Indicated WRAP Participants Protest at 18 (citing EDAM Order, 185 FERC ¶ 61,210 at P 245; *Integration of Variable Energy Res.*, Order No. 764-A, 141 FERC ¶ 61,232, at P 23 (2012) (Order No. 764-A); *pro forma* OATT § 13.8); Powerex May 1 Protest at 49-50 (quoting Order No. 764-A, 141 FERC ¶ 61,232 at P 23).

¹⁶⁷ Indicated WRAP Participants Protest at 18-19 (quoting Order No. 764-A, 141 FERC ¶ 61,232 at P 23; *pro forma* OATT § 13.8).

¹⁶⁸ Powerex May 1 Protest at 50.

96. Powerex argues that Portland acknowledges it has the authority to instruct the market operator to assign intra-day schedules of firm transmission service a higher priority than EDAM schedules and has provided no justification for its discriminatory treatment of such intra-day schedules.¹⁶⁹ SPP similarly argues that Portland's proposal lacks critical details on how market results will inform Portland's processing of transmission schedules, which may lead to confusion and underscores the concern that transmission rights exercised in the intra-day timeframe will be degraded. SPP contends that CAISO's EDAM tariff provisions provide Portland with the authority to ensure that the priority of all intra-day schedules using firm transmission service are accurately reflected in EDAM.

97. Powerex asserts that Portland's proposal could disincentivize generators from procuring firm transmission service and instead cause them to rely on the market to deliver their energy with the same priority as that of a generator that had procured firm transmission service, deviating from CAISO's representations about the priority of intra-day schedules.¹⁷⁰ Powerex and Indicated WRAP Participants state that Portland interprets the *pro forma* OATT's "if practicable" language as a permissive right to refuse to accommodate intra-day schedules on firm transmission service in order to preserve EDAM deliveries.¹⁷¹ Powerex argues that refusing to accommodate a firm transmission schedule amounts to curtailing firm transmission schedules, violating the Commission's requirement that firm transmission schedules have priority over lower priority service. While Powerex acknowledges that the "if practicable" language is intended to provide flexibility to transmission service providers,¹⁷² it alleges that it is not intended to allow non-firm use to displace firm transmission service. Powerex argues that, by comparison, reducing or curtailing non-firm schedules to accept a schedule for firm service is routinely considered "practicable" and is a common and expected occurrence.¹⁷³ Indicated WRAP Participants state that Portland does not explain why it would not be "practicable" to instruct the market operator to assign intra-day schedules using firm

¹⁶⁹ *Id.* at 52 (quoting Transmittal at 28); *see also* Indicated WRAP Participants Protest at 18.

¹⁷⁰ Powerex May 1 Protest at 53-54 (citing EDAM Order, 185 FERC ¶ 61,210 at P 311).

¹⁷¹ *Id.* at 54; Indicated WRAP Participants Protest at 18-19.

¹⁷² Powerex May 1 Protest at 54-55 (citing *Allegheny Power Sys. Inc.*, 77 FERC ¶ 61,266, at 62,100 (1996)).

¹⁷³ *Id.* at 57-58.

transmission service a scheduling priority higher than day-ahead EDAM schedules that are not on reserved firm transmission service.¹⁷⁴

98. Powerex asserts that Portland's proposal largely eliminates the value and rationale for purchasing firm transmission service because transmission customers are no longer protected from price volatility or ensured priority.¹⁷⁵ Powerex also argues that Portland's proposal both jeopardizes existing bilateral agreements between LSEs and remote generation by degrading priority service and disincentivizes the development of future remote generation. Powerex argues that Portland's proposal will thus leave ratepayers and states with fewer available clean energy resources necessary to meet state and regional policy programs.¹⁷⁶

99. Powerex asserts that Portland's proposal would impede investment in transmission upgrades and expansions because long-term transmission service requests are a major driver of such transmission investment.¹⁷⁷ Powerex also asserts that Portland's proposal upends core attributes of firm transmission service, which will drive a significant decrease in transmission investments. Powerex states that if other balancing authorities adopt an approach similar to Portland's proposal, it would jeopardize future Powerex investments. Powerex further states that the uncertainty under Portland's transmission proposal will prevent it from entering into forward transactions.¹⁷⁸

100. In addition, Powerex argues that the proposal would shift transmission costs, resulting in higher costs for retail customers. Powerex asserts that by reducing the application of firm priority transmission service, revenues from transmission sales will significantly decline. Powerex states that a reduction in the sale of point-to-point transmission to third-party transmission customers will drive Portland to recover more of the annual transmission revenue requirement from native load customers.¹⁷⁹

¹⁷⁴ Indicated WRAP Participants Protest at 19.

¹⁷⁵ Powerex May 1 Protest at 59-60; *see also* WPTF and NIPPC Protest at 20-21.

¹⁷⁶ Powerex May 1 Protest at 60-63 (citing Western Electricity Coordinating Council, *Western Assessment of Resource Adequacy 2024*, <https://feature.wecc.org/wara/#group-section-Summary-eSoUDW1Hw8>).

¹⁷⁷ *Id.* at 64 (citing *pro forma* OATT § 15.4).

¹⁷⁸ *Id.* at 64-66.

¹⁷⁹ *Id.* at 71.

101. Tri-State states that it believes that Portland's proposed Tariff revisions are not just and reasonable for customers that own network transmission rights to serve their load within the Portland BAA. Tri-State protests that Portland's proposal does not permit scheduling of deliveries on firm transmission rights before EDAM, effectively making all transmission capability available in EDAM. Tri-State argues that reducing the priority of customers' firm network transmission rights in this way will expose customers with firm network transmission rights to congestion costs and could also cause curtailment of those customers' load.¹⁸⁰

102. Tacoma argues that some firm transmission customers will be unable to maintain real-time scheduling priority associated with their firm rights unless they turn those rights over to EDAM.¹⁸¹ Tacoma argues that accepting Portland's proposed revisions would be dissonant with the Commission's statement in the Markets+ Order stating that "Further, we expect Markets+ [transmission service providers] to propose OATT revisions such that firm transmission customers that do not make transmission capability available to Markets+ can continue to make intra-day schedule changes using their reserved transmission capability in a manner consistent with or superior to the *pro forma* OATT."¹⁸² Tacoma contends that this asymmetrical treatment in each market is inequitable and also will hamper market seams negotiations.

103. Tacoma argues that Portland's proposed Tariff revisions create unnecessary barriers to trade across the border of EDAM and Markets+ and that the inefficiencies created will undermine the success of day-ahead markets in the West. Tacoma alleges that Portland's proposed Tariff revisions embed inflated transmission costs for transmission customers who use their rights in Markets+ and that these inflated costs are incorrectly used by some stakeholders to make the case that EDAM benefits exceed those of Markets+. Further, Tacoma avers that Portland's limitation on the value and efficiency of firm transmission rights outside of EDAM circumvents the Commission's open access transmission policies and will signal to other transmission providers that they need similarly revise their OATTs, which will disadvantage the entire region and undermine open access and market formation that the Commission and Congress have encouraged.¹⁸³

104. Tacoma requests that the Commission reject Portland's proposed Tariff revisions because they diminish the value of the firm transmission Portland sells and create

¹⁸⁰ Tri-State Protest at 1-2.

¹⁸¹ Tacoma Protest at 4.

¹⁸² *Id.* at 6 (quoting Markets+ Order, 190 FERC ¶ 61,030 at P 97).

¹⁸³ *Id.* at 9-10.

unnecessary barriers to trade across the Markets+ and EDAM borders. Tacoma does not dispute that Portland should be able to voluntarily join EDAM and amend its Tariff to accommodate that choice but asserts that the way Portland has proposed to amend its Tariff is discriminatory and impedes open access.¹⁸⁴

105. Salt River Project asserts that Portland's proposal gives EDAM market dispatches, which use traditionally non-firm service, the same priority as firm transmission service in the intra-day timeframe and that this is inconsistent with Commission policy and the *pro forma* OATT.¹⁸⁵ Salt River Project states that one of the benefits of firm transmission is the ability to schedule it intra-day and even into real-time and such intra-day firm schedules are generally provided the highest flow priority in the Western Interconnection, just like schedules of firm transmission made before 10:00 a.m.¹⁸⁶ Salt River Project explains that this priority is vital for LSEs such as Salt River Project because when unexpected issues arise they need the confidence that, so long as they have firm transmission available to schedule, load service will not be compromised.¹⁸⁷ Salt River Project contends that the Commission should reject Portland's proposed Tariff language as blatantly inconsistent with the nature and quality of firm transmission service under the *pro forma* OATT.¹⁸⁸

106. Shell Energy asserts that Portland's proposed revisions stand to undermine economic benefits associated with long-term firm transmission service in a way that is unjust and unreasonable and inconsistent with the *pro forma* OATT.¹⁸⁹ Shell Energy explains that customers purchase firm transmission service under a Commission-approved OATT (i.e., pay full cost of service rates for firm transmission service) because it is highly predictable, as is its curtailment priority and scheduling priority relative to non-firm service. Shell Energy states that this level of service is comparable to the level of service a transmission provider grants itself to serve its native load.¹⁹⁰ Shell Energy states that this expectation motivated its protest of CAISO's

¹⁸⁴ *Id.* at 10-11.

¹⁸⁵ Salt River Project Protest at 9 (citing EDAM Order, 185 FERC ¶ 61,210 at PP 245, 310, 311).

¹⁸⁶ *Id.* at 10 (citing *pro forma* OATT § 13.8).

¹⁸⁷ *Id.*

¹⁸⁸ *Id.* at 11.

¹⁸⁹ Shell Energy Protest at 1-2.

¹⁹⁰ *Id.* at 3.

EDAM proposal and now motivates its protest of Portland's Tariff revisions because the Commission deferred these issues to the individual transmission providers.¹⁹¹ Shell Energy asserts that Portland's proposed EDAM Tariff provisions are inconsistent with other markets where the Commission has preserved the economic expectations associated with firm transmission rights as physical rights that interface with FTRs.¹⁹²

107. Shell Energy argues that the proposed self-scheduling provisions are too restrictive and degrade the value of firm transmission rights. Shell Energy argues that a transmission customer that submits a real-time schedule or adjusts transactions in real-time will essentially be treated as a last-priority self-schedule unless that schedule is associated with an approved resource adequacy program. Shell Energy asserts that this treatment renders firm rights less firm, and, in concert with exposure to congestion costs that cannot be hedged, Portland's firm transmission rates may no longer be just and reasonable.¹⁹³ Shell Energy explains that firm customers pay a premium cost of service transmission rate and that Portland is undermining the value of that service and, therefore, Portland should reduce its rates for that service or revise the proposed scheduling practices.¹⁹⁴

108. Bonneville states that the Commission, when approving Markets+, explained that it expects draft tariff provisions for day-ahead market implementations to include provisions that describe the priority or priorities market transfers will receive, how they will be tagged, and how the transmission provider will determine curtailment priorities given market transfers will likely use a mixture of firm and non-firm transmission capability.¹⁹⁵ Bonneville asserts that Portland's proposal falls short of this expectation and does not maintain the existing scheduling and curtailment priorities of OATT customers who wish to use their transmission rights for another purpose.¹⁹⁶

109. Bonneville asserts that Portland's proposal means that deliveries using firm transmission service will no longer be assured of having a higher scheduling priority over deliveries using lower priority transmission service during curtailments. Bonneville

¹⁹¹ *Id.* at 3-4.

¹⁹² *Id.* at 4.

¹⁹³ *Id.* at 16.

¹⁹⁴ *Id.* at 16-17.

¹⁹⁵ Bonneville Protest at 10-11 (citing Markets+ Order, 190 FERC ¶ 61,030 at P 121).

¹⁹⁶ *Id.* at 11.

argues that this undermines the OATT framework and is unjust and unreasonable and inconsistent with Commission orders regarding day-ahead markets and CAISO's tariff.¹⁹⁷ Bonneville states that Portland's proposal means that EDAM's day-ahead use of transmission customers' "unscheduled firm service" will be afforded the same scheduling priority as customers' intra-day use of firm transmission service, in direct conflict with the scheduling priorities set forth in the *pro forma* OATT.¹⁹⁸ Further, Bonneville points to the Commission's statements in the EDAM Order regarding the priority of intra-day schedules as confirmation that intra-day self-schedules should retain higher priority than EDAM day-ahead schedules and the Commission's statement that EDAM Entities "are responsible for proposing changes to their respective OATTs to accommodate EDAM participation and for demonstrating that those changes are consistent with or superior to the *pro forma* OATT."¹⁹⁹ Bonneville concludes that Portland has not justified the inconsistencies with the *pro forma* OATT in its proposal and that Portland is choosing to treat intra-day firm schedules in a way that the EDAM design does not require.²⁰⁰

110. SPP asserts that Portland's proposal creates uncertainty regarding the level of priority for transactions using firm transmission service into, out of, or wheeling through Portland's system. SPP argues that Portland's proposed Tariff language does not appear to ensure that Portland will respect the priority of firm transmission service that is scheduled after the day-ahead market, including schedules that may be facilitating deliveries between BAAs to satisfy resource adequacy requirements or accomplish transactions in neighboring markets. SPP contends this uncertainty about the treatment of delivery priority would unnecessarily complicate seams issues for entities neighboring Portland's BAA.²⁰¹

111. SPP contends that Portland's proposed Tariff simply asserts Portland's firm transmission customers "may nonetheless submit a Self-Schedule after the close of the day-ahead market if and to the extent permitted by [CAISO] Tariff Section 33.18.2.2.3" and that "Self-Schedules under this section will be settled under Attachment P

¹⁹⁷ *Id.* at 12.

¹⁹⁸ *Id.* at 13-14 (citing Transmittal at 21; CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3).

¹⁹⁹ *Id.* at 14 (quoting EDAM Order, 185 FERC ¶ 61,210 at P 311).

²⁰⁰ *Id.* at 15.

²⁰¹ SPP Protest at 13-14.

Section 7.4,”²⁰² but Portland does not propose to exercise its authority to grant higher scheduling priorities to other intra-day schedules of firm transmission customers above schedules utilizing less firm service.²⁰³ SPP states that it appears Portland’s proposal fails to always grant firm transmission service priority over non-firm service, as is required by the Commission’s *pro forma* OATT.²⁰⁴ SPP argues that Portland’s Tariff revisions do not appear to ensure that Portland will respect the priority rights of all firm transmission service holders who may schedule after the day-ahead market, including those scheduling across the Portland system to facilitate participation in another market or program outside of the Portland BAA.²⁰⁵

112. SPP asserts that under the Commission’s *pro forma* OATT, unscheduled firm service is made available for use as non-firm service and has a lower scheduling priority than firm service. SPP contends that under Portland’s proposal, EDAM’s day-ahead use of transmission customers’ unscheduled firm service will be afforded the same scheduling priority as firm transmission customers’ intra-day use of their own firm transmission service, in direct conflict with the scheduling priorities set forth in the *pro forma* OATT.²⁰⁶ SPP argues that Portland adopts PacifiCorp’s arguments and does not demonstrate how guaranteeing high priority for intra-day schedules associated with firm transmission service would not be practicable under the EDAM framework per the *pro forma* OATT statement that intra-day schedules will be permitted “if practicable.”²⁰⁷ SPP states that Portland’s proposal provides no clear process for honoring the scheduling rights of all firm transmission customers beyond the day-ahead scheduling deadline, and that Portland does not explain why it would not be practicable to assign intra-day schedules using firm transmission service a scheduling priority higher than day-ahead EDAM schedules that are not on reserved firm transmission service.²⁰⁸ Furthermore, SPP contends that Portland’s proposal removes any balance between preserving firm

²⁰² *Id.* at 15 (quoting Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.2.2.2.3.).

²⁰³ *Id.* (citing EDAM Order, 185 FERC ¶ 61,210 at P 294).

²⁰⁴ *Id.* (citing *pro forma* OATT § 13.7(a)).

²⁰⁵ *Id.*

²⁰⁶ *Id.* at 15-16 (citing *Preventing Undue Discrimination & Preference in Transmission Serv.*, Order No. 890, 118 FERC ¶ 61,119, at P 811 (2007)).

²⁰⁷ *Id.* at 16 (citing PacifiCorp, Answer, Docket No. ER25-951-000, at 32 (filed Mar. 11, 2025)).

²⁰⁸ *Id.* at 16-21.

transmission rights and assurance EDAM transfers will be delivered, which SPP claims was integral to the Commission's acceptance of the EDAM construct.²⁰⁹ SPP asserts that this treatment effectively displaces firm transmission customers by making firm transmission service less firm.²¹⁰

113. PPC states that Portland's Tariff proposal undermines the priority of firm transmission customer reservations and limits the ability to confidently schedule through the operating day.²¹¹ According to PPC, if the market cannot fully accommodate all schedules, both the intra-day self-schedule adjustment and day-ahead market awards will be reduced proportionally rather than the intra-day self-schedule retaining priority. PPC asserts that this raises equity concerns that EDAM transfers receive superior service to those that make long-term investments in firm service.²¹² PPC claims that, at a minimum, Portland should revise its proposal such that intra-day schedule changes associated with all Commission-approved programs, including other day-ahead and real-time market offerings, receive a higher priority.²¹³

114. Finally, PPC states that the totality of the proposed Tariff modifications would lead to a material degradation of firm transmission rights.²¹⁴ PPC argues that Portland's proposed Tariff revisions force transmission customers into the EDAM construct, expose transmission customers to incremental and unhedgeable congestion costs, and lower the priority of intra-day schedules relative to Portland's day-ahead market of choice.²¹⁵ PPC asserts that this approach creates unnecessary new economic and operational uncertainties for transmission customers in the West, will damage existing and developing Western programs such as Markets+, and will ultimately harm Western consumers.²¹⁶ PPC states it is concerned that the approval of this Tariff will cause an escalation of transmission providers altering their OATTs to favor the regional programs

²⁰⁹ *Id.* at 22 (citing EDAM Order, 185 FERC ¶ 61,210 at P 307).

²¹⁰ *Id.* at 24.

²¹¹ PPC Protest at 10.

²¹² *Id.* at 10-11.

²¹³ *Id.* at 11.

²¹⁴ *Id.*

²¹⁵ *Id.* at 11-12.

²¹⁶ *Id.* at 12.

they support, at the expense of other Commission-approved programs.²¹⁷ PPC asserts that a mechanism to mitigate this issue already exists, in the form of carve-outs of transmission, and that Portland has chosen not to extend the carve-outs permitted in CAISO's EDAM tariff with limited explanation.²¹⁸

115. The Energy Authority explains that it holds long-term firm point-to-point wheel through rights on Portland's share of the Northwest AC Intertie and that it primarily uses those rights to access CAISO markets at the Malin intertie or the California-Oregon Border trading hub.²¹⁹ The Energy Authority asserts that the proposed Tariff revisions create new obligations in the day-ahead timeframe and new timing requirements, which will alter the way wheeling customers can interact with forward markets despite not serving any demand on Portland's system.²²⁰ Furthermore, The Energy Authority argues that the proposed Tariff provisions will require wheeling customers to become EDAM Scheduling Coordinators to register their wheel-through transmission rights at their expense and also subject them to measured-demand uplift allocations in EDAM that do not correspond with their use of the system.²²¹

ii. Need for a Carve-Out

116. Tri-State argues that the lack of a transmission "carve-out" from EDAM would prohibit Tri-State from using its purchased firm transmission to participate in other markets.²²² Tri-State argues that approval of this filing would be an unconstitutional taking of firm transmission rights, violating the Fifth Amendment of the United States Constitution. Tri-State asserts that if the Commission is unwilling to reject Portland's proposed Tariff revisions, it should set the matter for hearing to consider whether the

²¹⁷ *Id.*

²¹⁸ *Id.* at 12-13 (citing CAISO, CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 33.18.3.3).

²¹⁹ The Energy Authority Protest at 2.

²²⁰ *Id.* at 3.

²²¹ *Id.* at 4-5.

²²² Tri-State Protest at 3.

disputed facts constitute a taking and carefully examine and weigh all of the relevant circumstances.²²³

117. Puget Sound Energy asserts that Portland's proposal violates the economic property rights held by firm transmission rights holders on its system.²²⁴ Puget Sound Energy argues that the lack of a carve-out has the potential to further degrade those economic property rights by exposing entities holding those rights to congestion for which they have no mechanism to hedge. Puget Sound Energy contends that Portland's proposal to "reverse day-ahead congestion price differentials . . . arising from a Portland BAA" for balanced self-schedules submitted prior to 10:00 a.m. of the day ahead is a woefully insufficient means for a firm transmission customer of Portland to mitigate its exposure.²²⁵ Puget Sound Energy argues that Portland should have included a more expansive carve-out and draws comparisons to the Markets+ transmission contributor framework.²²⁶

118. The Energy Authority similarly argues that the proposed Tariff would confiscate transmission customers' rights without direct compensation when they are not scheduled in full, exposing a flaw in the EDAM congestion revenue allocation framework. The Energy Authority states that in EDAM, wheeling customers are only eligible to receive congestion revenues that are volumetrically aligned with their rights when self-scheduling on the full quantity of their rights or turning the full quantity over to the market for others' use. The Energy Authority explains that EDAM will confiscate unused portions of long-term firm point-to-point transmission wheel-through rights to benefit market participants that are serving load, without compensating the entities who have made long-term investments in the system. The Energy Authority asserts that to resolve this issue, Portland should permit long-term firm point-to-point wheeling customers to "opt out" of EDAM participation and directly control the use and value of their held rights. The Energy Authority states that unlike SPP's Markets+ design, where wheeling customers receive congestion revenues on their rights regardless of whether they schedule on them or not, Portland's proposal is unjust and unreasonable because

²²³ *Id.* at 5 (citing *Palazzolo v. R.I.*, 533 U.S. 606, 636 (2001) (O'Connor, J., concurring); *Tahoe-Sierra Pres. Council, Inc. v. Tahoe Reg'l Plann. Agency*, 535 U.S. 302, 322 (2002); *Penn Cent. Transp. Co. v. City of N.Y.*, 438 U.S. 104, 124 (1978)).

²²⁴ Puget Sound Energy Protest at 1.

²²⁵ *Id.* at 5.

²²⁶ *Id.* at 5-6 (citing SPP Markets+ Order, 190 FERC ¶ 61,030 at P 83).

third-party customers will effectively be forced to subsidize the participation of Portland's native load customers.²²⁷

119. The Energy Authority objects to Portland's proposed application of EDAM scheduling and settlement rules to entities who only wheel power across Portland's transmission system to access trading opportunities. The Energy Authority states that Portland can implement EDAM without infringing on the business needs of its third-party wheeling customers or harming existing bilateral markets by providing "opt-out" allowances.²²⁸ The Energy Authority asserts that CAISO's tariff and Portland's proposed Tariff both include language that allows Portland to identify transmission rights not available to the market.²²⁹ The Energy Authority argues that Portland therefore has the latitude to develop Tariff provisions to allow wheeling customers with firm rights over Portland's system the option to use them in the same way as they currently do, but Portland has chosen not to.²³⁰ The Energy Authority argues that Portland's proposal will directly harm wheeling customers by foreclosing trading opportunities and exposing them to EDAM provisions that do not practically apply to wheel-through use due to the lack of an opt-out or carve-out. Further, The Energy Authority states that the proposed Tariff provisions will harm price formation and create undue market seams. The Energy Authority asserts that the Commission should reject Portland's filing and any future filing that does not afford an opt out unless Portland's transmission system becomes part of a full RTO and ETCs/TORs are converted to FTRs to settle with Portland's customers.²³¹

120. Salt River Project asserts that because Portland's proposed Tariff revisions require that all OATT-based transmission rights be included in EDAM, Portland is forcing all of its transmission customers into EDAM participation even if they do not want to be participants. Further, Salt River Project states that transmission customers will be unnecessarily exposed to two market optimizations and settlements if they need transmission over Portland's system to participate in Markets+. ²³² Salt River Project explains that consequences of Portland's proposed treatment of transmission are twofold. First, Salt River Project argues that market seams will be unnecessarily complicated and

²²⁷ The Energy Authority Protest at 6.

²²⁸ *Id.* at 7.

²²⁹ *Id.* at 7-8 (citing Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.3).

²³⁰ *Id.* at 8.

²³¹ *Id.* at 9.

²³² Salt River Project Protest at 6.

aggravated because customers seeking to wheel through power will be exposed to two market optimizations and settlements at no benefit to Portland or EDAM. Salt River Project alleges that this treatment disincentivizes market-to-market transfers, which renders this aspect of the proposal unjust and unreasonable and against Commission policy.²³³ Second, Salt River Project argues that Portland's proposal will disincentivize long-term transmission investments on Portland's system and discourage entities that are not participating in EDAM from locating generating resources in the Portland BAA or procuring contractual rights to generating resources that need Portland transmission.²³⁴

121. Salt River Project states that the solution to these two problems already exists; CAISO's tariff allows a scheduling coordinator for a transmission service provider in EDAM to notify CAISO that certain transmission rights are unavailable to the market in accordance with the provider's OATT and for CAISO to then adjust the day-ahead availability of the impacted transmission.²³⁵ Salt River Project states that this type of formulation could operate similarly to the Commission-approved Markets+ provisions. Salt River Project contends that Commission policy should require reciprocal treatment by EDAM Entities such as Portland with respect to transmission because Portland's merchant functions will benefit when transferring power through the Markets+ footprint but not vice versa.²³⁶

122. Shell Energy states that in the EDAM Order the Commission indicated its support for firm transmission customers having the right to carve out their reservations from EDAM participation.²³⁷ Shell Energy explains that one of the basics tenets of Order No. 888 is that transmission providers must ensure non-discriminatory open access in their tariffs.²³⁸ Although Shell Energy acknowledges that the Commission did not expressly require carve-outs when it accepted the EDAM proposal, Shell Energy asserts

²³³ *Id.*

²³⁴ *Id.*

²³⁵ *Id.* at 7 (citing CAISO, CAISO eTariff, § 33.18.3 Contract Reference Number (0.0.0) § 33.18.3.3).

²³⁶ *Id.*

²³⁷ Shell Energy Protest at 4 (citing EDAM Order, 185 FERC ¶ 61,210 at P 314).

²³⁸ *Id.* at 5 (citing *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Servs. by Pub. Utils.; Recovery of Stranded Costs by Pub. Utils. & Transmitting Utils.*, Order No. 888, FERC Stats. & Regs. ¶ 31,036, at 31,654-55 (1996) (Order No. 888)).

that Portland's proposed carve-outs are unduly discriminatory.²³⁹ Shell Energy states that Portland is reserving the right to carve out its own transmission service and legacy transmission contracts but is not offering that same opportunity to third-party OATT customers, which amounts to asymmetrical treatment that is unduly preferential to Portland and certain customers it selects for carve-outs.²⁴⁰ Further, Shell Energy argues that Portland has not explained what circumstances or market conditions would warrant a carve-out and why third parties are not entitled to the same protections in these instances and therefore the Commission should reject proposed section 6.1.3 of Attachment P.²⁴¹

123. Shell Energy asserts that Portland should submit a revised Tariff provision regarding carve-outs that would apply to all firm transmission customers equally. Shell Energy states that Portland should be required to explain how criteria will be applied to determine when a transmission customer will have the ability to opt out of EDAM based on reliability concerns and where those objective criteria will be made public.²⁴² Additionally, Shell Energy argues that Portland should allow such carve-out requests to be submitted at least one month in advance and for a duration of one month so that they align with the design of Markets+ and create reciprocity between the two markets.²⁴³

124. Bonneville similarly argues that the Commission must reject Portland's proposed Tariff because it forecloses the opportunity for transmission customers to make transmission unavailable for market use as suggested in CAISO's EDAM tariff provisions.²⁴⁴ Bonneville explains that Portland's proposed Tariff requires transmission customers to submit bilateral schedules in the day-ahead time frame or release their rights for EDAM optimization, with a limited right to make intra-day schedule changes, which means that transmission customers must support transmission use with a bilateral schedule or intra-day change even if they intend to use their rights for another purpose on

²³⁹ *Id.* at 6.

²⁴⁰ *Id.* at 6-7 (citing Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.3).

²⁴¹ *Id.* at 8.

²⁴² *Id.* (citing *PacifiCorp*, Docket No. ER25-951-000 (Mar. 27, 2025) (delegated order)).

²⁴³ *Id.* at 8-9 (citing SPP Markets+ Order, 190 FERC ¶ 61,030; *Sw. Power Pool, Inc.*, 191 FERC ¶ 61,040 (2025)).

²⁴⁴ Bonneville Protest at 6 (citing CAISO, CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 33.18.3.3).

an ongoing basis.²⁴⁵ Bonneville asserts Portland's rationale that carve-outs should be "limited to protect against adverse market impacts" is grounds for the Commission to reject Portland's proposal.²⁴⁶

125. Moreover, Bonneville asserts that Portland's proposal is at odds with historical development of markets in the West. Bonneville explains that, in part, Portland's participation in WEIM was facilitated by the use of its transmission on Bonneville's system under a coordinated transfer agreement. In contrast, Bonneville argues that now Portland is presuming it will utilize its rights on Bonneville's system for EDAM while disallowing Bonneville to similarly use its transmission rights on Portland's system. This lack of reciprocity, Bonneville asserts, is unduly discriminatory and unreasonable and the Commission should direct Portland to revise its proposal to include the CAISO tariff provision that recognizes transmission rights unavailable for market use at the discretion of the rights holder.²⁴⁷

126. Bonneville states that in approving Markets+, the Commission found that transmission customers would contribute their transmission rights for other purposes so long as they abided by the non-participating transmission service provider's OATT.²⁴⁸ Bonneville states that the Commission rejected Portland's arguments in the Markets+ proceeding and that Portland should be held by the standard under the Commission-approved Markets+ framework, whereby transmission customers could contribute their rights to the market.²⁴⁹

127. Bonneville further explains that the Commission found the transmission contribution in Markets+ to be just and reasonable because allowing transmission rights holders on non-participating systems to contribute their rights may enable more efficient generation dispatch across the Markets+ footprint.²⁵⁰ Bonneville asserts that Portland proposes to force a discriminatory preference that transmission must be contributed to

²⁴⁵ *Id.* at 7.

²⁴⁶ *Id.* at 8 (citing Transmittal at 14).

²⁴⁷ *Id.* at 8-9.

²⁴⁸ *Id.* at 9 (quoting Markets+ Order, 190 FERC ¶ 61,030 at P 152).

²⁴⁹ *Id.* at 9-10 (citing Markets+ Order, 190 FERC ¶ 61,030 at PP 127, 127-128, 155-156).

²⁵⁰ *Id.* at 10 (citing Markets+ Order, 190 FERC ¶ 61,030 at P 153).

EDAM, alleging that this will benefit Portland and other EDAM participants by resulting in better market price outcomes.

128. Bonneville asserts that the Commission should reject Portland's filing because it does not include a provision that describes the process for a transmission provider to communicate customer opt-outs to the market operator, as is available in Markets+. ²⁵¹ Further, Bonneville states that Portland should update its proposal to include CAISO's "unavailable for market use" provision and to describe a process for designating unavailable transmission on an ongoing basis. Otherwise, Bonneville argues that Portland's proposal bars access to energy markets in violation of open access principles and preferences Portland's merchant function. ²⁵²

iii. Resource Adequacy Program Interoperability

129. Bonneville states that the proposed Tariff includes a number of unacceptable caveats for WRAP transactions: (1) it only recognizes long-term point-to-point wheel-through or export transactions but not WRAP transactions that may be delivered over network transmission; (2) it is unreasonably narrow that WRAP deliveries must occur over transmission rights that are part of a WRAP forward showing; (3) it suggests that WRAP participants can only identify associated transmission twice per year; and (4) it is unclear what the nature of the "higher scheduling priority" for WRAP transactions will be. Bonneville states that the Commission should direct Portland to amend its Tariff to ensure WRAP transfers are treated in a just and reasonable fashion and are clearly afforded higher priority than EDAM transfers over non-firm transmission in the day-ahead market optimization. ²⁵³

130. SPP states that Portland should clarify how all transfers associated with resource adequacy program receive high priority. SPP states that it administers a resource adequacy program in its RTO footprint, which will apply to SPP's RTO expansion in the Western Interconnection. ²⁵⁴ SPP also explains that its Markets+ tariff provisions require all participating LSEs to participate in WRAP as the default resource adequacy program. SPP asserts that Portland's proposed Tariff revisions do not appear to ensure that

²⁵¹ *Id.* at 11 (citing SPP, Markets+ Tariff, § 1.M Definitions M (0.0.0) (defining Markets+ Transmission Capability, Markets+ Transmission Capacity Opt-Out); *id.*, attach. D § 1 Attachment D Section 1 (0.1.0), § 1.2).

²⁵² *Id.* at 11-12.

²⁵³ *Id.* at 17-19 (citing Portland Tariff attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.2.3).

²⁵⁴ *Id.* at 24.

participants of Commission-approved regional resource adequacy programs like WRAP or SPP's RTO expansion will be able to satisfy their total resource adequacy obligations utilizing their firm transmission rights on Portland's transmission system once Portland joins EDAM.²⁵⁵

131. Indicated WRAP Participants explain that WRAP's ability to protect reliability requires that its participants have confidence in the deliverability of supply regardless of when that supply is scheduled; under Portland's proposal, however, WRAP participants may only have confidence in supply scheduled prior to 10:00 a.m. the day-ahead. Indicated WRAP Participants note that scheduling all supply prior to that deadline is unworkable for two reasons: first, WRAP supply includes variable energy resources whose output cannot be forecast by 10:00 a.m. day-ahead with certainty and the quantity of WRAP committed supply to be deliverable will vary up to and within each operating hour; and second, WRAP supply includes flexible generating resources, which are instrumental in protecting reliability and relied upon to meet actual conditions of WRAP participants as they evolve through each operating hour.²⁵⁶

132. Indicated WRAP Participants note that as written, Portland's proposal leaves significant gaps that result in the proposed tariff not meeting WRAP participant or design needs. Specifically, Indicated WRAP Participants assert it is unclear what section 6.1.2.3 of the proposed Tariff intends when it describes WRAP transactions as having a higher scheduling priority without creating a special curtailment priority. Indicated WRAP Participants argue that, to the extent that Portland intends to condition its acceptance, rejection, modification, or curtailment of schedules using Portland transmission service, it must clearly explain how it intends to do so, and those details must be included in the Tariff.²⁵⁷

133. Additionally, Indicated WRAP Participants point out that WRAP relies on the deliverability of the entire actual output of each resource in a participant's forward showing, even though only a resource's qualified capacity contribution quantity counts toward meeting the participant's forward showing requirement. Indicated WRAP Participants contend that Portland's proposal must unambiguously apply the high scheduling priority to delivery of full output of identified resources and not limit the priority to the qualified capacity contribution. Indicated WRAP Participants state that a WRAP participant who deploys intra-day energy to assist another WRAP participant under the operations program will not necessarily deliver that energy from resources that

²⁵⁵ *Id.* at 24-28.

²⁵⁶ Indicated WRAP Participants Protest at 20.

²⁵⁷ *Id.* at 22 (citing Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.2.3; Transmittal at 28).

were part of its forward showing and might require transmission service to a different location; in this scenario, Indicated WRAP Participants claim that Portland would therefore fail to apply a high scheduling priority to all intra-day deliveries required under the WRAP operations program.²⁵⁸

134. Furthermore, Indicated WRAP Participants express concern with Portland's proposal to communicate instructions related to scheduling priority to the market operator only "two times per calendar year." Indicated WRAP Participants explain that WRAP participants may procure firm transmission service relatively close to the operating hour for the delivery of some forward showing resources because WRAP participants are only required to identify firm transmission service at the time of forward showing for 75% of supply under the WRAP tariff.²⁵⁹ Thus, Indicated WRAP Participants point out that Portland's proposal would not assign a high scheduling priority for deliveries using firm transmission service identified after the twice a year deadline.

135. Finally, Indicated WRAP Participants assert that Portland's proposal extends "high priority only to long-term point-to-point wheel-through or export" transmission rights; thus, under this provision, WRAP deliveries using shorter-term firm transmission service would not receive the high scheduling priority.²⁶⁰

136. Altogether, Indicated WRAP Participants maintain that given the multiple omissions and ambiguities, the Commission should direct Portland to revise the proposed provision to ensure that all deliveries required under the WRAP program will receive the scheduling and curtailment priority associated with their underlying firm transmission rights.²⁶¹

137. Indicated WRAP Participants are also concerned that the adverse impacts of Portland's proposal on WRAP's viability will affect its ability to realize the resource diversity between Western regions because WRAP participants would be impeded in acquiring transmission service. If the Commission accepts Portland's proposal, Indicated WRAP Participants state that other transmission providers may follow suit and adoption

²⁵⁸ *Id.* at 22.

²⁵⁹ *Id.* at 22-23 (citing Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.2.3).

²⁶⁰ *Id.* at 23 (noting that long-term firm is defined as service with a term of one year or longer).

²⁶¹ *Id.*

by all EDAM transmission providers would effectively block WRAP from accessing coordination and diversity benefits in the West.²⁶²

138. Indicated WRAP Participants request that the Commission reject Portland's Tariff amendments without prejudice to Portland developing alternative amendments that enable its participation in EDAM in a manner consistent with the *pro forma* OATT and that does not undermine WRAP and other regional programs and markets. In addition, Indicated WRAP Participants state that the Commission should affirm its prior guidance that transmission providers must continue to provide firm transmission service at a predictable, cost-based rate, and that deliveries using firm transmission service continue to have priority over non-firm transmission service use, including priority over the organized market's use of non-firm and/or unscheduled firm transmission service.²⁶³

139. Indicated WRAP Participants also note that to the extent an EDAM transmission provider does not propose mechanisms to preserve the key "fixed price" and "firm delivery priority" attributes of firm transmission service when customers use those rights in EDAM, the Commission should require EDAM transmission providers to enable customers to schedule the use of that service without participating in EDAM. According to Indicated WRAP Participants, this optimal mechanism would be available for firm transmission service that is either: (1) being used by a customer to deliver an electricity product; or (2) being made available by a customer for another Commission-approved organized market. According to Indicated WRAP Participants, transmission capability associated with the firm service should properly be viewed as not available to EDAM and thus not be exposed to EDAM settlements, including congestion charges.²⁶⁴

d. Answers

140. Portland asserts that the *pro forma* OATT does not give transmission customers the unilateral ability to exempt themselves from generally applicable terms and conditions of taking service over a transmission provider's system. First, Portland argues that "carve-outs" of transmission could distort price signals that the market produces and cannot be reconciled with the *pro forma* OATT and Commission precedent. Second, Portland states that widespread "carve-outs" would hinder the market's ability to reach efficient solutions and drive-up costs, which would disadvantage native load. Third, Portland refutes Bonneville and Tri-State's assertions of ownership-like rights over their contracted transmission rights.

²⁶² *Id.* at 24.

²⁶³ *Id.* at 24-25.

²⁶⁴ *Id.* at 25.

141. Portland argues that Bonneville is making a false equivalency between Portland's use of Bonneville owned transmission for use in EDAM and the potential use of Portland owned transmission by Bonneville for participation in Markets+. Portland explains that Bonneville has granted Portland dynamic scheduling rights for nearly all of Bonneville's transmission that it contracts for and thus relieves Bonneville of the obligation to provide ancillary services for Portland's pseudo-tied generators. Further, Portland explains that any market participation Portland engages in using those rights would continue to be pursuant to existing contract terms. Portland states that the WEIM models Portland's contractual use of Bonneville's transmission consistent with the underlying contracts and (1) grants delivery based on a specific point of receipt-point of delivery pair, and (2) utilizes specific dynamic rights consistent with the rights granted by Bonneville at Bonneville's discretion; Portland states this same delivery framework will continue in EDAM and is not akin to what Bonneville is demanding from Portland.²⁶⁵ Fourth, Portland refutes protesters' characterization that they are being made "involuntarily captive" to EDAM congestion cost allocation methodology and being treated discriminatorily.²⁶⁶ Portland states that it is not discriminatory against customers or a neighboring market to hold all transmission customers to the same generally applicable terms and conditions of transmission service. Finally, Portland disagrees with allegations that the proposed limited carve-out provision is intended to enable Portland to carve out its native load, because the primary value proposition of EDAM is cost savings from efficient resource optimization, which would be undercut by any transmission carve-outs.²⁶⁷

142. Portland argues that a unilateral customer carve-out right raises operational and reliability concerns that would compound in the presence of two emerging markets. Portland further argues that the reciprocity provisions contemplated in the *pro forma* OATT were to ensure that non-public utilities could not take advantage of open access on jurisdictional facilities while refusing to provide open access themselves—not to grant a unilateral carve-out from the transmission provider's system.²⁶⁸

143. Portland disagrees with Indicated WRAP Participants that the 10:00 a.m. scheduling deadline may be unworkable. Portland points out that WRAP participants will know their obligations three hours before the day-ahead market run to inform that

²⁶⁵ Portland May 23 Answer at 23-27.

²⁶⁶ *Id.* at 28 (citing Shell Energy Protest at 4; Powerex May 1 Protest at 30-31, 67; Bonneville Protest at 26-28; Indicated WRAP Participants Protest at 25; Indicated WRAP Participants Protest at 24; Salt River Project Protest at 6; Tacoma Protest at 9).

²⁶⁷ *Id.* at 29 (citing Shell Energy Protest at 7-8).

²⁶⁸ *Id.* at 30-31 (citing Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,717).

they will self-schedule their WRAP requirement. Further, Portland notes that the 10:00 a.m. scheduling deadline exists today, and therefore Indicated WRAP Participants' concerns about scheduling uncertainty related to variable energy resources are unfounded because EDAM will not change the existing deadline.

144. Portland argues that it would be inappropriate to introduce a new higher OATT curtailment priority for schedules associated with WRAP deliveries and that any curtailments that are the result of market infeasibilities will be subject to Portland's Tariff and consistent with NERC standards. Additionally, Portland disagrees with Indicated WRAP Participants that a higher scheduling priority should apply to the full actual output of identified resources in a WRAP participant's forward showing. Portland states that WRAP only requires participants to obtain a specified amount of firm transmission and not the full actual output and, accordingly, Portland has proposed to match that requirement with the amount of transmission granted higher market scheduling priority.²⁶⁹ Further, Portland does not believe it necessary to communicate instructions to CAISO regarding higher scheduling priority for WRAP transfers more frequently than twice a year. Portland states that communicating twice a year coincides with the summer and winter peaking demands. Finally, Portland disagrees that short-term firm rights should be extended a higher scheduling priority because it is not necessary to support WRAP.²⁷⁰

145. Portland states that as part of the accepted EDAM design, CAISO will afford intra-day schedule submissions a priority in the real-time market higher than other real-time schedules and equal to cleared day-ahead self-schedules.²⁷¹ Portland states that it has the ability to instruct CAISO to apply a higher scheduling priority to some transactions, which it will apply to WRAP transactions, but the Commission did not require such higher priority be given to all firm rights holders. Portland states that intra-day schedule changes made after 10:00 a.m. will be accommodated "if practicable" under the *pro forma* OATT, asserting that the proposed market design is the means by which the accommodation of intra-day schedules is made "practicable." Portland refutes protesters' arguments that EDAM Entities must always direct higher scheduling priority for all firm transmission uses by explaining that the Commission already found EDAM's

²⁶⁹ *Id.* at 32-33.

²⁷⁰ *Id.* at 33.

²⁷¹ *Id.* at 35 (citing CAISO, CAISO eTariff, §33.18.2 Transmission at EDAM Internal Interties (0.0.0), §33.18.2.2.3).

assignment of scheduling priorities to intra-day schedules and day-ahead transfers to be consistent with or superior to the *pro forma* OATT.²⁷²

146. Portland states that it agrees with PacifiCorp's proposed approach in its EDAM implementation filing to exercise NERC curtailment priorities in a way that respects EDAM transfers, while also reflecting the non-firm status of such transfers if they were utilizing otherwise unscheduled transmission. Portland asserts that this is a just and reasonable way to effectuate the EDAM design that gives EDAM transfers equal market scheduling priority to intra-day schedules (inclusive of changes) unless otherwise directed by the EDAM Entity and also reflects a curtailment process that adheres to general NERC curtailment principles.²⁷³ Portland reasserts that this approach implements CAISO's filed rate as to when and how Portland's authority under section 33.18.2.2.3 is exercised, and is consistent with or superior to the *pro forma* OATT for multiple reasons.

147. First, Portland explains that it is already a settled matter that all intra-day schedules and schedule changes will have the same market scheduling priority as day-ahead EDAM transfers. Portland points out that CAISO's tariff gives Portland the discretion to direct otherwise, and Portland has proposed to implement this authority to apply a higher priority to certain WRAP transactions and those of a comparable resource adequacy program.²⁷⁴

148. Second, Portland argues that it is a reasonable decision to limit the use of a higher scheduling priority to WRAP transactions only. Portland explains that the value and confidence in day-ahead market runs and awards would be undercut if all intra-day schedules were permitted to undermine day-ahead awards.²⁷⁵ Portland states that it chose to address the concerns of WRAP entities by providing extra support and confidence around WRAP transactions, and the intent of the higher scheduling priority is to facilitate

²⁷² *Id.* at 36-37 (citing EDAM Order, 185 FERC ¶ 61,210 at P 310; CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), §33.18.2.2.3).

²⁷³ *Id.* at 37. Portland states that it will utilize its authority to direct a higher market scheduling priority for intraday schedules under CAISO tariff section 33.18.2.2.3 solely for intra-day schedules and schedule changes associated with part of a forward showing of a WRAP participant (or other applicable resource adequacy program). *Id.* (citing CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), §33.18.2.2.3).

²⁷⁴ *Id.*

²⁷⁵ *Id.* at 38 (citing EDAM Order, 185 FERC ¶ 61,210 at P 307).

the WRAP rather than condition the transmission service Portland provides to its customers.²⁷⁶

149. Third, Portland claims that Powerex, PPC, and other prospective Markets+ participants are overestimating the likelihood of market infeasibilities that may impact market scheduling priorities for intra-day schedules or schedule changes. Portland explains that an EDAM resource must come to the market with sufficient transmission for optimization by EDAM, and that because of this, the market model should have sufficient transmission to redispatch and optimize as necessary to accommodate intra-day schedules.²⁷⁷ Portland argues that the prioritization concerns raised by Powerex are speculative at this point and if they did in any event occur, Portland would curtail in an order that reflected the underlying firm and non-firm nature of the transmission.

150. Finally, Portland disputes Powerex's claims that Portland's proposal undermines the T-20 deadline currently in the Tariff. Portland states that the proposed Tariff revisions do not change the T-20 timeline for accepting intra-day schedule changes, but those intra-day schedule changes will be subject to congestion related impacts, akin to imbalance charges in WEIM for tags made up to T-20.²⁷⁸ Portland explains that these impacts for scheduling up to T-20 are part of the accepted EDAM design. Further, permitting scheduling up to T-20 without incurring any financial or scheduling consequences would not comport with the impact of doing so. Depending on the magnitude, scheduling close to the T-20 deadline can lead to significant redispatch costs, which undermine the day-ahead market results and create inefficiencies and market arbitrage concerns.²⁷⁹ Portland asserts that the just and reasonable balance is to align incentives across all transmission customers within the BAA where customers have the opportunity to schedule ahead of the market to minimize congestion exposure and share in the costs of intra-day redispatches.

151. Portland argues that protesters significantly overstate the risk that intra-day schedules will not be delivered under EDAM. Portland asserts that protesters' primary concern is that such deliveries may now be subjected to congestion impacts if not scheduled in the day-ahead. Portland contends that it is a resolved matter that "EDAM will attempt to accommodate any intra-day schedule changes via redispatch and if there is an infeasibility, CAISO will notify the EDAM Entity, which is then responsible for

²⁷⁶ *Id.* at 39.

²⁷⁷ *Id.* (citing EDAM Order, 185 FERC ¶ 61,210 at P 297, 310).

²⁷⁸ *Id.* at 40-41.

²⁷⁹ *Id.* at 41 (citing CAISO EDAM Transmittal at 136-37).

resolving the infeasibility through its OATT procedures.”²⁸⁰ Portland affirms that if and when it needs to resolve an infeasibility at CAISO’s request, schedules associated with firm OATT rights—including those submitted through intra-day self-schedules—will retain a priority over market-generated day-ahead schedules in the curtailment process. Further, Portland clarifies that in the case of cleared EDAM transfers using unscheduled transmission, if an intra-day schedule for the same capacity was submitted by an OATT rights holder, the market would attempt to redispatch and accommodate both schedules. Portland continues that if the attempted redispatch results in an infeasibility that cannot be resolved, manual curtailments would reflect the non-firm status of the cleared EDAM transfers using unscheduled transmission, and the EDAM transfers must give way to the OATT intra-day schedules under NERC curtailment procedures.²⁸¹

152. CAISO states that the Commission should reject any requests for a carve-out option as inconsistent with EDAM design and inconsistent with *NRG*.²⁸² CAISO asserts that although Markets+ has a transmission opt out mechanism, the Commission in its EDAM Order found that “uniform participation of relevant resources within a BAA helps to account for all load and resources and aligns demand forecasts with the supply and demand for which a balancing authority is responsible.”²⁸³ CAISO avers that the Commission has long recognized that there is a range of just and reasonable wholesale market designs. CAISO argues that mandating any sort of carve-out right for transmission customers would be a collateral attack on the underlying EDAM Order and contrary to Portland’s proposed Tariff revisions, for which the Commission need not consider alternatives.²⁸⁴

²⁸⁰ *Id.* at 43 (quoting EDAM Order, 185 FERC ¶ 61,210 at P 310).

²⁸¹ *Id.* at 44.

²⁸² CAISO Answer at 16 (citing *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108 (D.C. Cir. 2017)).

²⁸³ *Id.* at 17 (quoting EDAM Order, 185 FERC ¶ 61,210 at P 220).

²⁸⁴ *Id.* at 18-19 (citing *Midcontinent Indep. Transmission Sys. Operator, Inc.*, 162 FERC ¶ 61,176, at P 57 (2018) (“In its orders, the Commission has consistently rejected a one-size-fits-all approach in the various RTOs/ISOs due, in large part, to significant differences between each region and that there can be more than one just and reasonable rate.”); *PJM Interconnection, L.L.C.*, 119 FERC ¶ 61,063, at P 39 (2007) (finding the “[t]he Commission has permitted different just and reasonable rate designs reflective of particular system characteristics and stakeholder input”); *Sw. Power Pool, Inc.*, 110 FERC ¶ 61,031, at P 22-23 (2005) (finding that differences between RTO

153. CAISO explains that section 33.18.3.3 of its tariff allows each EDAM transmission service provider an exclusive carve-out right, but that CAISO emphasized many times that this was narrow in scope. CAISO states carve-outs should be rare because the EDAM design relies heavily on making transmission capacity available to the market to reach efficient outcomes and extensive carve-outs would create inefficiencies. Further, CAISO notes that the Commission found that “any use of section 33.18.3.3 to carve out transmission rights from EDAM would be contingent on the EDAM transmission service provider’s OATT provisions allowing for such carve-out.”²⁸⁵ CAISO argues that Portland’s proposal is consistent with the design principles of EDAM and that Portland is within its rights to narrowly limit carve-outs. Finally, CAISO asserts that should any transmission customer believe Portland is using this limited carve-out authority in an unduly discriminatory manner, adequate recourse through section 206 of the FPA exists.

154. CAISO states that it addressed similar arguments in the PacifiCorp proceeding and maintains that they are an attempt to re-litigate issues the Commission resolved in the EDAM Order. CAISO asserts that the EDAM design and Portland’s Tariff revisions regarding intra-day schedule changes will work in tandem and will honor schedules in a manner that does not diminish intra-day scheduling under the *pro forma* OATT.²⁸⁶

155. Bonneville reiterates that it believes Portland is unreasonably restricting customers from carving out transmission from the market in a blanket manner inconsistent with the EDAM tariff and vesting itself with the unilateral right to decide the contractual rights of its customers.²⁸⁷ Bonneville states that it is not requesting any specific carve-outs, contrary to Portland’s assertion, but that it seeks to make the point that a party with contracted transmission rights should be free to use those rights in any lawful manner it chooses. Bonneville further argues that none of Portland’s assertions regarding what transmission customers are allowed to do with their transmission rights (i.e., self-schedule, release rights to the market for optimization, or neither self-schedule nor release the capacity) are reflected in the proposed Tariff, and Portland does not discuss

regions may be warranted given the different circumstances of the markets); *Midwest Indep. Transmission Sys. Operator, Inc.*, 102 FERC ¶ 61,196, at P 43 (2003) (same)).

²⁸⁵ *Id.* at 22 (citing EDAM Order, 185 FERC ¶ 61,210 at P 314).

²⁸⁶ *Id.* at 25-26.

²⁸⁷ Bonneville Answer at 2 (citing CAISO, CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 33.18.3.3; Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (0.0.0), § 6.1.3).

when a transmission customer could make its transmission unavailable based on contractual rights.²⁸⁸

156. Bonneville argues that even if the proposed Tariff required transmission customers to self-schedule their transmission rights, Portland cannot restrict customers from designating transmission for another use consistent with their contractual rights. Bonneville argues that allowing Portland to hold back transmission “in its sole discretion” would amount to the Commission endorsing a unilateral right of transmission providers to determine how their customers exercise their contract rights. Bonneville asserts that the Commission should direct Portland to revise its Tariff to include provisions permitting transmission carve-outs and respecting customers’ use of transmission rights within contractual parameters.²⁸⁹

157. Bonneville argues that Portland should be required to outline the criteria for unavailable transmission to EDAM based upon reliability concerns and alleges that Portland is making overly broad assertions about the inability to use transmission to facilitate various purposes.²⁹⁰ Bonneville states that Portland has not offered an adequate process to collaborate with stakeholders and address its customers’ concerns or potential seams solutions.²⁹¹

158. In a supplemental answer, Powerex raises concerns about a memorandum issued by Portland on July 22, 2025, entitled “EDAM Implications for [Portland] Transmission Customers” (Memo).²⁹² Powerex explains that the Memo addresses access and usage issues on Portland’s share of the Northwest AC Intertie, which is a key path linking the Northwest and Southwest regions. Powerex interprets the Memo as Portland potentially no longer allowing transmission rights sold under its Tariff to be used to schedule deliveries on Portland’s share of the Northwest AC Intertie to or from the CAISO BAA through CAISO’s longstanding intertie bidding network. Powerex argues that Portland’s apparent intention to eliminate the CAISO intertie bidding framework as an available mechanism for arranging deliveries into California using Portland transmission service will represent a fundamental and unanticipated restriction on the region’s use of the Northwest AC Intertie. Powerex alleges that if Portland forecloses the ability to deliver supply to the CAISO BAA by eliminating the intertie bidding framework, Portland would

²⁸⁸ *Id.* at 3-4.

²⁸⁹ *Id.* at 4-5.

²⁹⁰ *Id.* at 5-6.

²⁹¹ *Id.* at 6-7.

²⁹² Powerex July 29 Protest at 1-2.

be engaging in a far-reaching effort to seize the transmission capacity held by Portland's unaffiliated customers as firm service and use it for Portland's activity in EDAM. Powerex states that this would effectively make upstream and downstream transmission rights purchased from other transmission providers for use in conjunction with rights purchased from Portland captive to EDAM even though this critical intertie is physically located entirely in Bonneville's BAA.²⁹³

159. Powerex asserts that this new information creates great uncertainty for transmission rights holders on Portland's system. Powerex requests that the Commission affirm that it will not permit Portland to use its entry into EDAM as a pretext to create impediments or barriers to how its unaffiliated transmission customers may or may not utilize the transmission service provided under Portland's Tariff. Further, Powerex states that the Commission should direct Portland to include in its Tariff any proposed provisions that materially restrict the use of firm transmission service.²⁹⁴

160. SPP also submitted additional comments after the release of the Memo. SPP is concerned, given the new information in the Memo, that a declaration of infeasibility may not function the way Portland described in its deficiency response. Without clarification to the proposed Tariff, SPP states that Portland has not shown it to be consistent with or superior to the *pro forma* OATT.²⁹⁵

161. In its response to the Powerex July 21 Protest, CAISO states that Powerex persists in its protests despite the approved EDAM transmission framework and fails to demonstrate how Portland's proposal is inconsistent with the *pro forma* OATT.²⁹⁶

162. Portland disagrees with Powerex's assertions that Portland has not explained why use of Portland's transmission capacity to support other markets through a carve out, such as Markets+, is an inefficient use of Portland's system.²⁹⁷ Portland states that all transmission service will continue to be scheduled pursuant to its Tariff and the use of the transmission system will be processed through EDAM as economic bids or self-schedules. Portland explains that it extensively rebutted Powerex's concerns related to intra-day scheduling and it maintains that Powerex's concerns that transmission

²⁹³ *Id.* at 3, 8-9.

²⁹⁴ *Id.* at 12.

²⁹⁵ SPP August 5 Comments at 1-7.

²⁹⁶ CAISO August 7 Comments at 1-11.

²⁹⁷ Portland August 13 Answer at 8-10.

customers may be unable to deliver to load are speculative and there should be sufficient transmission to redispatch and optimize to accommodate intra-day changes.²⁹⁸

163. Portland explains that the Memo was posted as part of a package of draft EDAM implementation materials and was intended to cover a wide range of implementation questions that have been raised by Portland's transmission customers. Portland states that it did not intend to convey via the Memo that transmission customers would face substantive impacts to their ability to continue to intertie-bid into the CAISO BAA using Portland's ownership share of the Northwest AC Intertie. Portland states that it has issued a clarification to the Memo on its OASIS and commits to facilitate intertie bidding from non-EDAM BAAs into the CAISO BAA on its share of the Northwest AC Intertie. Portland asserts that the details of how this will be facilitated are implementation details and do not implicate its filed proposal.²⁹⁹

164. CAISO asserts that Powerex and SPP's concerns regarding the Memo are beyond the scope of this proceeding and are related to a discrete implementation detail that is still subject to change. Furthermore, CAISO argues that Powerex and SPP have misunderstood the Memo and that CAISO agrees with Portland's clarification in its August 13 Answer. CAISO reiterates that it believes SPP's comments regarding priority of intra-day schedule changes have already been resolved by the Commission in the EDAM Order and therefore amount to a collateral attack that the Commission should disallow.³⁰⁰

e. **Deficiency Letter, Deficiency Letter Response, Comments, Protests, and Answers**

165. In the Deficiency Letter, Commission staff requested further details about specific transmission and intra-day scheduling mechanisms in Portland's proposal. Specifically, Commission staff inquired what NERC transmission service reservation priority would be assigned to cleared day-ahead schedules and what intra-day scheduling priority would be assigned to firm transmission customers whose use is not part of a WRAP (or other resource adequacy-related) forward showing.³⁰¹

²⁹⁸ *Id.* at 10-12.

²⁹⁹ *Id.* at 14-16.

³⁰⁰ CAISO August 21 Answer at 3-10.

³⁰¹ Deficiency Letter at 3-4.

166. Commission staff additionally inquired as to what criteria Portland would use to determine transmission facility carve-outs from the market, as well as whether the associated information would be in business practice manuals and/or if a list of carved out facilities would be available publicly in some form.³⁰²

167. In its Deficiency Letter Response, Portland clarifies that NERC transmission service reservation priority, also referred to as NERC curtailment priority, applies only to transmission service products offered under the Portland Tariff. Portland explains that a NERC curtailment priority is distinct from the market scheduling priority that is determined under the CAISO tariff unless otherwise directed by the Portland EDAM Entity for firm transmission related to WRAP forward showing obligations. Portland asserts that EDAM will not take NERC curtailment priorities into account when performing its core function of security-constrained economic dispatch. Portland states that the NERC curtailment priorities will come into play if the market reaches a point of infeasibility and requires the EDAM transmission service provider to implement any actual curtailments. Portland explains that NERC curtailment priority will ensure that if it is called on to resolve an infeasibility, schedules associated with firm OATT rights will retain a priority over market-generated day-ahead schedules in the curtailment process.³⁰³

168. Portland explains that while intra-day self-schedules not associated with a WRAP forward showing obligation, or other resource adequacy programs, will not receive the “higher” market scheduling priority in the real-time market, the real-time market will still respect that intra-day schedule and attempt to find an optimized solution that accounts for it.³⁰⁴

169. Portland states its proposed Tariff revisions do not change the way it processes intra-day schedule changes. Portland explains that it currently accepts firm point-to-point transmission schedules submitted after 10:00 a.m. (i.e., intra-day schedules) “if practicable” consistent with the *pro forma* OATT. Portland states that it can accept intra-day schedules and schedule changes until T-20 before the operating hour, absent reliability concerns with doing so. Portland explains that EDAM will also accept intra-day self-schedules by firm customers, even after the close of the day-ahead market. Portland explains the market will afford such self-schedules a market scheduling priority that is equal to other real-time self-schedules and equal to day-ahead self-schedules. Portland states that the market will redispatch to accommodate such intra-day schedules based on system conditions and the volume of economic bids and in the event of an infeasibility, “CAISO will notify the EDAM Entity, which is then responsible for

³⁰² *Id.* at 2.

³⁰³ Portland Deficiency Letter Response at 7.

³⁰⁴ *Id.* at 7.

resolving the infeasibility through its OATT procedures.” Portland argues that this proposal is consistent with or superior to the *pro forma* OATT.³⁰⁵

170. Portland states that it does not propose any additional criteria to determine whether to hold back any transmission facilities from the market at this time as Portland anticipates operational experience will inform hold backs. Portland maintains that the hold backs will be limited and transparent. Portland states that it intends to post on its OASIS any transmission capacity that is excluded from EDAM, along with the reasons for such carve-outs.³⁰⁶

171. CAISO states that it has confirmed Portland’s explanations in its Deficiency Letter Response are consistent with applicable provisions in CAISO’s tariff and CAISO’s plans for implementing EDAM.³⁰⁷ CAISO states that Portland’s explanation that any more detailed criteria for the exercise of carve-out discretion are premature in the period before parties have operational experience with EDAM is reasonable, because more detailed criteria could limit the ability of Portland to respond to unanticipated conditions after EDAM start-up.³⁰⁸ CAISO states that it will work with EDAM Entities to consider what additional criteria, if any, may be appropriate based on operational experience.

172. Powerex argues that Portland’s Deficiency Letter Response makes clear that, under its proposal, it will largely disregard the priority of the transmission service it has sold, and instead have CAISO determine which customers benefit from access to transmission capability, including on critical inter-regional transmission corridors.³⁰⁹ Powerex asserts that this means that even when Portland transmission customers seek to schedule the delivery of their generation to their load entirely outside of EDAM and/or seek to arrange deliveries in EDAM as self-schedules (i.e., as price-taker), the market scheduling priority assigned by CAISO will not mirror the transmission service priority committed to by Portland and paid for by customers.³¹⁰

³⁰⁵ *Id.* at 5 (citing CAISO, CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 33.18.3.1; *id.* § 33.7.5 EDAM Transfer Priority Relative to Demand (0.0.0); EDAM Order, 185 FERC ¶ 61,210 at P 310).

³⁰⁶ Portland Deficiency Letter Response at 3-4.

³⁰⁷ CAISO Comments on the Deficiency Letter Response at 2-3.

³⁰⁸ *Id.* at 4-5.

³⁰⁹ Powerex July 21 Protest at 6.

³¹⁰ *Id.*

173. Powerex asserts that Portland's proposal is especially egregious given that the bulk of the transmission service it provides under its tariff is for the use of Portland's share of capacity on the Pacific AC Intertie (PACI). Powerex argues that when Portland joins EDAM—and if its unaffiliated transmission customers choose to join Markets+ or seek to transact entirely outside of either organized market—Portland will be able to use the transmission capacity on PACI paid for by its unaffiliated customers to support its own transactions in EDAM.

174. In response to Portland's assertion in its answer that widespread carve-outs would hinder the market's ability to reach efficient solutions,³¹¹ Powerex asserts that it and other protestors have merely requested that customers that invest in firm transmission service have the ability to use that service to support transactions unrelated to EDAM.³¹² Powerex argues that Portland has failed to establish that it is improper for EDAM transactions to be limited by transmission customers' use of the firm OATT rights they have reserved and pay for.³¹³

175. SPP states that Portland, in its Deficiency Letter Response addressing transmission priority and the treatment of firm transmission rights once Portland joins EDAM, appears to offer some helpful clarifications regarding the priority afforded to intra-day self-schedules, including WRAP forward showing-related self-schedules using firm transmission.³¹⁴ SPP argues that Portland must also revise its Tariff to reflect those responses and to ensure that Portland's described treatment of firm transmission rights is enforceable under its revised Tariff before it can be accepted.³¹⁵

176. SPP states that it interprets Portland's statements in its Deficiency Letter Response to mean that when the market cannot feasibly accommodate a transaction using firm transmission service on Portland's transmission system, CAISO will inform Portland of the infeasibility, and Portland will curtail transactions on its system based on its pre-existing OATT curtailment priorities and practices regardless of whatever market priority EDAM assigned.³¹⁶ However, SPP notes that Portland does not cite to any OATT provision expressly requiring such actions. SPP argues that Portland's proposed

³¹¹ Portland May 23 Answer at 25.

³¹² Powerex July 21 Protest at 11.

³¹³ *Id.*

³¹⁴ SPP July 21 Comments at 2.

³¹⁵ *Id.*

³¹⁶ *Id.* at 4.

Tariff for EDAM participation must include language incorporating Portland's representation that, if and when Portland is called on to resolve an infeasibility, schedules associated with firm OATT rights—including those submitted through intra-day self-schedules—will retain priority over market-generated day-ahead schedules and other intra-day schedules on lesser-firm service in the curtailment process.³¹⁷

f. Determination

177. We find that Portland's proposed Tariff revisions relating to the use of its transmission system by EDAM are just and reasonable and not unduly discriminatory or preferential. As discussed below, we find that Portland's proposal regarding the intra-day scheduling rights of firm point-to-point and network transmission customers is consistent with or superior to the *pro forma* OATT. Additionally, we find that Portland's proposal to limit carve-outs is consistent with the EDAM design and is not a violation of transmission customers' property rights. Further, we find that the proposed Tariff revisions will allow firm transmission customers to meet their obligations under WRAP and other Commission-approved resource adequacy programs.

i. Scheduling Priorities Devalue Firm Service

178. Similar to the Commission's finding in the PacifiCorp EDAM Order on this issue,³¹⁸ we find that Portland's proposed Tariff is consistent with the *pro forma* OATT and preserves the firm transmission rights of long-term firm point-to-point and network transmission customers by providing that balanced self-schedules submitted prior to the 10:00 a.m. day-before scheduling deadline will receive a higher market clearing scheduling priority than cleared EDAM day-ahead schedules, ensuring that these balanced self-schedules clear.

179. We disagree with protesters' assertions that giving an equal market scheduling priority to firm transmission customers' intra-day schedule changes and cleared EDAM day-ahead schedules means that firm transmission customers' service rights will be degraded because they will not have certainty that their intra-day schedule changes will be accommodated.³¹⁹ On the contrary, we find that Portland's proposed Tariff will ensure that firm transmission customers' intra-day schedule changes will be

³¹⁷ *Id.*

³¹⁸ *PacifiCorp*, 192 FERC ¶ 61,197 at P 240.

³¹⁹ See, e.g., Powerex May 1 Protest at 49-59; Bonneville Protest at 14-15; SPP May 1 Comments at 12.

accommodated in a manner consistent with the Commission's *pro forma* OATT.³²⁰ To put it plainly, intra-day schedule changes from firm transmission customers will not be curtailed to accommodate day-ahead EDAM schedules using non-firm transmission rights. As noted by Portland, and according to CAISO's tariff, intra-day schedule changes will be accommodated via market redispatch;³²¹ if EDAM is unable to feasibly redispatch the market to accommodate the intra-day schedule, then an infeasibility will be declared and EDAM Entities will manually dispatch their BAA according to the curtailment priorities in their OATTs.³²² Therefore, we find that Portland's firm transmission customers' intra-day schedule changes will flow with a degree of certainty that is consistent with or superior to the requirements of the Commission's *pro forma* OATT.

180. Contrary to protesters' assertions, we find that giving an equal market scheduling priority to firm transmission customers' intra-day schedule changes and cleared EDAM day-ahead schedules does not mean that firm transmission use will receive curtailment or reservation priority in a manner contrary to the *pro forma* OATT.³²³ As described by

³²⁰ See *pro forma* OATT § 13.8.

³²¹ CAISO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3 ("If the transmission customer later submits a schedule associated with its registered transmission service rights . . . CAISO *will* accommodate [it] in the Real-Time Market. The Real-Time Market may re-dispatch if necessary to accommodate the late Self-Schedule . . .").

³²² Portland Deficiency Letter Response at 5; CAISO, CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 13.18.3.1; *id.* § 33.7.4 (0.0.0) ("CAISO may declare an interruption of EDAM Entity participation in the Day-Ahead Market when in its judgment (a) operational circumstances (including a failure of the Day-Ahead Market operation to produce feasible results in the EDAM Area . . .) . . . have caused or are in danger of causing an abnormal system condition . . ."); *id.* § 33.7.4.2 ("In response to an interruption of EDAM Entity participation in the Day-Ahead Market by the CAISO, all EDAM Entities will follow NERC Reliability Standards applicable to their roles as Balancing Authorities . . ."); *id.* 33.7.5 (0.0.0) ("If it is necessary for an EDAM Entity or the CAISO to reduce or suspend EDAM Transfers between one or more Balancing Authority Areas in the EDAM Area based on operational judgement and consistent with Good Utility Practice, the EDAM Entity will do so solely with respect to its Balancing Authority Area . . . provided that the reduction or suspension is consistent with the EDAM Transmission Service Provider tariff . . .").

³²³ As used in the *pro forma* OATT, reservation priority refers to the order in which transmission providers process competing transmission requests (e.g., first come first served for long-term firm point-to-point transmission service; length of the

Portland, the market scheduling priority only establishes which redispatch options CAISO will consider first, and under all the feasible redispatch solutions the market may reach, the intra-day scheduled load will be served.³²⁴ Under Portland's proposal, curtailment and reservation priorities are unchanged and a firm transmission customer's intra-day schedule changes retain a curtailment priority over cleared day-ahead schedules. We note that while some protesters argue that the *pro forma* OATT in sections 13.2 and 13.6 states that firm transmission service will always have priority over non-firm transmission service, these sections only apply to reservation priority and curtailment priority respectively.³²⁵ The Commission's *pro forma* OATT does not address the market scheduling priority of different types of transmission service and instead only provides for curtailment and reservation priorities, which are not being modified by Portland's proposal.

181. We disagree with protesters' assertions that Portland's proposal is inconsistent with the definition of "if practicable" as provided for in section 13.8 of the *pro forma* OATT.³²⁶ As noted above, intra-day schedule changes will be accommodated up until T-20, consistent with the *pro forma* OATT. Nevertheless, we note that the Commission has previously held that transmission providers have some discretion and flexibility to accommodate intra-day schedules.³²⁷ Further, in Order No. 764 the Commission noted that "transmission providers have flexibility under the *pro forma* OATT to award transmission service based on transmission [capacity] that becomes available when firm transmission service is not scheduled by 10:00 a.m. the day prior to operation," and noted

reservation for short-term firm transmission service; etc.). Curtailment priority refers to the order in which transmission providers curtail service to maintain reliable operations of the transmission system. See *pro forma* OATT § § 13.2, 13.6, 14.2, and 14.7.

³²⁴ Portland May 23 Answer at 43.

³²⁵ *Pro forma* OATT §§ 13.2 ("Firm Point-To-Point Transmission Service will always have a *reservation* priority over Non-Firm Point-To-Point Transmission Service under the Tariff" (emphasis added)), 13.6 ("All *Curtailments* will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service." (emphasis added)).

³²⁶ See, e.g., SPP May 1 Comments at 17-18.

³²⁷ See, e.g., *Idaho Power Co.*, 121 FERC ¶ 61,181, at P 16 (2007) ("[t]he *pro forma* OATT provides transmission providers with the discretion to accommodate late filed transmission service requests. Therefore, the *pro forma* OATT already provides Idaho Power with the flexibility to decline late service requests if it chooses to do so. It also provides Idaho Power with the flexibility to accommodate late service requests in emergency situations."); *Allegheny Power Sys. Inc.*, 77 FERC at 62,100.

that “the Commission did not propose any change to those practices to accommodate the possibility of intra-hour transmission schedules. All transmission schedules for firm service will continue to have curtailment priority over all transmission schedules for non-firm service and transmission providers will continue to be required to follow existing rules governing the calculation of ATC.”³²⁸ Therefore, we agree with Portland and CAISO that the “if practicable” language in section 13.8 of the *pro forma* OATT affords transmission providers some discretion and flexibility on how intra-day schedule changes will be accommodated.³²⁹ However, even if we were to find that “if practicable” should be read to mean “unless reliability reasons demand otherwise” as SPP and other protesters assert,³³⁰ we would still find that Portland’s proposed Tariff revisions would be consistent with or superior to the *pro forma* OATT. As previously noted, under Portland’s proposed Tariff and CAISO’s tariff, intra-day schedule changes *will* be accommodated via redispatch and if CAISO is unable to find a market solution that accommodates the intra-day schedule, it will declare an infeasibility, at which point EDAM Entities, including Portland, will manually dispatch their BAA according to their OATT curtailment priorities.³³¹

182. We disagree with arguments that the EDAM Order implied that giving firm point-to-point customers’ schedule changes a higher priority than cleared day-ahead schedules is required for a proposal to be consistent with or superior to the *pro forma* OATT. In the EDAM Order the Commission noted that “the EDAM proposal preserves the rights of firm transmission customers because they may submit intra-day schedule changes up until T-20 of a scheduling interval and have a higher market scheduling priority than EDAM transfers if CAISO is so notified by the EDAM transmission service provider.”³³² The Commission also stated that it was “the EDAM Entities and EDAM transmission service providers [who] are responsible for proposing changes to their respective OATTs to accommodate EDAM participation and for demonstrating that those changes are consistent with or superior to the *pro forma* OATT.”³³³ As such, the Commission did not prejudge whether EDAM transmission providers had to offer a

³²⁸ *Integration of Variable Energy Res.*, Order No. 764, 139 FERC ¶ 61,246, at P 136, *order on reh’g & clarification*, Order No. 764-A, 141 FERC ¶ 61,232, *order on clarification & reh’g*, Order No. 764-B, 144 FERC ¶ 61,222 (2013).

³²⁹ Transmittal at 11-12; CAISO May 19 Answer at 72-74, 73 n.153.

³³⁰ SPP Protest at 21.

³³¹ *See supra* P 180.

³³² EDAM Order, 185 FERC ¶ 61,210 at P 311.

³³³ *Id.*

higher intra-day market scheduling priority to all firm point-to-point transmission customers.³³⁴

183. We disagree with protesters that argue that Portland's proposed Tariff revisions are unclear on the market scheduling priority that will be given to firm point-to-point transmission customers' intra-day schedule changes. In particular, we note that Portland's proposed Tariff references section 33.18.2.2.3 of CAISO's tariff, which describes the market scheduling priority intra-day schedule changes will receive.³³⁵ We find that Portland's proposed Tariff and CAISO's tariff together provide sufficient information on market scheduling priority. Additional details in Portland's Tariff would only duplicate information in CAISO's tariff, such that if there are any proposed changes to CAISO's tariff, conforming changes would have to be made to Portland's Tariff as well, unnecessarily complicating tariff administration.³³⁶

184. Bonneville and Tacoma argue that the Commission should reject Portland's proposed Tariff revisions because they do not contain the information the Commission required in the Markets+ tariff.³³⁷ We find that this line of argument overlooks the differences between the EDAM and Markets+ tariffs. Specifically, CAISO's tariff

³³⁴ Our determination that Portland's treatment of intra-day schedule changes is consistent with or superior to the *pro forma* OATT is independent of our prior approval of CAISO's tariff in the EDAM Order. We find that Portland's Tariff provisions are consistent with or superior to the *pro forma* OATT, even though Portland will only notify CAISO that higher market scheduling priority should be given to specific transactions related to resource adequacy programs.

³³⁵ CASIO, CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3 ("The Real-Time Market . . . will afford the [late] Self-Schedule . . . equal priority to cleared Day-Ahead Schedules unless the CAISO receives instructions that the EDAM Transmission Service Provider that it has assigned the Self-Schedule . . . a scheduling priority higher than cleared Day-Ahead Schedules.").

³³⁶ See *PacifiCorp*, 147 FERC ¶ 61,227, at PP 101, 103 (2015) ("We believe that it would create unnecessary redundancy to require PacifiCorp to make a filing pursuant to section 205 of the FPA every time CAISO modifies its tariff in a manner that affects the terms and conditions of service in PacifiCorp's OATT.").

³³⁷ Bonneville Protest at 10-11; see also Markets+ Order, 190 FERC ¶ 61,030 at P 121 ("We expect such OATT revisions to include provisions describing the priority or priorities Markets+ transfers will receive, how they will be tagged through the e-Tag system, and how each Markets+ [transmission service provider] will determine curtailment priorities given that Markets+ transfers will likely be utilizing a mixture of firm and non-firm transmission capability.").

contains provisions regarding how transmission use will be e-Tagged and the market scheduling priority that market transfers are expected to receive.³³⁸ Portland therefore does not need to include this information in its Tariff because it would be redundant given CAISO's approved process. Further, we agree with Portland's explanation that it is not modifying curtailment priorities and that any curtailments in EDAM will be determined by the relevant EDAM transmission service provider's OATT.

185. We recognize that some protesters would like to contribute their firm point-to-point transmission rights on the Portland system to Markets+. The Commission has previously found that any Markets+ transmission contributions are permitted, provided that they are allowed under the host BAA's OATT or other governing documents. We find that Portland's proposal does not bar firm point-to-point transmission customers from contributing their transmission rights to Markets+, insofar as they are able to meet all of the requirements of Portland's Tariff.

186. Several commenters raise concerns about how Portland's proposal may limit the interoperability of EDAM and Markets+.³³⁹ We note that WPTF and NIPCC encourage Portland and CAISO to continue to refine the EDAM design and work to minimize seams issues.³⁴⁰ We recognize that myriad seams issues will need to be addressed by CAISO, SPP, and the participating BAAs, and that some of these issues may require the development of agreements such as joint operating agreements and tailored operational procedures. However, we find that it would be premature to reject Portland's filing due to a lack of seams agreements.

187. We are not persuaded by Bonneville's arguments that their contractual rights for firm transmission service on Portland's system are being degraded or inappropriately modified. A transmission provider providing service under its OATT may modify the terms of service if it is able to demonstrate that doing so is just and reasonable and not unduly discriminatory or preferential and consistent with or superior to the *pro forma* OATT.³⁴¹ As noted previously, the proposed Tariff will protect the rights of firm transmission customers in a manner that is just and reasonable and not unduly discriminatory or preferential because transmission customers will continue to have the

³³⁸ See, e.g., CASIO, CAISO eTariff, § 33.18.1 Transmission at EDAM External Interties (0.0.0), § 33.18.1.6; *id.* § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3.

³³⁹ City of Tacoma Protest at 7; PPC Protest at 12.

³⁴⁰ WPTF and NIPCC Protest at 33.

³⁴¹ E.g., EDAM Order, 185 FERC ¶ 61,210 at P 307; *Nv. Power Co.*, 151 FERC ¶ 61,131, at P 85 (2015).

ability to self-schedule their use of the transmission system, which will protect them from congestion charges to the greatest extent possible. Similarly, Portland will continue to allow firm transmission customers to make intra-day schedule changes, consistent with or superior to the *pro forma* OATT.

188. We disagree with Powerex's arguments regarding the effects that accepting Portland's proposed Tariff will have on transmission development in the Western Interconnection and the potential that native load customers will be responsible for a greater share of Portland's annual transmission revenue requirement due to a loss of firm point-to-point transmission customers.³⁴² We find that these arguments are speculative. With respect to protesters' concerns regarding the Memo, we reiterate that we find Portland's proposed Tariff revisions governing transmission use to be just and reasonable and not unduly discriminatory or preferential and consistent with or superior to the *pro forma* OATT. If Powerex or other transmission customers believe that Portland is restricting transmission use in a way that is not consistent with Portland's Tariff, they may file a complaint with the Commission.

ii. Need for Carve-out

189. We find Portland's proposal to hold back, or "carve out," limited transmission capacity associated with certain discrete transmission facilities to fulfill contractual obligations and maintain reliability is just and reasonable and not unduly discriminatory or preferential and consistent with or superior to the *pro forma* OATT.

190. The proposed Tariff provides that Portland will carve out a transmission facility or capacity if it deems it necessary to "maintain the reliability of the [Portland] BAA or . . . give effect to any contract right . . . that the [Portland] EDAM Entity determines is not adequately addressed by the rules of this Tariff."³⁴³ Portland committed in its Deficiency Letter Response to document and post to its OASIS any additional criteria it may develop and to publicly identify any transmission facilities or capacity subject to exclusion, as well as its rationale.³⁴⁴ We find that the proposed Tariff language and Portland's commitment are sufficient to ensure that transmission carve-outs are not granted in an unduly discriminatory or preferential manner, or to strategically withhold transmission capacity from the market.

³⁴² Powerex Protest at 60-66.

³⁴³ Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.1.3.

³⁴⁴ Portland Deficiency Letter Response at 4.

191. We are unpersuaded by protesters' arguments that firm transmission customers should be allowed to unilaterally opt out their transmission capacity reservations from the market entirely.³⁴⁵ Some of these protesters argue that being able to opt transmission capacity out of the market is necessary to ensure that their use of the transmission system is not subject to congestion charges and to ensure that their intra-day schedule changes are treated in a manner consistent with the Commission's *pro forma* OATT. However, as we are finding that both Portland's treatment of congestion revenues and its treatment of intra-day schedule changes are consistent with or superior to the *pro forma* OATT, there is no need for such a permissive opt-out to be available to all firm transmission customers.

192. Some protesters note that under CAISO's tariff, Portland has the discretion to allow for a more permissive carve-out of transmission rights and argue that Portland should allow its firm transmission customers to be able to opt out their transmission rights in a manner similar to Markets+. ³⁴⁶ Having found Portland's proposal just and reasonable, we need not address protesters' alternative proposal that Portland should allow carve-outs of transmission rights such that their transmission schedules will not be settled through the market at all.

193. We also reject protesters' arguments³⁴⁷ that the lack of a carve-out violates the economic property rights of transmission customers or violates the Takings Clause of the Fifth Amendment of the U.S. Constitution.³⁴⁸ As discussed above, firm transmission customers will receive transmission priority consistent with the *pro forma* OATT.³⁴⁹ Firm transmission rights will be accommodated in EDAM under all the feasible redispatch solutions the market may reach. Therefore, we find that Portland's proposal does not violate the Takings Clause.³⁵⁰

³⁴⁵ See, e.g., Puget Sound Protest at 5-6.

³⁴⁶ See, e.g., Tacoma Protest at 5-6.

³⁴⁷ Puget Sound Energy Protest at 1; Tri-State Protest at 3-4; The Energy Authority Protest at 6.

³⁴⁸ Tri-State Protest at 3-4.

³⁴⁹ See *supra* P 181.

³⁵⁰ See *PacifiCorp*, 192 FERC ¶ 61,197 at P 158.

iii. Resource Adequacy Program Interoperability

194. We disagree with various commenters' arguments that Portland's proposal to give higher intra-day market scheduling priority only to transmission schedules identified in WRAP's forward showing program is insufficient to ensure WRAP transactions flow on firm transmission service because the forward showing only requires WRAP participants to demonstrate that they have firm transmission rights for a portion of their qualified capacity contribution.³⁵¹ Under the proposed Tariff, WRAP participants (and other firm transmission customers) are still able to make intra-day schedule changes and have their transmission schedules accommodated in a manner consistent with or superior to the *pro forma* OATT via market redispatch even if a schedule change is not related to a WRAP forward showing. Thus, while it is true that Portland is proposing to give only intra-day schedule changes associated with a transmission customer's WRAP forward showing capacity a higher market scheduling priority than cleared day-ahead schedules, this higher scheduling priority is not strictly needed, because firm transmission flows before non-firm transmission. Therefore, we find that contrary to various protesters' assertions, Portland's proposed Tariff revisions will not prevent any party from fully participating in WRAP and it is just and reasonable to provide only WRAP forward showing capacities the higher priority. Because intra-day firm transmission schedules will be accommodated, we also find Portland's proposal to provide CAISO with the intra-day schedules associated with WRAP participant's firm transmission service twice per year just and reasonable. We find that Portland's proposed Tariff is sufficiently clear that it will accommodate firm transmission use associated with other Commission-approved resource adequacy programs.

4. Resource Sufficiency Evaluation

a. Background

195. Portland states that a central element of EDAM is the RSE, which incentivizes each balancing authority to enter the day-ahead and real-time markets with enough resources to meet its load forecast to ensure it "can meet its own obligations before it

³⁵¹ As part of the WRAP forward showing demonstrations, WRAP participants are required to show that they can meet 100% of their capacity for an upcoming WRAP season and have secured (any needed) firm transmission rights to support 75% of the MWs of their capacity requirement. There is no specification about demonstrating the remaining 25%. See Northwest Power Pool, Tariff Database, WRAP Tariff, § 16 Components of the Forward Showing (1.0.0), §16.3.

engages in transfers with other balancing authorities in the EDAM area through the day-ahead market.”³⁵²

196. Portland explains that in CAISO’s design, before the first day-ahead market run, the EDAM RSE will assess each BAA’s demand obligations and supply options to ensure there is enough supply to meet three components: forecasted demand (alternatively known as the “energy” component), imbalance reserves requirements, and ancillary service obligations. Portland states CAISO will provide the advisory results of the EDAM RSE to each balancing authority as guidance before a final, binding, evaluation at 10:00 a.m., before the day-ahead market run.³⁵³ BAAs that fail an EDAM RSE component will be assessed a penalty, with the resulting revenue being allocated to BAAs that pass the RSE for the applicable period. Because the EDAM RSE is conducted at the BAA level, it does not attribute failure to any particular market participant or LSE within a failing BAA and leaves intra-BAA allocation of RSE penalties and revenues to each EDAM Entity to propose in its OATT revisions. Portland therefore proposes an RSE test within its BAA to allocate penalties and revenues to the specific LSEs that cause the Portland BAA to fail the EDAM RSE.³⁵⁴

b. Portland Filing

197. Portland explains that, recognizing that leaning can also occur within an EDAM Entity BAA, its EDAM implementation filing appropriately includes a process for suballocating the BAA-level RSE components to different LSEs within the Portland BAA. Portland states its proposed internal RSE (LSE RSE) determines and allocates certain obligations to LSEs and, in the case of LSEs that are uniquely capable of leaning on the Portland system and on its native load, imposes penalties for failing to meet the obligations (with a *de minimis* threshold to prevent undue hardship).³⁵⁵

198. Portland states that its proposed RSE approach was informed by unique challenges it faces stemming from the scheduling practices of certain LSEs in its BAA that cause leaning concerns. Specifically, Portland explains that a category of LSEs, called Electric Service Suppliers (ESS), serve large loads on Portland’s system for which Portland must

³⁵² Transmittal at 21 (citing CAISO EDAM Transmittal at 145).

³⁵³ CAISO conducts two advisory EDAM RSE runs, one at 6:00 a.m. and one at 9:00 a.m., before the final EDAM RSE run. *See* EDAM Order, 185 FERC ¶ 61,210 at P 332 (citing CAISO, CAISO eTariff, § 33.31.1 EDAM Resource Sufficiency Evaluation (EDAM RSE) (0.0.0), § 33.31.1.1).

³⁵⁴ Transmittal at 21.

³⁵⁵ *Id.*

provide transmission service, pursuant to Oregon state law. According to Portland, the ESSs tend to purchase blocks in the day-ahead spot market that often do not match their end-use customers' hourly profile, which in turn causes Portland to adjust its system to shape ESS scheduling deviations in real-time, at Portland's expense. Portland explains that significant discrepancies often occur between ESS load and scheduled energy. Portland further explains that discrepancies arise for many reasons but may be due in part to a general practice of relying on relatively lower cost day-ahead ahead spot market purchases, which are sold primarily as heavy-load/light-load blocks that may not ultimately match the ESS end-use customer's hourly load profile.³⁵⁶ Portland asserts that the ESSs have scheduling practices that have made Portland their *de facto* provider of intra-day shaping services, and it is therefore important that the proposed LSE RSE test prevent this type of leaning on Portland.³⁵⁷

199. Portland explains that it has adjusted its system well beyond the hourly balancing service required under the *pro forma* OATT to compensate for poor scheduling practices by ESSs, which can have significant cost and reliability implications to Portland.³⁵⁸ Portland notes that while the *pro forma* OATT, as part of energy imbalance service, allows "unlimited changes before the hour . . . to a customer's hourly schedule of energy deliveries to the control area,"³⁵⁹ it is not meant to function as a capacity shaping product that allows an LSE to block schedule energy for heavy or light load hours while requiring the balancing authority to either provide the capacity to make up any shortfall or shape the excess energy from the block schedule. Portland also asserts that deploying its reserves and resources in a reactive manner when LSEs fail to accurately schedule their load impacts Portland's operational flexibility to respond to other system events, incur significant actual and lost opportunity costs, and adversely impact its retail customer base.³⁶⁰

³⁵⁶ *Id.* (noting that notwithstanding such block purchases, regional trading hubs also offer options for shaping in the intra-day spot market, or bilateral contracts through third-party shaping contracts to help LSEs minimize their hourly imbalances).

³⁵⁷ *Id.* at 22.

³⁵⁸ Portland provides two examples, a 2020 summer event and a 2024 winter storm. *Id.* at 23-24; *id.* Ex. No. PGE-001, Testimony of Pamela Sporborg, at 17-19 (Sporborg Test.).

³⁵⁹ *Id.* at 24 (quoting Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,708, 31,717).

³⁶⁰ *Id.* Sporborg Test. at 20.

200. Therefore, Portland states that it designed its RSE implementation to encourage LSEs not only to show up resource sufficient in the day-ahead timeframe, but to also accurately schedule deliveries to meet forecasted and end-use demand. Portland proposes that all LSEs will be allocated a day-ahead load forecast and other components of the EDAM RSE. Portland explains that all LSEs will be required to bid or self-schedule sufficient resources to meet their allocated demand contribution and imbalance reserve up and imbalance reserve down requirements with the exception that Portland will be responsible for meeting any allocated imbalance reserve requirements for LSEs that are not also EDAM Resources (i.e., do not have their own designated network resources).³⁶¹

201. Beginning seven days before the operating day, Portland will use the forecast provided by CAISO to derive LSE-specific demand forecasts based on the load ratio contribution value for each LSE in the Portland BAA.³⁶² Portland states that it will begin communicating LSE-specific RSE information as early as the seven-day forecast and will update and share the LSE-specific demand forecast with the LSEs on an iterative basis in the day-ahead timeframe (CAISO provides Portland advisory results for the Portland BAA every 30 minutes from 6:00 a.m. to 9:00 a.m.).³⁶³ During this timeframe, Portland would share updated load forecasts to inform the LSEs of their RSE demand requirement and RSE imbalance reserve requirements to applicable LSEs. The LSE scheduling coordinators in the Portland BAA will then submit bids or self-schedules to meet their LSEs' hourly demand forecasts. Portland will assess compliance with LSE RSE using the bids and self-schedules submitted by 10:00 a.m. Once CAISO's day-ahead market runs (10:00 a.m. to 1:00 p.m.), Portland will also assess whether LSEs submit e-Tags to meet their day-ahead market awards.³⁶⁴ Portland's proposed Tariff specifies that EDAM

³⁶¹ Transmittal at 25; *id.*, Ex. No. PGE-002, Testimony of Teyent Gossa, at 14 (Gossa Test). Portland notes that such LSEs must nonetheless ensure they appropriately tag their day-ahead market awards to mitigate the risk that they will unduly lean on Portland to shape their load. Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.3.1.1 (Allocation of Day-Ahead Resource Sufficiency Evaluation).

³⁶² The load ratio contribution will be defined in Portland's forthcoming "CAISO Markets Business Practice Manual." Noting that these terms are subject to change, Portland states that it anticipates a bottom-up load forecasting process on a rolling period of seven days to be based on specific meters registered to each ESS.

³⁶³ Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.3.1.2.

³⁶⁴ Transmittal at 25; Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), §§ 6.3.1, 6.3.1.2.

LSEs must submit e-Tags three hours after the day-ahead awards are posted and ensure the e-Tag matches the day-ahead award.³⁶⁵

202. To determine whether LSEs pass or fail the LSE RSE requirements (which would include the demand and/or imbalance reserve requirements) Portland will compute, for each hour, an LSE RSE Hourly Deficiency Quantity that measures each EDAM LSE's deviations between its demand forecast and the sum of its e-Tag values. Portland explains that a failure will occur if the *absolute value* of the deviation from either the EDAM LSE's day-ahead award or demand requirement is more than 1% or 5 MW. Deviations below these thresholds will be deemed *de minimis* and not penalized. Thus, under Portland's framework, an LSE would fail the RSE if it undersupplies or oversupplies to meet its projected day-ahead load, and/or fails to tag to meet its day-ahead award.³⁶⁶ Portland explains that LSEs over-scheduling energy can result in operational inefficiencies, congestion, or unintended resource dispatches. Portland further explains that when LSEs fail to accurately schedule load, Portland must ramp up or back down its own generation in real-time. Thus, Portland states that its framework is designed to incentivize LSEs to both show up in the day-ahead timeframe with enough resources and to stay within certain deviation bands established at the e-Tagging deadline.³⁶⁷

203. Portland proposes that revenue collected from the LSE RSE failure surcharge will be allocated to passing EDAM LSE Scheduling Coordinators (based on load ratio share). Similarly, Portland proposes to sum and distribute to EDAM LSE Scheduling Coordinators all EDAM RSE surcharge-related revenue it gets from CAISO for passing the EDAM RSE.³⁶⁸

³⁶⁵ Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.3.1.2. The Tariff also clarifies that for those LSEs that are not EDAM Resources, Portland will compare the submitted e-Tags' deviation from the LSE's demand requirement.

³⁶⁶ Those LSEs who are not EDAM Resources will be assessed on the deviation between e-Tags and their demand requirement. LSEs that are EDAM Resources will be assessed on the deviation between e-Tags and the day-ahead award. In either case, LSEs are expected to e-Tag per their day-ahead award. Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), §§ 6.3, 6.3.1.2.

³⁶⁷ Transmittal at 25-26; *id.* Sporborg Test. at 20-21.

³⁶⁸ Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), §§ 7.2.1, 7.2.3.

204. For entities that fail the LSE RSE, Portland proposes that the failure surcharge allocated to an LSE will be calculated for each hour an LSE fails the LSE RSE and will be the product of: (1) the MW quantity of failure; (2) the higher of either the day-ahead MID-C index price or the day-ahead Load Aggregation Point price of the Portland BAA; and (3) the LSE RSE failure penalty multiplier. Portland states that the LSE RSE failure penalty multiplier is the same tiered penalty structure proposed by PacifiCorp, which mirrors CAISO's three-tiered penalty structure for on-peak and off-peak failures and escalates based on the magnitude of failure. Specifically, a tier 1 failure is *de minimis*; that is, a failure less than or equal to the higher of 1% or 5 MW absolute deviation from the EDAM LSE's demand requirement.³⁶⁹ Portland states that no surcharge will be assessed for a tier 1 failure. Portland states that a tier 2 failure is a failure greater than a tier 1 but less than or equal to 25% absolute deviation from the EDAM LSE's demand requirement; the LSE RSE failure multiplier for a tier 2 failure is 1.5. Finally, Portland states that a tier 3 failure is one that is greater than 25% absolute deviation from the EDAM LSE's demand requirement; the LSE RSE failure multiplier for a tier 3 failure will be 2.0.³⁷⁰

205. Portland asserts that its proposed LSE RSE methodology will: (1) create a proper incentive structure to ensure the Portland BAA remains resource sufficient; (2) empower LSEs to control their own exposure to penalties by meeting their allocated RSE and submitting accurate e-Tags; and (3) protect against undue leaning on Portland for imbalance service.

c. Comments and Protests

i. Overall Design

206. Calpine argues Portland's proposal to suballocate EDAM RSE surcharges is an unsupported and unreasonable departure from the framework that the Commission already approved for CAISO.³⁷¹ Calpine explains that the proposal does not merely

³⁶⁹ Portland states it will directly settle the LSE RSE failure surcharges with the EDAM LSE represented by the PGE EDAM LSE Scheduling Coordinator that either failed to meet the e-Tag submission deadline and/or failed the demand requirement. Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), §§ 6.3.1.2, 7.2.3.

³⁷⁰ Transmittal at 26; Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 7.2.3.

³⁷¹ Calpine notes that it is a certified Oregon ESS, serving retail customers in Portland's service territory. Calpine maintains that Portland competes with Oregon ESSs

suballocate the EDAM RSE surcharges and credits to individual LSEs, noting that surcharges apply to a failing LSE even in hours where CAISO imposes no RSE charges on the Portland EDAM Entity. Calpine further argues that the Commission should not approve Portland's EDAM Tariff provisions unless Portland agrees to adopt the same method of suballocation of EDAM RSE surcharges and credits as previously approved for the CAISO BAA or make significant modifications to its proposal. Calpine asserts that Portland proposes an RSE framework that is divorced from principles of cost-causation and that Portland's proposal would assess an RSE surcharge to individual LSEs even when the Portland BAA passes the EDAM RSE and is subject to no EDAM RSE surcharge. Calpine argues that circumstances in Portland's BAA do not justify different treatment from the CAISO BAA.³⁷²

207. Brookfield Renewable also states that it is concerned that Portland's LSE RSE proposal may not appropriately allocate the responsibilities for, and costs of, Portland's compliance with the EDAM RSE. Brookfield Renewable states that Portland's LSE RSE is inappropriately designed to address scheduling issues that have nothing to do with an LSE's resource sufficiency or adequacy and that are based on concerns with market practices that may not persist under EDAM and that are perhaps best addressed through other requirements or mechanisms.³⁷³

208. Bonneville states that it is not clear how Portland will provide transparency to LSEs regarding their individual RSE obligations since the RSE is evaluated at the EDAM BAA level. Bonneville states that Portland must provide transmission customers the details of how a transmission customer's RSE component would be determined and communicated, provide transmission customers with an opportunity to cure a shortage if they may fail to meet their component of the obligation, provide a transparent accounting of how the penalty is enforced and funds are allocated, including transparency regarding the Portland merchant performance in satisfying the RSE obligation, and explain any penalties from the Market Operator and how such penalties would be allocated. Bonneville requests that the Commission reject Portland's ambiguous proposed Tariff provisions as unjust and unreasonable, including its proposed allocation of RSE penalties to LSEs even when Portland is not assessed a penalty by the Market Operator.³⁷⁴

to serve such load, and Portland has an incentive to recommend unreasonable transmission and RSE requirements on its competitors. Calpine Protest at 1-2.

³⁷² *Id.* at 6-8.

³⁷³ Brookfield Renewable Protest at 3, 5.

³⁷⁴ Bonneville Protest at 29-30.

ii. RSE Failures and Deviation Penalties

209. Protesters assert that resource sufficiency is mainly premised on entities coming to market with sufficient resources.³⁷⁵ Calpine argues that although Portland acknowledges that the EDAM RSE is intended to “ensure that each BAA enters the day-ahead and real-time markets with enough resources to meet[] their load forecast[,]” Portland’s proposed RSE will penalize LSEs for not scheduling enough energy and for scheduling too much energy, noting that such a feature was not included in PacifiCorp’s EDAM implementation filing.³⁷⁶ WPTF and NIPPC argue that Portland fails to explain why imbalance energy charges will be insufficient to disincentivize inaccurate scheduling practices. They further assert that imposing penalties on customers who bring more supply to the market is neither necessary to ensure resource sufficiency nor just and reasonable.³⁷⁷ Brookfield Renewable maintains to the extent Portland experiences consistent problematic under-or over-scheduling by LSEs, it should propose targeted measures to address those issues.³⁷⁸

210. Calpine similarly argues that penalizing over-scheduling is punitive in the context of an RSE assessment and amounts to passing on a “phantom” cost that CAISO does not assess to Portland. Calpine further asserts this approach of an RSE penalty for over- and under-scheduling in the LSE RSE is effectively an energy imbalance mechanism, which does not comply with Commission precedent governing energy imbalance service under the *pro forma* OATT.³⁷⁹ Thus, Calpine asserts that Portland provides no justification for its proposal under the Commission’s precedent addressing energy imbalance service. Furthermore, Calpine states that LSEs would continue to pay for ancillary services (including energy imbalance service) under the Tariff, in addition to potential RSE-based charges that effectively address energy imbalance, thus resulting in an inappropriate charge structure. Further, Calpine argues that the Commission’s precedent on establishing limits of just and reasonable charges for scheduling deviations should apply in this case.³⁸⁰

³⁷⁵ See Calpine Protest at 9-10; WPTF and NIPPC Protest at 31; Brookfield Renewable Protest at 6.

³⁷⁶ Calpine Protest at 9 (citing Transmittal at 6-7).

³⁷⁷ WPTF and NIPPC Protest at 31.

³⁷⁸ Brookfield Renewable Protest at 6.

³⁷⁹ Calpine Protest at 10-11.

³⁸⁰ *Id.* at 11-12, 15 (citing Order No. 890, 118 FERC ¶ 61,119 at P 664).

211. Calpine argues that in Order No. 890, the Commission generally agreed with parties commenting that “capacity required to follow load is already paid for by charges for regulation and reserves under Schedules 3, 5, and 6”; and the Commission allowed recovery of incremental costs, but excluded cost recovery for “additional regulation costs.”³⁸¹ Thus, Calpine asserts that while a transmission provider may request approval of a demand component for its energy imbalance service, it must “file a rate schedule and demonstrate that these charges do not allow for double recovery of such costs.”³⁸² Calpine argues that Portland does not cite this authority or provide any basis to conclude no double charges will result from its proposal.³⁸³

212. According to Calpine, Portland presents no cost-based evidence or justification for this proposal and fails to rationally connect the alleged costs it incurs to provide energy and capacity for imbalance service to revenue it would collect under its proposed RSE surcharges. Calpine additionally notes that under Portland’s proposal, LSEs will pay Portland for Uninstructed Imbalance Energy as well as existing ancillary services that provide reserves and capacity related to scheduling imbalances. Calpine continues that Portland does not provide evidence that those charges specifically designed to recover costs will be insufficient to recover Portland’s actual costs.³⁸⁴

213. Calpine argues that Portland’s RSE proposal penalizes the LSE for minor scheduling deviations outside of a narrow *de minimis* band of Portland’s RSE demand forecast with a penalty charge beginning at 150% of the applicable market price. Calpine argues that this charge is far more than could be justified under the Commission’s precedent governing energy imbalance service, which it resembles more so than an RSE.³⁸⁵ Calpine also notes that the design is in contravention of Commission precedent establishing that retail service suppliers should have relaxed scheduling deviation bands, stating that Portland’s own prior tariff contained such relaxed deviation bands.³⁸⁶

³⁸¹ *Id.* at 14 (quoting Order No. 890, 118 FERC ¶ 61,119 at PP 684, 689-690 (“We believe that the other demand costs of providing imbalance service are already being provided under Schedule 3, 5, and 6 charges”)).

³⁸² *Id.* (quoting Order No. 890, 118 FERC ¶ 61,119 at P 690).

³⁸³ *Id.*

³⁸⁴ *Id.* at 5-6.

³⁸⁵ *Id.* at 3, 11-12.

³⁸⁶ *Id.* at 12 (citing *Entergy Servs., Inc.*, 93 FERC ¶ 61,156, at 61,525 (2000); *IEC Operating Cos.*, 89 FERC ¶ 61,175, at 61,529 (1999)).

214. Calpine states that Portland eliminated all prior penalty tiers for energy imbalance service when it joined the WEIM, using WEIM LMP for imbalances without any adjustments to the applicable LMP prices. Calpine maintains this treatment is consistent with Commission precedent, which has rejected the use of any penalty tiers in the case of transmission providers using the WEIM's LMP because the LMPs fully compensate the transmission provider for the imbalance service.³⁸⁷ Similarly, WPTF and NIPPC note that following EDAM implementation, any customer whose load deviates from its day-ahead hourly schedules will be exposed to imbalance charges in the WEIM based on LMP. According to WPTF and NIPPC, the Commission has recognized that LMP-based imbalance pricing incents efficient scheduling, and Portland has not explained why the prospect of charges for imbalance energy based on LMP will not deter inaccurate scheduling.³⁸⁸

iii. Load Forecasting Methodology

215. Protesters assert that Portland's proposed approach to sub-allocate the BAA-level EDAM requirements to individual LSEs lacks detail and transparency and could unduly impact smaller LSEs. WPTF and NIPPC state that Portland has not demonstrated it can accurately suballocate demand and reserve requirements to individual LSEs within its BAA. Specifically, WPTF and NIPPC state that the Commission approved CAISO's proposed RSE allocation methodology for its BAA based on each individual LSE's metered demand on the basis that it represented a "reasonable approach to distribute surcharges and revenues where it is not feasible to directly trace cost causation to individual entities, and we note that the Commission has previously accepted a single allocation tier where it was not feasible to identify and trace the proximate cause of the cost."³⁸⁹ Here, WPTF and NIPPC argue, Portland has not provided evidence that its allocation methodology will accurately and fairly allocate requirements to LSEs. According to WPTF and NIPPC, LSEs on Portland's system may be required to procure unnecessary capacity to avoid being assessed a surcharge due to any inaccurate

³⁸⁷ *Id.* at 13 (citing *Ariz. Pub. Serv. Co.*, 155 FERC ¶ 61,112, at PP 33-34 & 96-99 (2016) (rejecting penalty tiers to incentivize accurate scheduling because, among other reasons, "the EIM LMP represents 100 percent of the cost of imbalance energy without any additional penalties"); *id.* P 97 ("the Commission has previously accepted LMPs as a superior alternative to the deviation band approach in competitive energy markets"))).

³⁸⁸ WPTF and NIPPC Protest at 31.

³⁸⁹ *Id.* at 21-22 (citing *Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,170, at P 8 (2024)).

attribution by Portland, even where resources initially committed by the LSE accurately reflect its actual load and reserve requirements.³⁹⁰

216. Calpine also asserts that Portland's proposal to leave the method Portland would use to assign each LSE its RSE demand forecast to a future business practice is unacceptable.³⁹¹ Calpine argues that under the Commission's rule of reason, this important feature of the RSE framework must be set forth expressly and clearly in the Tariff because it would be a practice "that affect[s] rates and service significantly, that [is] realistically susceptible of specification, and that [is] not so generally understood in any contractual arrangement as to render recitation superfluous[.]"³⁹² Calpine argues that the Portland Tariff should require Portland to provide the LSE with its final RSE demand forecast early enough to make use of the forecast in the LSE's energy procurement and scheduling efforts. Calpine argues that if the LSE does not receive the final Portland-generated demand forecast sufficiently in advance of Portland's RSE run at 10:00 a.m., the LSE cannot reasonably be expected to procure and schedule energy within the 5 MW *de minimis* band of the Portland generated demand forecast.³⁹³

217. Calpine also maintains that Portland's proposal is discriminatory against LSEs without a large amount of load within the Portland BAA, such as Calpine and other ESSs. Calpine states that such entities have rarely served significantly more than approximately 200 MW in retail load, and it would be difficult for ESS LSEs to commercially procure hourly energy delivered to Portland's BAA in small enough increments to fine tune compliance with RSE requirements. Consequently, Calpine states that RSE failure surcharges are likely to be disproportionately collected from smaller LSEs, and distributed to larger LSEs.³⁹⁴ Calpine asserts that in contrast to the CAISO BAA, there is

³⁹⁰ *Id.* at 29-30.

³⁹¹ Calpine Protest at 17.

³⁹² *Id.* (citing *City of Cleveland v. FERC*, 773 F.2d 1368, 1376 (D.C. Cir. 1985) (emphasis in original); 18 C.F.R. § 35.1(a) (2024) (requiring rate schedules and tariffs "clearly and specifically setting forth all rates and charges for any transmission or sale of electric energy subject to the jurisdiction of this Commission, the classifications, practices, rules and regulations affecting such rates, charges, classifications, services, rules, regulations or practices . . ."); *Sw. Power Pool, Inc.*, 180 FERC ¶ 61,074, at PP 23-32 (2022), *set aside on reh'g*, 182 FERC ¶ 61,100 (2023) (finding that capacity accreditation methodology "significantly affects rates because it affects an LRE's ability to satisfy its Resource Adequacy Requirement under the [SPP] Tariff").

³⁹³ *Id.*

³⁹⁴ *Id.* at 14-15.

no independent system operator serving Portland's BAA and, despite Portland's claims, no liquid hourly shaping products are reliably available for sale within Portland's BAA or for sale from the nearby market hubs.³⁹⁵ Calpine also argues that the 5 MW *de minimis* threshold is too low for small LSEs given that the minimum quantity of energy commercially available at the Mid-Columbia trading hub is normally 10 MW.³⁹⁶

218. Calpine further argues that if Portland uses a demand forecasting methodology similar to that proposed by PacifiCorp, a three-year average of each LSE's load to develop the LSE's proportion of BAA load that will be allocated in each hour, significant divergences would regularly result between an LSE's past load levels and the day-ahead load. Calpine contends that this is because retail direct access program customers can switch ESSs, and the loss of one large customer would produce a significant divergence.³⁹⁷ Furthermore, Calpine argues that if Portland's RSE demand forecast deviates from the LSE's after-the-fact metered load, the RSE and imbalance provisions of Portland's proposed Tariff would work together to subject the LSE to unjust and unreasonable charges for failure to schedule to two inconsistent targets.³⁹⁸ Brookfield Renewable similarly argues that Portland has not demonstrated that its RSE proposal will accurately suballocate demand and reserve requirements to individual LSEs within its BAA. Brookfield Renewable notes that Portland will use CAISO's forecast for its BAA to sub-allocate demand requirements to LSEs based on a load-ratio share, arguing that this method appears to presume that all LSEs within the BAA share the same load profile and that since Portland's proposed mechanism is applied on an hourly basis, Portland's proposal could result in an allocation of RSE load obligations that are not aligned with the LSE's own projected hourly load forecast.³⁹⁹ Brookfield Renewable details its concern that Portland's methodology for determining an LSE's RSE load obligation may not be accurate and, in a given hour, may expose that LSE to penalties even when that LSE schedules to meet its LSE-forecasted load.

d. Answers

219. Portland states that, unlike CAISO, it does not have yearly and monthly capacity and flexibility reserve requirements and an established resource adequacy program and therefore Portland has a need to have a more tailored RSE suballocation process.

³⁹⁵ *Id.* at 8-9, 13-15.

³⁹⁶ *Id.* at 16.

³⁹⁷ *Id.* at 18.

³⁹⁸ *Id.* at 19.

³⁹⁹ Brookfield Renewable Protest at 7.

Portland states that neither WRAP nor Oregon Public Utility Commission's resource adequacy program are financially or operationally binding at this time and even if they were, their timelines and features do not support EDAM so accordingly, Portland developed its own internal LSE RSE to prevent leaning.⁴⁰⁰

220. Portland disputes Calpine's protest that Portland should not assess LSE RSE penalties unless CAISO assesses the Portland BAA an RSE penalty. Portland explains that the purpose of its LSE RSE is to prevent leaning among its LSEs and it would not be fair to allow an LSE to lean on all others up until the point where the Portland BAA becomes capacity deficient and to share in any penalty allocations even though it was not capacity sufficient.⁴⁰¹ With respect to Calpine's argument that Portland cannot reliably trace a BAA-level failure back to individual LSEs, Portland explains that it is developing a bottom-up load forecast to do exactly that. Further, Portland clarifies that LSEs will not be receiving sub-allocated charges from CAISO but rather only charges associated with failure of the Portland LSE RSE.⁴⁰²

221. Portland disagrees with protesters that its proposal to assess charges for over-sufficiency is akin to energy imbalance service, stating that energy imbalance is not a good comparison for the types of multi-hour shaping it frequently engages in to address the scheduling practices of ESSs. Portland reiterates that the ultimate policy behind its LSE RSE is to prevent internal leaning, which aligns with the goal of the overall EDAM RSE, and that it has proposed a reasonable *de minimis* tier that should cover any LSE that is not unduly leaning on Portland for resource sufficiency. Further, Portland explains that the tagging requirement of its LSE RSE is critical because BAAs that pass the EDAM RSE then become part of the WEIM RSE. Portland asserts that its proposal better aligns cost causation with resource sufficiency and scheduling incentives and that it has demonstrated existing practices are costly to Portland and will complicate EDAM participation.⁴⁰³

222. Portland disagrees that its LSE RSE discriminates against LSEs without large loads in the Portland BAA, noting that the *de minimis* threshold it proposes is adequate for many small LSEs to avoid RSE-related charges. Portland also disagrees with Calpine

⁴⁰⁰ Portland May 23 Answer at 47.

⁴⁰¹ *Id.* at 47-48.

⁴⁰² *Id.* at 48-49.

⁴⁰³ *Id.* at 49-53. Portland additionally notes that under Oregon law, it has an emissions reduction compliance obligation and the shaping obligations from existing LSE scheduling practices force Portland to purchase energy from overschedules at a higher Default Emissions Rate.

that hourly shaping products are not always available to be delivered to the Portland BAA and argues that even if that were true, Calpine and other ESSs can designate their own resources to meet load service obligations because they are network customers.⁴⁰⁴

223. With respect to the RSE demand forecasting methodology, Portland first argues that load ratio share methodologies are well-understood; although the exact formulas for allocating the forecast have not been developed yet, it is anticipated to be “a bottoms-up load forecasting process on a rolling period of several days and be based on specific retail meters registered to each ESS with the integration of CAISO’s own forecast in the day-ahead timeframe in a manner that the sum of all LSE load forecasts equals CAISO’s forecast of the PGE [Portland] BAA load.” Portland further argues that establishing the forecasting process in a business practice manual is the same approach that CAISO has taken for its RSE advisory runs. Portland states that its existing processes requiring LSEs to communicate to Portland what retail customers and meters they are serving will be incorporated into load forecasts, and Portland welcomes LSEs’ suggestions on how to accurately inform the load forecast.⁴⁰⁵

224. Calpine reiterates that Portland’s answer fails to justify its proposed EDAM RSE suballocation method, which differs from CAISO’s approved BAA-RSE framework. Specifically, Calpine states that Portland’s proposed LSE-level hourly RSE test is unreasonable because LSEs within the Portland BAA lack the access that CAISO’s wholesale market has to the wholesale products needed to comply with such an RSE test.⁴⁰⁶ Additionally, Calpine states that Portland’s argument that there is no resource adequacy requirement for ESS LSEs is incorrect, as the Oregon Public Utility Commission requires all ESS LSEs that service load in Portland’s BAA to participate in the WRAP or otherwise demonstrate compliance with Oregon’s state resource adequacy requirements.⁴⁰⁷ Further, Calpine asserts that Portland’s argument that LSEs will be able to lean on Portland without consequence, should the Commission reject its LSE-level RSE test, is inaccurate because it overlooks the fact that such LSEs would therefore also be susceptible to real-time imbalance pricing risk.⁴⁰⁸

225. Second, Calpine argues that Portland’s RSE is a punitive and unreasonable charge for energy imbalance service, reiterating that neither CAISO nor PacifiCorp has proposed

⁴⁰⁴ *Id.* at 53.

⁴⁰⁵ *Id.* at 53-56.

⁴⁰⁶ Calpine Answer at 2.

⁴⁰⁷ *Id.* at 3.

⁴⁰⁸ *Id.* at 3-4.

to use over-sufficiency, and that Portland has failed to rationally connect the alleged costs it would incur to provide energy and capacity for imbalance service to revenue it would collect under its proposed RSE surcharges.⁴⁰⁹ Calpine states that Portland's argument in its answer that its proposed RSE is not attempting to address energy imbalance service is a significant departure from its initial proposal, which expressly stated that its proposed RSE "is intended to encourage accurate scheduling by these LSEs so that they are not unduly leaning on Portland's imbalance service capabilities."⁴¹⁰ Calpine further argues that Portland's answer fails to provide evidence that the charges designed to recover energy imbalance service costs will be insufficient to recover Portland's actual imbalance service costs once it enters EDAM.⁴¹¹ Given this, Calpine requests that the Commission reject Portland's proposed RSE.

226. Finally, Calpine reiterates its initial argument that Portland does not demonstrate that its proposed EDAM tariff includes reasonable RSE demand forecasting provisions. Calpine argues that, while Portland's answer includes its *anticipated* demand forecasting framework, Portland could potentially adopt different RSE demand forecasting methods through a business practice that will not be subject to Commission review.⁴¹² Calpine reiterates that ESS LSEs with limited customers are likely to experience significant changes in load over short time periods, and special care is necessary to ensure the LSE demand forecast will reasonably reflect the LSEs' expected load to avoid errors and charges. Calpine also states that Portland's argument ignores that CAISO tariff provisions expressly provide the option for an EDAM Entity/balancing authority to submit its own demand forecast in lieu of the forecast supplied by CAISO.⁴¹³

227. Additionally, Calpine explains that Portland's reliance on CAISO's EDAM tariff to justify its proposed demand and variable forecasting methods is inappropriate, given that CAISO, an independent system operator, would be subject to the Commission's independent entity variation standard, whereas Portland, a non-independent, generation-owning transmission provider, would be subject to the Commission's "consistent with or superior to" standard.⁴¹⁴

⁴⁰⁹ *Id.* at 5-6.

⁴¹⁰ *Id.* at 4-5 (quoting Transmittal at 26).

⁴¹¹ *Id.* at 6.

⁴¹² *Id.* at 7-8.

⁴¹³ *Id.* at 10.

⁴¹⁴ *Id.* at 9.

228. Portland responds that although the Oregon resource adequacy program and WRAP may become operational soon, there is no direct connection between a resource adequacy showing and a bid or schedule into the EDAM market. Portland also re-emphasizes that demonstrating alignment with CAISO's measured demand suballocation is not the metric by which the LSE RSEs should be judged; rather, the proposed suballocation stands on its own as just and reasonable because it is consistent with cost-causation, noting that CAISO confirmed that Portland's process will "complement, not conflict" with the CAISO tariff.⁴¹⁵

229. Further, Portland refutes Calpine's assertion that WEIM's uninstructed energy imbalance charges and Oregon's future resource adequacy requirements provide sufficient adverse consequences for LSEs that unreasonably rely on Portland. Portland notes Oregon's resource adequacy program is not yet operational and even once established, imposes no requirement to connect RA shows, bids, or schedules into EDAM. According to Portland, neither that nor WEIM's uninstructed imbalance energy charges capture the impact to Portland of providing multi-hour shaping due to ESS scheduling practices, and the LSE RSE serves a different policy goal than real-time energy imbalance charges: incentivizing LSEs to schedule accurately to minimize impacts on other customers in the BAA that are bringing balancing reserves, and coming to day-ahead market with sufficient resources, carried into real-time.⁴¹⁶

230. Portland also maintains that its LSE RSE is not for compensating Portland for energy imbalance service, noting that energy imbalance service is an hourly product under the OATT charged on a MW-hour basis, and is completely different than addressing the heavy-load and light-load block schedule fluctuations imposed by various LSEs failing to adequately schedule their load. Portland explains that ancillary services do not sufficiently address impacts to its system, as Portland must maintain sufficient contingency reserve obligations to serve the BAA as a whole and not solely to make up for other LSE resource insufficiencies. Portland also states inaccurate scheduling impacts Portland's own BAA-level RSE participation because it exacerbates the imbalance reserve demonstration that it needs to make therein.⁴¹⁷

231. Portland disagrees with Calpine's characterization that LSEs are being required to schedule to two inconsistent targets; in doing so, Portland notes that its LSE RSE will likely minimize real-time deviations and that the potential for after-the-fact deviations

⁴¹⁵ Portland August 13 Answer at 18.

⁴¹⁶ *Id.* at 19.

⁴¹⁷ *Id.* at 20-21. Portland also notes that if uninstructed imbalance energy on its own were sufficient here, there would not be the leaning problems that Portland demonstrated in its filing nor a reason for BAA-level RSEs in EDAM.

does not obviate the value of day-ahead load forecasting.⁴¹⁸ Finally, Portland notes that its ultimate demand forecasting methodology will involve a bottom-up forecasting process that incorporates retail meter information and CAISO's own demand forecasts to achieve an individualized LSE demand forecast based on load ratio contribution value of each LSE. Portland further states that transmission customers will be able to provide extensive feedback after Portland develops the implementation details.⁴¹⁹

e. **Deficiency Letter, Deficiency Letter Response, Comments, Protests, and Answers**

232. In the Deficiency Letter, Commission staff requested more details about certain aspects of Portland's RSE implementation. Specifically, Commission staff inquired about the timing of various RSE steps (including how and when forecasts will be shared amongst CAISO, Portland, and Portland BAA LSEs), how timing and implementation would interact with CAISO EDAM's BAA-level RSE timelines, the RSE allocation mechanism to Portland LSEs, and how RSE pass/fail is calculated.

233. In response to inquiries about when Portland initially gets BAA-level forecasts from CAISO and how Portland will process this information, Portland first explains that it plans to calculate and inform LSEs of their share of the RSE requirement before the day-ahead timeframe. Portland states that it will first calculate and communicate LSE-specific demand forecasts beginning seven days before the operating day and will continue to update and share the information iteratively as CAISO provides updated RSE results in the day-ahead timeframe. Portland states this approach ensures that LSEs receive their RSE obligations before the day-ahead binding RSE run is conducted, promoting transparency, operational preparedness, and compliance with EDAM requirements.⁴²⁰

234. Regarding the timelines and sharing of LSE RSE results, Portland clarifies that it does not plan to share LSE-specific results of the LSE RSE to all Portland LSEs to protect any sensitive commercial information; thus, Portland conducts the test on an individual basis and will share results individually rather than collectively. Portland

⁴¹⁸ *Id.* at 22-23 (citing Calpine Answer at 11).

⁴¹⁹ *Id.* at 22.

⁴²⁰ Portland Deficiency Letter Response at 8. Portland notes that it is not able to provide specific timeframe now as it is working with vendors and developing internal systems to perform the LSE RSE. Portland states that this is a business practice-level detail in any event.

explains it will run the LSE RSE after CAISO posts the EDAM RSE advisory results and will communicate the outcomes to each LSE within a reasonable time thereafter.⁴²¹

235. Portland confirms, in response to Commission staff inquiries, that any deviation from an LSE's day-ahead market award is subject to evaluation under the penalty tier structure; deviations—whether due to under-scheduling or over-scheduling—are not automatically deemed RSE “failures,” but are assessed based on their magnitude and operational impact using a consistent, tiered penalty framework in Attachment P. Portland explains that the goal of the LSE RSE is to incentivize accurate hourly schedules, consistent with transmission customer obligations, which will help minimize the risk that the Portland BAA will fail the EDAM BAA-level RSE.⁴²²

236. Portland explains that LSEs scheduling less energy than needed to serve forecasted load may result in a reliability risk to the BAA and that such deviations are evaluated under the penalty tiers. Regarding over-scheduling, Portland explains that if an LSE schedules more energy than needed, this can result in operational inefficiencies, congestion, or unintended resource dispatches. Portland notes that while over-scheduling is sometimes less critical than under-scheduling, significant or repeated over-scheduling may also be subject to tier 2 or tier 3 penalties if it disrupts market or operational efficiency.⁴²³

237. Given that Portland's LSE RSE will be evaluated after the final EDAM RSE run, Commission staff inquired how both RSE processes will be harmonized; specifically, Commission staff inquired how Portland expects the LSE RSE results to accurately inform CAISO's BAA pooling (for BAAs that pass the EDAM RSE) that accounts for the diversity benefit of procured imbalance reserves. In response, Portland states that it will initiate advisory runs of the LSE RSE after CAISO publishes each advisory RSE result, and initiate the final binding LSE RSE within three hours of the final RSE result. Portland clarifies that while the LSE RSE is not conducted strictly in parallel with the EDAM RSE, the design is aligned with CAISO's advisory RSE timeline; LSEs are expected to take corrective action, if needed, based on the LSE RSE advisory results (which are based on the EDAM RSE advisory results). Portland explains these

⁴²¹ *Id.* Portland notes that it is finalizing implementation details with vendors, and will outline the timing and communication protocols in a business practice once those workstreams are complete.

⁴²² *Id.* at 9.

⁴²³ *Id.* Portland notes that it will apply these tiers uniformly to all deviations to ensure equitable treatment and to encourage LSEs to align day-ahead schedules with their forecasted obligations.

adjustments are incorporated into the EDAM RSE, thereby maintaining the integrity of the interdependent evaluations.⁴²⁴

238. Portland further explains that initiating its internal LSE RSE shortly after the EDAM RSE advisory results ensures that any material deviations can be identified and evaluated in context of the BAA's aggregated RSE status; Portland notes this does not interfere with CAISO's pooling process because the critical inputs (LSE schedules and BAA-level adjustments) are already captured and validated in CAISO's final EDAM RSE run. According to Portland, though the precise timing differs, Portland's process is designed to complement CAISO's timeline and incentivizes accountability and transparency in assessing individual LSE performance within the BAA.⁴²⁵

f. Determination

239. We accept Portland's RSE implementation proposal as just and reasonable and not unduly discriminatory or preferential, as discussed below. As a general matter, we find that Portland has proposed a just and reasonable method to attribute and sub-allocate the EDAM RSE requirements within Portland's BAA. We also find that Portland's LSE RSE proposal complements the BAA-level EDAM RSE framework.

i. Overall Design

240. Similar to the Commission's finding in the PacifiCorp EDAM Order on this issue,⁴²⁶ we find that Portland has demonstrated that using an LSE RSE (in addition to the EDAM RSE) with penalties is just and reasonable and not unduly discriminatory or preferential. The EDAM framework necessarily delegates to the EDAM Entity the obligation to devise an internal BAA methodology to manage RSE, and nothing in Portland's Tariff nor CAISO's tariff contravenes Portland's ability to sub-allocate RSE requirements within its BAA. Indeed, we note the concept of the LSE RSE is analogous to the very EDAM RSE that it complements, as both are designed to help guard against leaning that might occur within a system boundary.⁴²⁷

241. First, we agree with Portland that the EDAM RSE test analyzes only whether the BAA has enough resources to pass the EDAM RSE and does not look at the LSE level. Consequently, we find that it is just and reasonable for Portland to establish a method to

⁴²⁴ *Id.* at 10.

⁴²⁵ *Id.*

⁴²⁶ *PacifiCorp*, 192 FERC ¶ 61,197 at PP 307-309.

⁴²⁷ EDAM Order, 185 FERC ¶ 61,210 at P 355.

account for how RSE requirements are met within an EDAM BAA. Specifically, we find that allocating the BAA-level RSE requirements to constituent LSEs and allocating failure penalties and passing credits associated with the RSE process is consistent with cost causation principles. As the participating EDAM balancing authority—the entity ultimately responsible for satisfying the EDAM RSE and liable for penalties—we find it reasonable for Portland to adopt an RSE implementation approach that reduces the potential for deficiencies and leaning amongst LSEs within its BAA.

242. Next, we find Portland’s proposal to assume the ancillary services RSE requirements on behalf of its LSEs for the whole BAA is just and reasonable. As the balancing authority, Portland’s proposal to operate the RSE, and ensure the necessary ancillary services, will ensure consistency of BAA actions. We also find just and reasonable Portland’s proposal to allocate imbalance reserves RSE requirements only to those LSEs who are also EDAM Resources (and capable of providing imbalance reserves). We find that Portland’s proposal accommodates smaller LSEs that may be unable to meet this requirement, thus preventing them from exposure to unreasonable penalties.

243. In addition, we find that Portland’s LSE RSE requirements and penalties are consistent with cost causation principles. Under Portland’s proposal, an LSE’s penalty is ultimately based only upon its individual performance relative to its individual RSE requirements. We find that it is reasonable to subject an LSE that fails the LSE RSE to penalties because such deficiency could result in the Portland BAA failing CAISO’s EDAM RSE and, consequently, incurring penalties. Thus, we find that it is reasonable for Portland to penalize LSEs that fail the LSE RSE and distribute the resulting RSE penalty revenues to the LSEs that passed, similar to how CAISO distributes RSE failure surcharges as credits to passing EDAM BAAs. In sum, by penalizing LSEs that fail the LSE RSE, Portland’s proposal identifies and assigns costs to those LSEs that caused the Portland BAA to fail CAISO’s EDAM RSE or, if other LSEs in the Portland BAAs provided sufficient resources to make up for any deficiencies, caused the potential for such failure. As such, we find that Portland’s RSE proposal is consistent with cost causation principles.

ii. RSE Failures and Deviation Penalties

244. In accepting Portland’s overall LSE RSE penalties, we also find just and reasonable Portland’s proposal to assess RSE pass or fail using the absolute value of the deviation from an LSE’s apportioned load (or demand) forecast/day-ahead award, and whether the LSE accurately e-Tags to satisfy its day-ahead awards. We find that penalizing certain levels of both under-scheduling resources and over-scheduling resources is a reasonable framework. First, we find Portland’s proposal to determine whether an LSE passes or fails the LSE RSE based on scheduled e-Tags in the day-ahead timeframe just and reasonable. We agree with Portland that this is a reasonable way to

determine whether entities come into the market appropriately prepared. Next, we also agree with Portland that assessing downward deviations (or under-scheduling outcomes) as RSE failures is reasonable.

245. Separately, we do not find that the proposed Tariff revisions penalize over-scheduling in a manner that is duplicative with energy imbalance service. We agree with Portland that any recurring LSE practices of block scheduling energy in the day-ahead timeframe can impose a shaping obligation that results in operational and financial costs that are not compensated through energy imbalance service and, thus, adversely impacts market and operational efficiency.⁴²⁸ We find that reducing the potential for inaccurate scheduling in the day-ahead timeframe can allow the market optimization to run more operationally and economically efficiently by reducing the need for real-time capacity shaping due to over-scheduling in the day-ahead market.

246. Specifically, we find that Portland seeks to address and penalize inaccurate scheduling practices that require it to shape hourly deviations, which is distinguishable from energy imbalance service. Energy imbalance service is performed in real time at sub-hourly intervals to correct any mismatches between load and supply, maintain system reliability, and address potential contingencies arising in real-time.⁴²⁹ As Portland points out, energy imbalance service in the *pro forma* OATT is a service where the transmission provider makes up for any net mismatch over an hour between the scheduled delivery of energy and the actual load that the energy serves in the control area.⁴³⁰ In contrast, in the instant filing, Portland seeks to manage predictable multi-hour deviations in real time that arise from *day-ahead* scheduling practices so that it can mitigate the effects of routine over-scheduling in the day ahead and position its own resources accordingly. Thus, we agree with Portland's assertion that energy imbalance—an hourly product—is not meant to function as a capacity shaping product over multi-hour periods and does not provide compensation to transmission providers for all of the costs incurred to provide capacity shaping over multi-hour periods. Rather, we find Portland's proposal to penalize over-scheduling to be a reasonable mechanism to encourage LSEs to accurately schedule their deliveries in the day-ahead timeframe to meet forecasted end-use demand, rather than a duplication of energy imbalance service. Therefore, the precedent and mechanisms governing penalties and deviation bands for imbalance energy are not applicable to our review of Portland's proposed Tariff provisions. We conclude that Portland's measurement of LSE RSE failure, and associated penalty structure, is just and

⁴²⁸ Transmittal at 22, 24; *id.*, Sporborg Test. at 20.

⁴²⁹ See also *PacifiCorp*, 192 FERC ¶ 61,197 at P 310 (finding that penalizing under-scheduling does not constitute a form of energy imbalance service).

⁴³⁰ Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,708, 31,717.

reasonable. In doing so, we also find Portland's proposed LSE RSE appropriately tests each LSE's absolute deviation from forecasted load and penalizes deviations above a *de minimis* level, enabling Portland to implement EDAM efficiently.

247. Finally, we conclude that LSEs will not be double penalized under Portland's proposed LSE RSE, and we are not persuaded that there are resulting undue revenue streams to Portland or double recovery of costs due to penalizing over- and under-scheduling in the proposed LSE RSE.⁴³¹

iii. Load Forecasting and Allocation Methodology

248. We find that the allocation methodology for Portland's LSE RSE requirement—based on a load ratio contribution value—is a reasonable approach. As an initial matter, we disagree with arguments that the details of any load ratio contribution methodology need necessarily be included in Portland's Tariff. Instead, we find sufficient Portland's inclusion in its Tariff of the basic mechanism through which it will allocate its RSE requirement among individual LSEs (i.e., based on load ratio contribution value) and roles and responsibilities associated with BAA-level RSE requirement sub-allocations to individual LSEs. Moreover, we find that assigning the energy and imbalance reserves components of the RSE requirements to individual LSEs, as applicable, based on each LSE's load ratio contribution is a reasonable approach that provides a basis for Portland to manage penalty and credit allocations.⁴³² Similar to the Commission's finding in the PacifiCorp EDAM Order on this issue,⁴³³ we do not find that details about how exactly proxies for LSE load are calculated need to be included in the Tariff, and disagree with Calpine that Portland's proposal violates the rule of reason. The rule of reason requires that tariffs include practices that “affect rates and service significantly,” “are realistically susceptible of specification,” and “are not so generally understood in any contractual arrangement as to render recitation superfluous.”⁴³⁴ The Commission has broad discretion in applying the rule of reason.⁴³⁵ Here, we find that

⁴³¹ In any event, we note that LSEs may be able to avoid any real-time energy imbalance-related penalties by curing their hourly deviations between the day-ahead/RSE timeframe and real-time operations.

⁴³² As noted above, Portland will only sub-allocate imbalance reserve requirements to those LSEs that are also EDAM Resources, which reasonably accommodates LSEs that are unlikely to have functional capability to meet this requirement.

⁴³³ See *PacifiCorp*, 192 FERC ¶ 61,197 at P 315-316.

⁴³⁴ *City of Cleveland*, 773 F.2d at 1376.

⁴³⁵ *Hecate Energy Greene Cnty. 3 LLC v. FERC*, 72 F.4th 1307, 1314 (D.C. Cir. 2023) (*Hecate*) (quoting *City of Cleveland*, 773 F.2d at 1376) (“The Federal Power Act's

discussions about the specific load data or forecasting methodologies—including usage of any potential historical load data—are appropriately managed in its business practice development.

249. While protesters point to the metered demand methodology alternatively, we note that CAISO itself admits that using a metered demand methodology is only a proxy, as it is not feasible to directly trace cost causation to individual entities. CAISO has indicated that it intends to work with stakeholders to determine a long-term solution for RSE failure surcharge distribution, and does not intend its current methodology to be permanent.⁴³⁶ Therefore, although use of metered demand might also be a reasonable methodology for allocating LSE RSE requirements, the Commission need only find that a proposal is just and reasonable, not that it is the most just and reasonable proposal.⁴³⁷ For the same reason, we also need not address commenters' requests that Portland revise its Tariff to match that of CAISO's implementation in order to find Portland's proposal just and reasonable.

250. In accepting Portland's proposed LSE RSE allocation methodology, we also find the use of a *de minimis* threshold in assessing RSE failures is just and reasonable and note that this approach mirrors the EDAM RSE process. We decline to direct Portland to revise the *de minimis* threshold to 1% of the apportioned LSE demand, or 10 MW in cases where 1% of the apportioned demand is less than 10 MW. We note that CAISO's EDAM RSE *de minimis* threshold for a BAA is itself 10 MW; as such, setting the *de minimis* threshold for each LSE at 10 MW risks rendering the LSE RSE requirements ineffective.⁴³⁸ Using the same threshold for a single LSE could result in the entire BAA being subject to an RSE penalty without penalizing the LSE whose deficiency resulted in the penalty. Moreover, we find that 5 MW as a *de minimis* threshold strikes a reasonable balance between providing enough incentive for LSEs to schedule accurately as possible,

'amorphous,' requirement that tariffs include 'practices affecting rates' means that FERC has 'broad discretion' in giving the Act 'concrete application.'"). We note that *Hecate* also explains that even a specifiable practice significantly affecting rates need not be included expressly in a tariff if its express terms "clearly impl[y]" the practice. *Id.*

⁴³⁶ See *Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,170 at P 24; CAISO EDAM Transmittal at 10.

⁴³⁷ When determining whether a proposed rate is just and reasonable, the Commission properly need not consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs." *City of Bethany v. FERC*, 727 F.2d at 1136.

⁴³⁸ See CAISO, CAISO eTariff, § 33.31.1 EDAM Resource Sufficiency Evaluation (EDAM RSE) (1.0.0), § 33.31.1.5.1.

while providing smaller LSEs with a higher threshold to reduce the need for potential over-purchasing of energy blocks.

251. Regarding Portland's LSE RSE timelines, we recognize that the pre-EDAM RSE evaluations necessitate coordination and potentially quick adjustments to cure deficiencies. However, we note that Portland states in its Deficiency Letter Response that it receives BAA-level forecasts and RSE information from CAISO seven days before an operating day. Portland's Deficiency Letter Response further states, and the proposed Tariff provides, that Portland will use this information to calculate LSE-level RSE requirements and inform each LSE of its initial obligations up to seven days before the operating day and will update these requirements iteratively as CAISO sends updates.⁴³⁹ We also note that LSEs must routinely plan to meet their forecasted load (even without the RSE). Given that the RSE is designed to ensure adequate supply and to round out marginal deficiencies, and considering that LSEs will have an initial idea of the RSE requirements in advance of the day-ahead timeframe, we find that Portland's proposal provides sufficient time for LSEs to satisfy their RSE requirements. In doing so, we agree with Portland that more specific timelines surrounding this information transfer are appropriate for business practices. We note that the proposed timeline mirrors the timeline that CAISO intends to transmit to each EDAM Entity, which applies generally to all EDAM Entities (and thus to constituent LSEs) across the EDAM footprint.

5. Other Issues

a. Reporting and Transparency

i. Comments and Protests

252. WPTF and NIPPC argue that customers will not have the transparency needed to meaningfully evaluate the suballocation of market charges and credits from CAISO, as many entities subject to market charges and credits will not necessarily have a direct contractual relationship with CAISO. Thus, they urge the Commission to require Portland and other EDAM Entities to make as much data as possible available to all impacted parties and continue to improve transparency in settlements, including CAISO data used in settling EDAM charges and credits, to ensure fair and accurate allocations.⁴⁴⁰

253. Clean Energy Associations urge the Commission to ensure transparency into market outcomes if it does approve Portland's Tariff revisions, potentially through additional required reporting on various factors concerning transfer capacity on the grid,

⁴³⁹ See Portland Deficiency Letter Response at 8; Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (7.0.0), § 6.3.1.2.

⁴⁴⁰ WPTF and NIPPC Protest at 27-28.

settlement trends, disparate impacts between customers, and congestion revenue allocation.⁴⁴¹

ii. Determination

254. To provide clarity, transparency, and oversight of the implementation of the RSE allocations, we direct Portland to provide reporting to the Commission on a six-month basis for the first two years of EDAM participation.⁴⁴² These informational filings should include the BAA-wide forecasts from CAISO, Portland's estimated hourly load forecast and RSE allocations for each LSE, and each LSE's actual hourly loads. We also encourage Portland to continue its discussions with stakeholders to refine its approach to forecasting load, including potential mechanisms for LSEs to provide anticipated changes in load.

b. External Intertie Bidding

i. Portland Filing

255. Portland states that it will not enable intertie bidding when it goes-live in EDAM. Portland explains that CAISO's tariff leaves this decision to each EDAM Entity's discretion; therefore, Portland has proposed Tariff language that will allow it to activate intertie bidding at a future date. Portland affirms that it will honor the WEIM's policy of permitting external resources to bid into the market if they are Designated Network Resources for load inside the Portland BAA.⁴⁴³

ii. Comments and Protests

256. Bonneville argues that because external resource intertie bidding is permitted under the CAISO tariff, Portland must enable that function from the beginning of its EDAM participation. Bonneville notes that section 33.30.3 of CAISO's tariff allows enabling external resource intertie bidding at the discretion of the EDAM Entity— not the prohibition as Portland states in its transmittal. According to Bonneville, Portland should not have the unilateral discretion of prohibiting external resource intertie bidding. Bonneville states that Portland's proposed prohibition means that Bonneville could serve its load in the Portland BAA but could not offer the market firm external resources beyond what is needed for load service. Bonneville asserts that Portland must justify this

⁴⁴¹ Clean Energy Associations Protest at 11.

⁴⁴² These informational reports should be filed in the instant docket and will not be noticed for comment or require Commission action.

⁴⁴³ Transmittal at 28.

decision that weakens the market by limiting resource participation and weakens protection against market power and manipulation. Bonneville avers that the prohibition on external resource intertie bidding is driven by concerns over speculative supply and this prohibition will deprive the market of reliable resources that have firm transmission rights.⁴⁴⁴

257. Bonneville argues that the Commission should not permit Portland to implement this unjustified prohibition especially when the EDAM tariff allows for external resource intertie bidding. Bonneville is concerned that other future EDAM Entities will follow suit and chose not to enable this flexibility and as time goes on will have little incentive to revisit the issue. Bonneville asks that if the Commission does not reject Portland's proposed Tariff, it should direct Portland to show cause as to why external resource intertie bidding cannot be enabled.⁴⁴⁵

258. Bonneville states that it is unclear what provision of Portland's proposed Tariff acknowledges that designated network resources may submit external intertie bids. Bonneville requests that the Commission direct Portland to be explicit in its Tariff to align with the representations it made in its transmittal.⁴⁴⁶

iii. Answers

259. Portland explains that the EDAM approach to external intertie bidding is an extension of the WEIM approach and gives EDAM Entity BAAs greater assurance that supply will be delivered. Portland confirms that its proposed Tariff includes provisions to enable intertie bidding once the market has stabilized.⁴⁴⁷ Portland explains that enabling intertie bidding at the outset of the market would unnecessarily introduce implementation complexities that may not be adequately addressed until further experience with EDAM operations is obtained, and that the Commission already accepted CAISO's tariff provisions that give EDAM Entities discretion to delay the enabling of intertie bidding.⁴⁴⁸

⁴⁴⁴ Bonneville Protest at 19-22.

⁴⁴⁵ *Id.* at 22-23.

⁴⁴⁶ *Id.* at 23-24.

⁴⁴⁷ Portland May 23 Answer at 57 (citing Portland Tariff, attach. P Extended Day-Ahead Market and Energy Imbalance Market (0.0.0), § 6.1.2.3).

⁴⁴⁸ *Id.* at 57-58.

iv. **Determination**

260. We find that Portland's decision not to enable economic bidding on external interties at the outset of the market is just and reasonable and not unduly discriminatory or preferential. Further, we find that Portland's proposal is consistent with CAISO's EDAM provisions, which provide that economic bidding on external interties is only permitted if the EDAM Entity supports economic bidding.⁴⁴⁹

261. We also disagree with Bonneville's arguments that Portland did not provide a sufficient justification for why it is just and reasonable not to enable economic bids at external interties. In its Answer, Portland explains that it needs to gain experience with EDAM to ensure that all of the core functions work as intended and that introducing external intertie bidding at launch would introduce complexities in implementation.⁴⁵⁰ As previously noted, CAISO's tariff defers the decision on whether to enable economic bids at external interties to the EDAM Entity where the external intertie is located, and we find that it is reasonable to expect that there might be additional complexities involved. Further, in the EDAM Order, the Commission agreed that "certain limitations on non-source specific external resources is a reasonable accommodation to mitigate risk that non-source specific supply that is not deliverable could displace internal generation" and "that enabling or changing this framework could introduce operational risk that the supply may not be deliverable, may displace other supply, and may force the balancing authority to replace the supply in real-time."⁴⁵¹ The Commission then found that "CAISO's proposed prohibition is just and reasonable, on balance, given that it can avoid these operational risks."⁴⁵²

⁴⁴⁹ CAISO, CAISO eTariff, § 29.34 EIM Operations (27.0.0), § 29.34(i)(1); *id.* § 33.30.3 Economic Bids at Interties (0.0.0) ("Except for resource-specific resources with an obligation to serve Demand in the EDAM Area described in Section 33.30.8, a Scheduling Coordinator for a designated resource associated with network integration transmission service of an EDAM Transmission Service Provider, or a resource located outside of the EDAM Area at an EDAM External Intertie with the CAISO Balancing Authority Area, may not submit Economic Bids at EDAM External Interties or EDAM Internal Interties unless the submission of Economic Bids has been enabled in accordance with Section 29.34(i)(2). Scheduling Coordinators may submit Self-Schedules at any EDAM Intertie.").

⁴⁵⁰ Portland May 23 Answer at 57-58.

⁴⁵¹ EDAM Order, 185 FERC ¶ 61,210 at P 239.

⁴⁵² *Id.* P 239.

262. Further, we find from CAISO's explanations in its EDAM filing that external Designated Network Resources will be able to economically bid in EDAM. We therefore find that Bonneville's request that Portland include these exceptions in its Tariff would be duplicative and unnecessary.⁴⁵³

The Commission orders:

(A) Portland's proposed Tariff revisions to Attachment P-1 are hereby accepted, effective June 2, 2025, as requested, as discussed in the body of this order.

(B) Portland's remaining proposed Tariff revisions are hereby accepted, subject to Portland submitting a compliance filing within 30 days of the date of this order, effective as of the actual implementation date, as discussed in the body of this order.

(C) Portland is hereby directed to make a compliance filing to establish the effective date of the Tariff records, as discussed in the body of the order.

(D) Portland is hereby directed to submit a compliance filing, within 30 days of the date of issuance of this order, as discussed in the body of this order.

(E) Portland is hereby directed to submit informational filings, as discussed in the body of this order.

By the Commission.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

⁴⁵³ CAISO EDAM Transmittal at 158 ("The EDAM design will support external resource participation by source-specific off-system designated network resources.").

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Appendix

Tariff Sections Effective 6/2/2025

Portland General Electric Company, Portland General Electric OATT Volume No. 8,
[new attachment for edam, Att P-1 EDAM Preparation Activities \(1.0.0\)](#)

Tariff Sections Effective 12/31/9998

Portland General Electric Company, Portland General Electric OATT Volume No. 8,

[PGE OATT Section, PGE-8 Table of Contents \(6.0.0\),](#)

[PGE Section 1 of OATT, I.Common Service Provisions- 1 Definitions \(5.0.0\),](#)

[PGE Section 7 of OATT, 7 Billing and Payment \(4.0.0\),](#)

[PGE Section 10 of OATT, 10 Force Majeure and Indemnification \(3.0.0\),](#)

[PGE Section 12 of OATT, 12 Dispute Resolution Procedures \(3.0.0\),](#)

[PGE Section Preamble, II Point-To-Point Transmission Service \(3.0.0\),](#)

[PGE Section 13 of OATT, 13 Nature of Firm Point-To-Point Transmission Service \(5.0.0\),](#)

[PGE Section 14 of OATT, 14 Nature of Non-Firm Point-To-Point Transmission Svc \(5.0.0\),](#)

[PGE Section 15 of OATT, 15 Service Availability \(4.0.0\),](#)

[PGE Section 16 of OATT, 16 Transmission Customer Responsibilities \(4.0.0\),](#)

[PGE Section 17 of OATT, 17 Procedures for Arranging Firm P-T-P Transmission Svc \(3.0.0\),](#)

[PGE Section 18 of OATT, 18 Procedures for Arranging Non-Firm P-T-P Transmission Svc \(3.0.0\),](#)

[PGE Section 27 of OATT, 27 Compensation for New Facilities and Redispatch Costs \(3.0.0\),](#)

[PGE Section Preamble, III Network Integration Transmission Service \(3.0.0\),](#)

[PGE Section 28 of OATT, 28 Nature of Network Integration Transmission Service \(4.0.0\),](#)

[PGE Section 29 of OATT, 29 Initiating Service \(3.0.0\),](#)

[PGE Section 30 of OATT, 30 Network Resources \(3.0.0\),](#)

[PGE Section 33 of OATT, 33 Load Shedding and Curtailments \(3.0.0\),](#)

[PGE Schedule 1A of OATT, Sched 1A EIM Administrative Service \(2.0.0\),](#)

[PGE Schedule 4 of OATT, Sched 4 Energy Imbalance Service \(5.0.0\),](#)

[PGE Schedule 4-R of OATT, Sched 4-R Retail Energy Imbalance Service \(4.0.0\),](#)

[PGE Schedule 10 of OATT, Sched 10 Generator Imbalance Service \(4.0.0\),](#)

[PGE Schedule 11 of OATT, Sched 11 Real Power Losses \(2.0.0\),](#)

[PGE Attachment M of OATT, Att M SGIP for Generating Facilities No Larger Than 20 MW \(10.0.0\),](#)

[PGE Attachment N of OATT, Att N Retail Network Integration Transmission Service \(8.0.0\),](#)

[PGE Attachment O of OATT, Att O Standard Large Generator Interconnection Procedures \(11.0.0\),](#)

[PGE Attach P of OATT, Att P Energy Imbalance Market \(7.0.0\)](#)

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