

192 FERC ¶ 61,197
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

PacifiCorp

Docket Nos. ER25-951-000
ER25-951-001

ORDER ACCEPTING TARIFF REVISIONS SUBJECT TO CONDITION

(Issued August 29, 2025)

1. On January 16, 2025, pursuant to section 205 of the Federal Power Act (FPA)¹ and part 35 of the Commission's regulations,² PacifiCorp 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 PacifiCorp's Tariff would enable PacifiCorp 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 PacifiCorp's revisions to Attachment T-1, effective May 16, 2025, as requested.³ We also accept the remainder of PacifiCorp's proposed Tariff revisions, subject to condition, to become effective as of the actual implementation date, as requested.⁴

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

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2024).

³ PacifiCorp, Transmission OATT and Service Agmts, Attachment T-1, EDAM Preparation Activities (1.0.0) (PacifiCorp Tariff).

⁴ See Appendix for eTariff records.

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

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. 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.⁷ 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, 2024.⁸ 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.⁹

5. Similar to the WEIM, EDAM participation is voluntary at the BAA level, and participating BAAs manage their electricity needs and supplies through CAISO's day-

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 market, the WEIM does not procure or settle ancillary services.

⁷ *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 (2023) (EDAM Order).

⁸ PacifiCorp January 16, 2025 Transmittal Letter at 15 (Transmittal) (citing *Cal. Indep. Sys. Operator Corp.*, Docket No. ER23-2686-001 (Apr. 30, 2024) (delegated order)).

⁹ *Cal. Indep. Sys. Operator Corp.*, 187 FERC ¶ 61,154 (2024).

ahead and real-time markets.¹⁰ 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),¹¹ (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).¹² 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 as in the WEIM.¹³ Unlike in the WEIM, which allowed for non-participating resources, all resources within a participating BAA must participate in EDAM (which also entails real-time market participation) by submitting economic bids and self-schedules.¹⁴

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.¹⁵ Prior to running the day-ahead market, CAISO runs the Resource

¹⁰ Transmittal at 7.

¹¹ 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).

¹² Transmittal at 7 (citing *Cal. Indep. Sys. Operator Corp.*, Transmittal Letter, Docket No. ER23-2878-000, at 106 (filed Aug. 22, 2023) (CAISO EDAM Transmittal)).

¹³ CAISO eTariff, § 33.4 Roles and Responsibilities (6.0.0)).

¹⁴ *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 an EIM entity scheduling coordinator can either establish a direct scheduling coordinator relationship with CAISO under EDAM and be represented by the EDAM Entity Scheduling Coordinator. *See* CAISO EDAM Transmittal at 110.

¹⁵ Scheduling Coordinators for generation resources submit separate bids for energy, ancillary services, and RUC capacity, while those for LSEs submit bids for load.

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.¹⁶

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).¹⁷ EDAM will use CAISO's existing post-market settlements timelines and procedures for EDAM, 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.¹⁸

C. PacifiCorp

8. PacifiCorp is an Oregon corporation providing retail electric service to approximately 1.9 million residential, commercial, industrial, and other customers in portions of six states, and electric transmission service in nine Western states. PacifiCorp operates two BAAs: PacifiCorp East (PACE), and PacifiCorp West (PACW). PacifiCorp provides open access transmission service under its Tariff, which is on file with the Commission. PacifiCorp is currently a participant in the WEIM administered by

See CAISO eTariff, § 4.5.1 Scheduling Coordinator Certification (18.0.0); *id.* § 4.5.3 Responsibilities of a Scheduling Coordinator (12.0.0).

¹⁶ EDAM Order, 185 FERC ¶ 61,210 at P 17.

¹⁷ CAISO EDAM Transmittal at 198.

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

CAISO.¹⁹ PacifiCorp is a wholly-owned subsidiary of Berkshire Hathaway Energy Company.²⁰

D. Portland General EDAM Implementation Filing

9. Portland General Electric Company (Portland General) is a vertically integrated utility that serves approximately 900,000 wholesale and retail customers in the state of Oregon. Portland General operates the Portland General BAA and provides open access transmission service under its Tariff. On April 3, 2025, Portland General filed proposed revisions to its Tariff to enable its participation in EDAM in Docket No. ER25-1868. The Commission is issuing an order concurrently accepting Portland General's proposed Tariff revisions to enable its EDAM participation.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 otherwise outside the scope of this proceeding, as discussed below.²²

II. PacifiCorp Filing

11. PacifiCorp states that its decision to join EDAM is based, in significant part, on the success of the WEIM. PacifiCorp announced its intention to join EDAM in December 2022 and signed its EDAM Entity Implementation Agreement on April 25, 2024. PacifiCorp explains that while the CAISO tariff contains the framework of how non-CAISO BAAs may participate in the day-ahead market, participation in EDAM requires revisions to the OATTs of transmission providers prior to joining EDAM. PacifiCorp states that its filing represents the necessary PacifiCorp Tariff changes to enable its participation in EDAM and that its revisions represent a just and reasonable,

¹⁹ *PacifiCorp*, 147 FERC ¶ 61,227 (PacifiCorp WEIM Order), *order on reh'g & clarification*, 149 FERC ¶ 61,057 (2014), *order on reh'g*, 150 FERC ¶ 61,084 (2015).

²⁰ Transmittal at 2-3.

²¹ *Portland Gen. Elec. Co.*, 192 FERC ¶ 61,195 (2025).

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

and not unduly discriminatory, approach and are consistent with or superior to the *pro forma* OATT.²³

12. First, regarding participation, PacifiCorp states that, because the four main participant roles in EDAM must be represented by a Scheduling Coordinator, the PacifiCorp EDAM Entity will act as the Scheduling Coordinator for all transmission customers not otherwise represented by an applicable CAISO Scheduling Coordinator Agreement. PacifiCorp also notes that EDAM participation is voluntary and can be terminated with six months' notice without paying any exit fees.²⁴

13. Further, PacifiCorp explains that each transmission service provider in an EDAM BAA must amend its OATT to align with EDAM provisions.²⁵ PacifiCorp explains that transmission service providers will maintain their OATTs and the Commission is expected to evaluate amendments as targeted variations from the *pro forma* OATT.²⁶ PacifiCorp states that in addition, CAISO will honor existing transmission contracts and transmission ownership rights (ETCs/TORs) within its BAA through various procedures, which include registering the underlying rights with CAISO, assigning Contract Reference Numbers, and providing financial protection from congestion charges, while also offering opportunities for holders to make their transmission capacity available for transfer revenue.²⁷

14. PacifiCorp notes that it will maintain its obligation to provide ancillary services for its BAA upon EDAM participation, with certain exceptions and modifications, because EDAM participants will not cede their authority as balancing authorities. PacifiCorp states that the EDAM market design does not co-optimize ancillary services, and there is no way to submit bids to supply ancillary services.²⁸ However, PacifiCorp proposes additional revisions to Schedules 4 and 9 to reflect that, under EDAM, energy and generator imbalance will be provided by CAISO as the market operator. PacifiCorp further states that Attachment T of its Tariff, which contains the bulk of PacifiCorp's proposed revisions, retains the previous versions of Schedules 4 and 9 to address a

²³ *Id.* at 2.

²⁴ *Id.* at 8.

²⁵ *Id.* at 14 (citing CAISO EDAM Transmittal at 125).

²⁶ *Id.* (citing CAISO EDAM Transmittal at 121).

²⁷ *Id.* (citing CAISO EDAM Transmittal at 121, 126).

²⁸ *Id.* at 26-27. PacifiCorp notes this does not include CAISO's imbalance reserves product, which is not an ancillary service under the OATT.

potential disruption of the CAISO markets that compels PacifiCorp to revert to stand-alone operations, in which case Schedule 4 and 9 charges would apply.²⁹

15. Similarly, PacifiCorp explains that it proposes modest changes to Schedules 3 and 3A to remove the WEIM-related rate reduction. PacifiCorp notes that certain exemptions apply to dispatchable non-Variable Energy Resource (non-VERs) under the current terms of Schedules 3 and 3A if a non-VER is an WEIM Participating Resource or otherwise deemed to be a “dispatchable” resource. PacifiCorp further asserts that insofar as the Participating Resource concept goes away in EDAM, it is necessary to modify this exemption. PacifiCorp therefore proposes revisions that exempt non-VER resources submitting economic bids into the CAISO markets, or otherwise dispatchable by PacifiCorp, from Schedules 3 and 3A charges.³⁰

16. Finally, PacifiCorp states that EDAM also changes the way PacifiCorp and its customers will participate in the real-time market. PacifiCorp explains that under the WEIM, CAISO is involved only in resolving real-time energy imbalances in the PacifiCorp BAAs, as measured by deviations from a non-market day-ahead base schedule that each LSE in PacifiCorp’s BAAs submits. PacifiCorp explains that, while under the WEIM, participants can choose whether to designate their generating resources as participating, and available to the WEIM for real-time dispatch based on bids and self-schedules, or non-participating, under EDAM, all resources in the PacifiCorp BAAs must participate in the market. PacifiCorp explains that CAISO’s day-ahead market will create a day-ahead schedule with binding financial results from submitted bids and self-schedules.³¹

17. On March 27, 2025, Commission staff issued a Deficiency Letter advising PacifiCorp that additional information was necessary to process its filing (Deficiency Letter).³² On April 28, 2025, PacifiCorp filed a response to the Deficiency Letter, which amended its filing.³³

²⁹ *Id.* at 27 (citing Ex. PAC-001 (Testimony of Kristopher Bremer), at 17 (Bremer Test.)).

³⁰ *Id.* (citing Bremer Test. at 17-18).

³¹ *Id.* at 14.

³² *PacifiCorp*, Docket No. ER25-951-000 (Mar. 27, 2025) (delegated order) (Deficiency Letter).

³³ *PacifiCorp April 28, 2025 Deficiency Letter Response* (PacifiCorp Deficiency Letter Response).

III. Notice and Responsive Pleadings

18. Notice of the filing was published in the *Federal Register*, 90 Fed. Reg. 8524 (Jan. 30, 2025), with interventions and protests due on or before February 18, 2025. Idaho Power Company; Truckee Donner Public Utility District; Plumas-Sierra Rural Electric Cooperative; Northern California Power Agency; TransAlta Corporation;³⁴ Northwest Power Pool d/b/a Western Power Pool (WPP); Xcel Energy Services Inc.; Basin Electric Power Cooperative; Wyoming Industrial Energy Consumers (WIEC); Electric Power Supply Association; Public Service Company of New Mexico; DC Energy, LLC; Transmission Agency of Northern California; Public Utility District No. 1 of Klickitat County; Pattern Energy Operations LP; Western Area Power Authority; Public Utility District No. 1 of Cowlitz County; Navajo Tribal Utility Authority; and P4 Production, LLC filed timely motions to intervene. Public Utilities Commission of Nevada filed a notice of intervention.

19. Black Hills Power, Inc. and Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California filed motions to intervene out-of-time.

20. Pacific Gas and Electric Company (PG&E); Portland General; Nevada Power Company, Sierra Pacific Power Company (together, NV Energy), and Balancing Authority of Northern California (BANC) (together, Joint Commenters); CAISO; Southwest Power Pool, Inc. (SPP); and Public Interest Organizations (PIO)³⁵ filed timely motions to intervene and comments.³⁶

21. Interwest Energy Alliance, Renewable Northwest, and American Clean Power Association (Clean Energy Associations); Public Power Council (PPC); Puget Sound Energy, Inc. (Puget Sound Energy); Bonneville Power Administration (Bonneville); Calpine Corporation (Calpine); Salt River Project Agricultural Improvement and Power District (Salt River Project); Powerex Corp (Powerex); Shell Energy North America (U.S.) L.P. (Shell Energy); Western Resource Adequacy Program (WRAP) Participating Entities;³⁷ Utah Associated Municipal Power Systems (UAMPS); Western Power

³⁴ TransAlta Corporation includes TransAlta Energy Marketing (U.S.) Inc. and TransAlta Wyoming Wind LLC.

³⁵ Public Interest Organizations include Natural Resources Defense Council, NW Energy Coalition, and Western Resource Advocates.

³⁶ Alliance of Western Energy Consumers and PacifiCorp Idaho Industrial Customers filed comments but no intervention.

³⁷ The WRAP Participating Entities include APS; Avista Corporation; Bonneville; Public Utility District No. 1 of Chelan County; Clatskanie People's Utility District; Public Utility District No. 2 of Grant County; Powerex; Puget Sound Energy; Salt River

Trading Forum (WPTF) and Northwest & Intermountain Power Producers Coalition (NIPPC); Arizona Public Service Company (APS); and Utah Municipal Power Agency (UMPA) and Deseret Generation and Transmission Co-operative, Inc. (Deseret) filed timely motions to intervene and protests. 704B Customers³⁸ filed a motion to intervene out-of-time and out-of-time protest. City of Tacoma, Department of Public Utilities, Power Division (Tacoma) filed a timely motion to intervene and out-of-time protest. Utah Division of Public Utilities (Utah DPU) and Tri-State Generation and Transmission Association (Tri-State) filed timely motions to intervene, motions for leave to file out-of-time protest, and protests.

22. On February 20, 2025, WPP filed a motion for leave to answer and answer. On March 7, 2025, CAISO filed a motion for leave to answer and answer (CAISO March 7 Answer). On March 11, 2025, BANC and Portland General filed motions for leave to answer and answers. On March 12, 2025, PacifiCorp filed a motion for leave to answer and answer (PacifiCorp March 12 Answer). On March 14, 2025, WIEC filed a motion for leave to answer and answer. On March 21, 2025, Bonneville filed a motion for leave to answer and answer (Bonneville May 21 Answer). On March 26, 2025, WPTF and NIPPC and Calpine filed motions for leave to answer and answers. On March 28, 2025, SPP and Powerex (Powerex March 28 Answer) filed motions for leave to answer and answers. On March 31, 2025, PPC filed a motion for leave to answer and answer.

23. Notice of PacifiCorp's Deficiency Letter Response was published in the *Federal Register*, 90 Fed. Reg. 18977 (May 5, 2025), with interventions and protests due on or before May 19, 2025. SPP and CAISO filed timely comments to PacifiCorp's Deficiency Letter Response. UMPA, UAMPS, and Deseret (together, Legacy Customers), Powerex, and Calpine filed timely protests to PacifiCorp's Deficiency Letter Response.

24. On May 23, 2025, PacifiCorp filed a motion for leave to answer and answer to comments and protests to PacifiCorp's Deficiency Letter Response (PacifiCorp May 23 Answer). On June 9, 2025, Bonneville filed a motion for leave to answer and answer to PacifiCorp's Deficiency Letter Response. On June 11, 2025, Powerex filed a motion for leave to answer and answer to CAISO's May 19th Comments (Powerex June 11 Answer). On June 17, 2025, CAISO filed a motion for leave to answer and answer to the Powerex June 11th Answer (CAISO June 17 Answer).

Project; Shell Energy; Public Utility District No. 1 of Snohomish County; City of Tacoma, Department of Public Utilities, Power Division; and The Energy Authority, Inc.

³⁸ 704B Customers include Peppermill Casinos Inc.; Smart Energy Alliance; Wynn Las Vegas, LLC; MGM Resorts International; and Caesars Entertainment Services, LLC.

IV. Discussion

A. Procedural Matters

25. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.³⁹

26. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we grant 704B Customers'; Black Hills Power, Inc.'s; and Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California's late-filed motions to intervene given their interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

27. 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 ordered by the decisional authority. We accept parties' answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

1. General Issues

a. PacifiCorp Filing

28. PacifiCorp states that it and its customers have benefitted greatly from participation in the WEIM.⁴⁰ PacifiCorp claims that the diversity benefit of a larger pool of resources/loads has unlocked significant market benefits. PacifiCorp elaborates that the benefits of participation in the WEIM include direct cost savings, increased integration of diverse resources, additional operational visibility, and improved operational efficiencies, such as reducing the need for real-time flexible reserves.⁴¹

³⁹ Because Alliance of Western Energy Consumers and PacifiCorp Idaho Industrial Customers did not file motions to intervene, they are not parties to this proceeding. See 18 C.F.R. §§ 385.102(c)(3), 385.214(a)(3) (2024).

⁴⁰ Transmittal at 3 (citing *id.* Ex. PAC-002 (Testimony of Michael G. Wilding), at 2 (Wilding Test.)).

⁴¹ *Id.* at 4 (citing CAISO, Western Energy Imbalance Market Benefits Report, Second Quarter 2023, Executive Summary at 3 (July 31, 2023)).

PacifiCorp notes that the WEIM's success provided a foundation for PacifiCorp to consider expanding its market participation to CAISO's EDAM.

29. PacifiCorp states that its proposed EDAM-related OATT changes are built on two building blocks already accepted by the Commission: the WEIM provisions effective in its Tariff and CAISO's EDAM market rules in CAISO's tariff. PacifiCorp asserts generally that, while certain stakeholders do not support the policy decisions made underlying its proposed implementation provisions, "just and reasonable" does not mean *the most* just and reasonable among competing alternatives.⁴²

30. To enable its EDAM participation in advance of when its remaining EDAM Tariff provisions take effect, PacifiCorp proposes a new Attachment T-1 to its Tariff, which contains a single provision requiring transmission customers to take necessary actions and refers to certain EDAM "onboarding" provisions in CAISO's tariff that are already in effect. PacifiCorp represents that Attachment T-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. PacifiCorp adds that it will assist PacifiCorp in gaining necessary modeling information and fulfilling its onboarding responsibilities as the EDAM Entity. PacifiCorp requests an effective date of May 16, 2025, for Attachment T-1, and explains that Attachment T-1 is the sole provision with that effective date.⁴³

b. Comments and Protests

31. Various commenters generally support PacifiCorp's proposed Tariff revisions to enable PacifiCorp's participation in EDAM.⁴⁴

32. CAISO states that it supports PacifiCorp's proposed Tariff revisions to allow PacifiCorp's participation in EDAM as an EDAM Entity and as an EDAM Transmission Service Provider. According to CAISO, the Commission has recognized EDAM's potential to yield significant benefits for the voluntary WEIM and EDAM participants, including benefits for PacifiCorp's customers, as the economic studies cited by PacifiCorp indicate. CAISO further states that Commission acceptance of the Tariff revisions is necessary to allow PacifiCorp to participate in EDAM and allow realization of these benefits. CAISO states it has compared the final version of PacifiCorp's Tariff revisions with the relevant provisions in the CAISO tariff—specifically, with various

⁴² *Id.* at 17 (citing *City of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984)).

⁴³ *Id.* at 37.

⁴⁴ CAISO Comments at 7; PG&E Comments at 1.

CAISO tariff provisions that require an EDAM Entity and EDAM Transmission Service Provider to include provisions addressing specified matters in their OATTs. CAISO attests the PacificCorp Tariff revisions fulfill these requirements.⁴⁵ CAISO also agrees with PacificCorp that its Tariff revisions are consistent with or superior to the Commission's *pro forma* OATT. CAISO states that it participated extensively in the PacificCorp stakeholder process that resulted in the Tariff revisions and that its engagement in that process reaffirms its support for the continued evolution of EDAM following implementation.⁴⁶

33. Joint Commenters urge the Commission to accept PacificCorp's proposed Tariff revisions. Joint Commenters state that EDAM implementation will bring significant benefits to Joint Commenters' customers by extending the current WEIM participation to the EDAM. Specifically, Joint Commenters assert the EDAM establishes a voluntary day-ahead participation model to enable optimization of transmission and generation to meet forecasted demand across a broader market focus.⁴⁷ Beyond cost-savings, Joint Commenters continue, EDAM is also expected to create significant reliability and environmental advantages by reducing production costs, enhancing supply visibility, and promoting efficient use of renewable resources.⁴⁸

34. Joint Commenters contend that PacificCorp's filing is just and reasonable and consistent with the Commission-accepted EDAM design. Joint Commenters argue PacificCorp's proposal adheres to the market's core components and appropriately implements the EDAM Entity's limited areas of transmission provider discretion. Joint Commenters further argue that this is not the appropriate venue to debate market design elements that the Commission already accepted nor does PacificCorp's EDAM implementation proposal present the market design for *de novo* review; instead, PacificCorp presents discrete revisions to its Tariff to enable participation in CAISO's market design.⁴⁹

35. In addition, Joint Commenters assert, PacificCorp's approach respects the rights of Tariff customers. Joint Commenters contend that EDAM complements, and does not replace, the Commission's *pro forma* OATT. Joint Commenters argue the EDAM structure essentially provides a more formalized redispatch protocol via a market

⁴⁵ CAISO Comments at 9-10.

⁴⁶ *Id.* at 7-9.

⁴⁷ Joint Commenters at 1, 5-6.

⁴⁸ *Id.* at 6.

⁴⁹ *Id.* at 8-9.

algorithm while ensuring that participating balancing authorities (i.e., the EDAM Entities) retain the operational and functional transmission system control.⁵⁰

36. Finally, Joint Commenters assert that swift action on PacifiCorp's filing is important to provide certainty to other prospective EDAM Entities as they engage with stakeholders in their own OATT development efforts.⁵¹

37. Other commenters express general concerns with PacifiCorp's proposed Tariff revisions. Tacoma asserts that PacifiCorp's proposal is an inefficient management of firm transmission rights that will impede the development and success of day-ahead markets in the West by increasing the costs for transactions that will cross the borders of Markets+ and EDAM.⁵² Tacoma further contends that PacifiCorp's attempt to limit the value and efficiency of firm transmission rights outside of EDAM is counter to the Commission's open access transmission policies, will create and expand fractures in open access transmission, and will frustrate the goals that both Congress and the Commission have espoused.⁵³ Legacy Customers state that captive transmission customers will be harmed if PacifiCorp's proposal is approved without first remedying the flaws identified by the Legacy Customers and others. Legacy Customers argue that if that effort requires delaying EDAM implementation, that consequence will have been of PacifiCorp's own making and is better than allowing PacifiCorp to move forward with unjust and unreasonable Tariff revisions.⁵⁴

c. Answers

38. BANC and Portland General assert that many of the protests submitted are collateral attacks on the EDAM design, which the Commission accepted after a multi-year stakeholder process that included a thorough debate of existing Tariff rights and the allocation of congestion revenues.⁵⁵ According to BANC, such protests are lodged in an effort to derail the establishment and growth of EDAM and are outside the scope of this proceeding. BANC further asserts that EDAM's growth brings tremendous benefits to consumers, as well as increased reliability and lower emissions. BANC argues that these

⁵⁰ *Id.* at 2, 6-7.

⁵¹ *Id.* at 2, 12.

⁵² Tacoma Protest at 9.

⁵³ *Id.* at 10.

⁵⁴ Legacy Customers Protest to the Deficiency Letter Response at 12.

⁵⁵ BANC Answer at 2-3; Portland General Answer at 9-10.

benefits are driven by the size and diversity of the resources and load within the footprint and its interconnectivity.⁵⁶

39. Powerex argues that that CAISO now seeks to make EDAM participation mandatory for all customers, all electricity transactions, and all electricity deliveries throughout the EDAM footprint and that CAISO would not support a carve-out even for PacifiCorp transmission customers seeking to schedule their own generation to their own load outside of EDAM. Powerex asserts that accepting the proposed Tariff revisions would thus effectively make all activity in the electricity sectors of Wyoming and Utah, as well as significant portions of Idaho, Oregon, and Washington, captive to CAISO's authority and ongoing decision-making. As such, Powerex explains, all electricity generated, consumed, and delivered in PacifiCorp's service territory will be subject to the prices, terms, and conditions established by CAISO. Powerex asserts that establishing a single captive organized market for all customers and all transactions has historically only occurred in the case of a Regional Transmission Organization or Independent System Operator (RTO/ISO). Powerex states that the EDAM design and PacifiCorp's proposal collectively lack key elements, protections, and requirements for RTOs/ISOs, such as independent governance, consolidated transmission service under a single transmission service provider and single transmission tariff, a common resource adequacy standard, rules that ensure accurate price signals (including scarcity pricing), and a transition from physical transmission rights to financial rights.⁵⁷ Powerex asserts that an organized market design that sets these key requirements aside cannot be assured of producing just and reasonable outcomes for all customers and all transactions. Powerex requests that the Commission provide guidance that a limited carve-out or similar mechanism is necessary in order for the transmission service provided by PacifiCorp (or other EDAM Transmission Service Providers) to be just and reasonable and consistent with or superior to the *pro forma* OATT.⁵⁸

d. Commission Determination

40. We find that PacifiCorp's proposed Tariff revisions, which implement PacifiCorp'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.

⁵⁶ BANC Answer at 2-3.

⁵⁷ Powerex June 11 Answer at 2-5 (citing *Reg'l Transmission Orgs.*, Order No. 2000, FERC Stats. & Regs. ¶ 31,089, at 31,108 & 31,165 (1999) (cross-referenced at 89 FERC ¶ 61,285)).

⁵⁸ *Id.* at 5-6.

We accept PacifiCorp's revisions to Attachment T-1,⁵⁹ effective May 16, 2025, as requested. We accept the remaining proposed Tariff revisions, subject to condition,⁶⁰ effective as of the actual implementation date, as requested. No less than seven days prior to the date PacifiCorp implements the proposed Tariff revisions with a 12/31/9998 effective date, PacifiCorp 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).⁶¹

41. We agree with supporting commenters that the proposed Tariff revisions fulfill the applicable requirements for EDAM participation specified in the CAISO tariff. As discussed in the EDAM Order, EDAM has the potential to yield significant economic and reliability benefits to EDAM participants.⁶² We generally limit our discussion and findings in this order to those aspects of PacifiCorp's proposal that are contested by commenters. We find that the aspects of PacifiCorp'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.⁶³

42. We are unpersuaded by Tacoma's unsubstantiated argument that PacifiCorp's proposal will increase the cost of transactions between Markets+ and EDAM's borders and thus impede open access. Because neither market has commenced operations, concerns about transactions between the market footprints generally, and the price to

⁵⁹ PacifiCorp Tariff, attach. T-1 EDAM Preparation Activities (1.0.0).

⁶⁰ *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108, 114-15 (D.C. Cir. 2017) (*NRG*) (discussing the Commission's authority to propose modifications to a utility's FPA section 205 rate proposal).

⁶¹ PacifiCorp 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 record(s) accepted with a 12/31/9998 date.

⁶² EDAM Order, 185 FERC ¶ 61,210 at P 42.

⁶³ For example, PacifiCorp proposes Tariff revisions to correct typographical errors and to ensure internal Tariff consistency. PacifiCorp asserts that these changes are consistent with or superior to the *pro forma* OATT because they clarify PacifiCorp's procedures and ensure consistency therein. Transmittal at 37.

transact across regional interties specifically, remain speculative. We also disagree with Legacy Customers' arguments that native load customers will be harmed by PacifiCorp's proposal. The Commission has found that participation in EDAM will provide significant economic and reliability benefits to PacifiCorp's native load customers through a more efficient use of resources and access to a greater diversity of resources.⁶⁴ Regarding Powerex's argument on the voluntary nature of EDAM, we find that PacifiCorp's proposal is consistent with the EDAM market design previously approved by the Commission. In the EDAM Order, the Commission understood that EDAM was only voluntary at the BAA level, and we 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."⁶⁵ We note that Powerex participated in the EDAM Order proceeding and did not protest EDAM's participation model; as such, we find that its comments on the voluntary nature of EDAM constitute a collateral attack on the EDAM Order.⁶⁶

2. Congestion Revenue Allocation

a. Background

43. Under the CAISO 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 generated 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.⁶⁷ Under its tariff, CAISO will allocate congestion revenue to the BAA where the internal transmission constraint arises; thus, each BAA will need to update its OATT prior to participating in EDAM to allocate those revenues within its BAA. PacifiCorp explains that under CAISO's approved tariff provisions, congestion revenue resulting from internal congestion in an EDAM BAA will be returned to that BAA.

⁶⁴ See EDAM Order, 185 FERC ¶ 61,210 at P 42. We address Legacy Customers' arguments regarding specific aspects of PacifiCorp's proposal below.

⁶⁵ *Id.* P 220; see also *id.* P 20 ("similar to the WEIM, EDAM participation is voluntary and on a balancing authority level").

⁶⁶ See Powerex, Protest, Docket No. ER23-2686-000 (filed Sept. 21, 2023).

⁶⁷ CAISO eTariff, § 33.11.1 Transfer Revenue and Congestion Revenue Allocation (0.0.0).

b. PacifiCorp Filing

44. PacifiCorp states that EDAM will optimize all resources and loads within the market by identifying efficient resource commitments and energy transfers to ensure scheduled and forecast loads are met.⁶⁸ PacifiCorp explains that loads and resources will be subject to day-ahead and real-time market pricing under CAISO's LMP model and that EDAM will not "co-optimize" ancillary services (i.e., the market will not procure those services from generators at the same time it is optimizing for energy and imbalance reserves). PacifiCorp states that an EDAM Load-Serving Entity in a PacifiCorp BAA will have its resources and loads optimized by the market on a full day-ahead basis. PacifiCorp further states that the EDAM Load-Serving Entity's resources will receive nodal pricing for supply, and its loads will pay the applicable Load Aggregation Point price. PacifiCorp explains that, with limited exception,⁶⁹ all transmission customers may choose between economic bids and self-schedules as they deem is in their best economic interest. According to PacifiCorp, as with all LMP-based markets, market participants will be subject to the three basic elements of such bid-based, security constrained economic dispatch systems (i.e., energy, congestion, and losses).⁷⁰

45. PacifiCorp avers that the Commission has long recognized the value of congestion pricing to encourage efficient scheduling and provide a price signal for where transmission investment is needed.⁷¹ PacifiCorp asserts that depending on the direction of schedules in relation to congestion patterns, transmission customers may either be paid or charged for congestion. PacifiCorp explains that, under CAISO's tariff, CAISO will return congestion revenue resulting from internal congestion in an EDAM BAA to that BAA and the EDAM Entity will then return that revenue to demand in the BAA. PacifiCorp states that LMP-based markets are based on the concept of marginal losses, in contrast to the Tariff, which is based on financial charges for physical losses. PacifiCorp explains that because EDAM will incorporate a system of marginal loss charges embedded in market settlements for supply and demand, PacifiCorp will not separately

⁶⁸ Transmittal at 8 (citing CAISO EDAM Transmittal at 18).

⁶⁹ PacifiCorp states that EDAM LSEs for whom the PacifiCorp EDAM Entity is acting as the Scheduling Coordinator may only self-schedule their load and may not engage in economic load bidding. *Id.* at 9 n.31 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 3.2.1).

⁷⁰ *Id.* at 9.

⁷¹ *Id.* at 18 (citing *Long-Term Firm Transmission Rights in Organized Elec. Mkts.*, Order No. 681, 116 FERC ¶ 61,077, at P 8 (2006); *Pac. Gas & Elec. Co.*, 80 FERC ¶ 61,128, at 61,429, *order on reh'g*, 81 FERC ¶ 61,122 (1997)).

charge schedule 10 loss charges as it does today.⁷² PacifiCorp further explains that EDAM does not include the conversion of physical OATT rights to congestion revenue rights (CRRs) or similar financial rights used in other RTO/ISO markets because CRRs are path-specific and carry their own market risk.⁷³

46. PacifiCorp proposes a two-step process to return congestion revenue to LSEs and settle Charge Code 8704 (Day-Ahead Congestion Offset). PacifiCorp explains that, in Step One, the PacifiCorp EDAM Entity seeks to reverse day-ahead congestion price differentials (positive or negative) arising from a PacifiCorp BAA for balanced self-schedules (point-to-point and network customers) associated with firm monthly and longer-term OATT rights. PacifiCorp proposes to confine its Step One allocation to monthly and long-term OATT firm rights, including conditional firm, because that is the class of customers who may have made reservations prior to the adoption of EDAM. PacifiCorp argues that confining the treatment to balanced self-schedules aligns with the higher market scheduling priority CAISO will afford to balanced self-schedules that track with OATT-based transmission rights (described below). PacifiCorp states that to facilitate this reversal, the PacifiCorp EDAM Entity will use any congestion price differential revenues and costs allocated to the PacifiCorp EDAM Entity under Charge Code 8704. PacifiCorp explains that this reversal process should zero out day-ahead congestion exposure or congestion benefit associated with these qualifying schedules; however, in the unlikely event that revenues collected through Charge Code 8704 are insufficient to offset entirely the congestion exposure for qualifying self-schedules, the PacifiCorp EDAM Entity will prorate any shortfall proportionally based on relative congestion exposure. Finally, PacifiCorp asserts that EDAM Legacy Contracts are exempted from this mechanism because they already receive congestion protection through CAISO's ETC/TOR treatment.⁷⁴

47. PacifiCorp states that, in Step Two, the remaining revenue collected through Charge Code 8704 (i.e., the amount remaining in that account for the PacifiCorp EDAM Entity to suballocate after the Step One allocation) will be allocated proportionally, based on measured demand, to load and exports for the applicable period that did not receive a Step One allocation. PacifiCorp argues that this two-step allocation adheres to cost causation principles. PacifiCorp explains that the Commission deemed it just and reasonable to suballocate CAISO's real-time congestion offset charges to PacifiCorp's transmission customers using a measured demand allocation when PacifiCorp joined the

⁷² *Id.* at 9.

⁷³ *Id.* at 13 (citing CAISO EDAM Transmittal at 194-95).

⁷⁴ *Id.* at 18-19 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 10.4.1).

WEIM.⁷⁵ PacifiCorp asserts that the Commission rejected requests to allocate charges solely to transmission customers who caused the imbalance service to be incurred. PacifiCorp argues that the same logic supports the immediate two-step allocation. PacifiCorp explains that because PacifiCorp will continue to operate two separate BAAs (PACE and PACW), the two-step process described above will be conducted separately for each BAA.⁷⁶

48. PacifiCorp explains that because the EDAM market design does not include CRRs, a path-specific, tradable right to congestion revenue was not available for consideration. PacifiCorp states that it considered asking CAISO to apply the “perfect hedge” treatment that is provided for EDAM Legacy Contracts to all point-to-point customers, but PacifiCorp concluded that exempting one class of OATT customers from congestion while exposing network load to those charges would be inequitable, especially since point-to-point customers outside of, but wheeling through, the PacifiCorp BAAs should not receive preferential treatment over native load.⁷⁷ PacifiCorp argues that, by contrast, applying a perfect hedge to all OATT transactions would effectively remove congestion from the market and severely impair the efficacy of the market design. Because network load in the PacifiCorp BAAs would shoulder most of the congestion costs, PacifiCorp expresses that it was important to return excess congestion on a basis that reflected that relative contribution. Moreover, PacifiCorp states that because the Step One allocation will only reverse congestion for balanced self-schedules, and congestion in the PacifiCorp BAAs is unlikely to be attributed entirely to balanced self-schedules, the remaining congestion revenue will be allocated to load and exports under Step Two. PacifiCorp asserts that the two-step allocation will reverse congestion charges accrued from balanced self-schedules for network and point-to-point customers, although customers of both classes will retain the ability to opt for the benefits of economic bidding rather than using balanced self-schedules.⁷⁸ PacifiCorp asserts that this treatment of the EDAM congestion account and its associated reversal of congestion exposure for

⁷⁵ *Id.* at 19 (citing PacifiCorp WEIM Order, 147 FERC ¶ 61,227 at P 184 (“The charges that CAISO will be assessing to PacifiCorp are an integral part of CAISO’s security-constrained economic dispatch. Accordingly, it is reasonable for PacifiCorp to allocate the aforementioned charges on the same basis as CAISO, i.e., Measured Demand.”)).

⁷⁶ *Id.* (citing PacifiCorp WEIM Order, 147 FERC ¶ 61,227 at P 184).

⁷⁷ A “perfect hedge” entails exempting the associated transmission schedule from congestion charges all together.

⁷⁸ Balanced self-schedules represent the same quantity of energy at the source and sink locations. *See* CAISO EDAM Transmittal at 14.

firm transmission customers aligns with the provision of, and meets or exceeds expectations for, firm service under the *pro forma* OATT.⁷⁹

c. Comments and Protests

49. WPTF and NIPPC argue that PacifiCorp's proposal violates the Commission's cost causation principle and subjects firm transmission customers that submit balanced self-schedules to costs they did not cause. They further emphasize that charges imposed on PacifiCorp'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 PacifiCorp's proposal will reduce the cost of service for CAISO customers at the expense of PacifiCorp transmission customers and their ratepayers.⁸⁰ UMPA and Deseret and UAMPS echo this concern, arguing that the measured demand allocation methodology in Step Two is not consistent with the cost causation principle because it disconnects those that cause or benefit from the congestion revenues and those to which PacifiCorp would allocate such revenues.⁸¹ UMPA and Deseret assert that all approved rates must reflect to some degree the costs actually caused by the customer who must pay them and that, when applied to congestion revenue allocation, the Commission must be able to find that the costs assessed against transmission customers in the form of LMP and congestion charges are "roughly commensurate" with the "benefits" in the form of congestion revenue allocated to that customer.⁸²

50. UMPA and Deseret, Bonneville, and UAMPS express concerns with PacifiCorp's proposals to allocate congestion revenues among all transmission customers in the BAA based on the ratio of their measured demand,⁸³ and argue that this metric is unrelated to the transactions that give rise to those revenues. UAMPS argues that this allocation methodology provides neither protection from the adverse impact of other participants'

⁷⁹ *Id.* at 19-20.

⁸⁰ WPTF and NIPPC Protest at 18 (noting that although they recognize that neither PacifiCorp nor CAISO have proposed revisions to congestion revenue allocation, the Commission cannot approve PacifiCorp's proposal when it will have the effect of requiring PacifiCorp customers to subsidize service to CAISO BAA customers). *See also* Calpine Protest at 16 (indicating support for WPTF and NIPPC's Protest).

⁸¹ UMPA and Deseret Protest at 1; UAMPS Protest at 11.

⁸² UMPA and Deseret Protest at 12-13 (citing *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009)).

⁸³ *Id.* at 9, 12-14; Bonneville Protest at 28-29; UAMPS Protest at 11-12.

decisions in the market nor an incentive for UAMPS or others to participate efficiently. UAMPS states that it may be harmed or receive a windfall from congestion revenue based on measured demand, but that it will have no ability to control what it receives unless it opts to submit a balanced self-schedule. UAMPS states that WEIM and EDAM are very different markets and PacifiCorp's defense of its proposal based on the Commission's approval of the use of measured demand in WEIM is misplaced.⁸⁴

51. Bonneville argues that the Tariff does not ensure that the congestion revenues that an LSE or a transmission rights holder is allocated will be commensurate with the congestion charges that it is forced to pay. Bonneville states that, because the methodology used in EDAM and now proposed in PacifiCorp's Tariff does not isolate the congestion allocation by the binding constraint, congestion revenues may be inequitably allocated. Bonneville further states that, while a move away from measured demand reduces this dynamic, it has not been fully resolved and will require further review and modifications from PacifiCorp.⁸⁵ Powerex 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.⁸⁶

52. UMPA and Deseret, UAMPS, Clean Energy Associations, PPC, and PIOs assert that PacifiCorp's proposed cost revenue allocation methodology would incentivize self-scheduling rather than allowing the market to solve and commit optimized solutions, degrade the quality of market outcomes, and hinder the realization of forecasted benefits of EDAM.⁸⁷ Specifically, UMPA and Deseret state that Step One incentivizes customers to bid or self-schedule based on the transmission customer's expectations of congestion, negatively affecting the market because self-scheduling exacerbates congestion by limiting the resources that are bid into the market and thereby made available for market optimization.⁸⁸ Further, UMPA and Deseret explain that allowing conditional firm service to self-schedule pursuant to Step One has the effect of giving such service a higher priority than Network Integration Transmission Service and firm point-to-point

⁸⁴ UAMPS Protest at 11-12.

⁸⁵ Bonneville Protest at 28-29.

⁸⁶ Powerex Protest at 30-31 (citing *PJM Interconnection, L.L.C.*, 163 FERC ¶ 61,165, at P 30 (2018)).

⁸⁷ UMPA and Deseret Protest at 5-6; UAMPS Protest at 15-16; Clean Energy Associations Protest at 4-5; PPC Protest at 8-9; PIOs Comments at 3.

⁸⁸ UMPA and Deseret Protest at 10-11.

transmission service that bids into the market.⁸⁹ Because the proposed congestion allocation framework is unlikely to return to PacifiCorp sufficient congestion revenue to provide a meaningful hedge, UAMPS asserts, the framework will incentivize transmission customers to self-schedule their resources in an attempt to capture more of the scarce revenue allocation.⁹⁰ PPC, however, expects resources will still bid according to their marginal costs and the market will be able to rely on economic bids to economically dispatch around constraints to meet demand.⁹¹

53. Clean Energy Associations state that the proposed Tariff is inconsistent with historical treatment of self-schedules in the West. Clean Energy Associations assert that under PacifiCorp's proposal, transmission customers desiring to use their long-term transmission rights (rather than turning them over to the market) must submit balanced self-schedules for those transactions. According to Clean Energy Associations, those transactions, which are seeking to exercise the rights that transmission customers have today to schedule and deliver power on a day-ahead timeframe, would have to subject their transactions to the risks of congestion pricing.⁹²

54. UAMPS argues that although PacifiCorp proposes to use the CAISO EDAM congestion revenue framework, the proposed revisions fail to account for considerations specific to the non-CAISO EDAM BAAs. UAMPS argues that PacifiCorp does not have the granular data available to CAISO to determine which transmission customers are contributing to congestion on discrete constraints. As a result, UAMPS claims, the proposed allocation methodology creates an arbitrary result for LSEs within PacifiCorp, does not incentivize transmission planning, and defers key details to the implementation process.⁹³

55. PPC argues that PacifiCorp's proposed two-step allocation approach arbitrarily returns congestion rent to similarly situated transmission customers using different methodologies. PPC argues that PacifiCorp's filing does not provide clear reasoning as to how a congestion hedge for economically awarded schedules would undermine the

⁸⁹ *Id.* at 11.

⁹⁰ UAMPS Protest at 15-16 (quoting PacifiCorp Comments on the CAISO's EDAM Proposal (Nov. 22, 2022), <https://stakeholdercenter.caiso.com/Comments/AllComments/d6824007-f3a8-4d3a-8309-9d9af4729ccf#org-3e349066-e26c-4b56-9f67-8c76ca82e58d>).

⁹¹ PPC Protest at 8-9.

⁹² Clean Energy Associations Protest at 4-5.

⁹³ UAMPS Protest at 10-11.

efficiency of a market and its embedded congestion price signals. PPC claims that PacifiCorp's suggestion that paying out congestion revenues based on actual congestion charge exposure over or under compensates any class of firm transmission customer is illogical because point-to-point customers would receive congestion payments proportional to their congestion exposure and contribute to congestion revenue over-collection and vice-versa with native load.⁹⁴

56. Clean Energy Associations state that PacifiCorp's proposed Tariff provisions are inconsistent with CAISO's EDAM market design, as well as CAISO's stated desire to balance the policy goals of day-ahead market benefits while retaining individual OATTs and BAA autonomy. Clean Energy Associations explain that under CAISO's EDAM final proposal, and discussed throughout the stakeholder process, the settlement of congestion revenues was expected to emulate CAISO's ETC/TOR treatment. Clean Energy Associations claim that, by contrast, PacifiCorp's proposal will have an unjust and unreasonable impact, including increasing costs, because it does not provide full protection against congestion charges, as was envisioned in EDAM's design. Clean Energy Associations assert that PacifiCorp's proposal will likely place additional costs on transmission customers in PacifiCorp's BAAs, including its own retail load. Clean Energy Associations further assert that PacifiCorp's proposal will result in the most financial harm to those that have rights to deliver over the most congested parts of the system, many of which are point-to-point transactions, by exposing them to congestion.⁹⁵

57. Several commenters express concern that PacifiCorp's proposed congestion revenue allocation methodology can only address the allocation of revenue from congestion that occurs inside the PacifiCorp BAAs.⁹⁶ APS, echoed by WPTF and NIPPC, states that PacifiCorp's solution is for parties with transmission service agreements with PacifiCorp to buy CRRs in California.⁹⁷ APS argues that this additional step impedes transmission customers' rights to open access and effectively requires multiple contracts to secure transmission service, contrary to the *pro forma* OATT and Commission precedent.⁹⁸ PPC states that, should other BAAs join EDAM, congestion on these transmission providers' systems could similarly "spill over" and there may be no framework to hedge these costs. In addition, PPC claims that if multiple transmission

⁹⁴ PPC Protest at 8-9.

⁹⁵ Clean Energy Associations Protest at 9-10.

⁹⁶ Bonneville Protest at 26-28; WPTF and NIPPC Protest at 7; APS Protest at 4; Powerex Protest at 21; Calpine Protest at 2, 16.

⁹⁷ WPTF and NIPPC Protest at 7; APS Protest at 4.

⁹⁸ APS Protest at 4.

providers within EDAM adopt PacifiCorp's approach, transmission customers will be unable to hedge transmission congestion associated with a transmission system that is not in the direct source to sink path of a resource and load.⁹⁹

58. PIOs state that PacifiCorp's revisions would unfairly shift costs to transmission customers that would have to pay congestion charges caused by congestion outside PacifiCorp's system. Specifically, PIOs state that a transmission customer holding firm transmission rights under PacifiCorp's Tariff will be exposure to congestion arising from transmission constraints both within and outside PacifiCorp's BAAs, but the Tariff will only provide a method to receive congestion revenue associated with congestion within PacifiCorp's BAAs.¹⁰⁰ Puget Sound Energy agrees, contending that PacifiCorp's proposal to reverse day-ahead congestion price differentials is insufficient for long-term firm point-to-point transmission service customers to mitigate their exposure to congestion charges arising from congestion in another BAA.¹⁰¹

59. Tacoma asserts that PacifiCorp's proposal to reverse a day-ahead congestion price difference for a transmission customer only if the price difference arises within the PacifiCorp BAAs will result in day-ahead congestion revenue on PacifiCorp transmission paths frequently being allocated to the CAISO BAA, solely to the benefit of California customers. Tacoma contends that, as a result, PacifiCorp's firm transmission customers will have no opportunity to hedge those price differentials despite having paid for the right to deliver electricity between the relevant source and sink. Tacoma asserts that CAISO's tariff does not require PacifiCorp to manage congestion revenue in the way it proposes and that other more equitable options are available.¹⁰² Utah DPU states that if congestion charges are caused by bottlenecks outside Utah—but ultimately paid for by Utah PacifiCorp ratepayers—that issue should be addressed before the proposed Tariff revisions can be approved.¹⁰³

60. Powerex asserts that PacifiCorp places the burden and cost of curing the proposal's defects on its transmission customers. Powerex further argues that PacifiCorp's suggestion of purchasing financial rights from CAISO is unworkable because it would require transmission customers to pay at least twice for firm transmission service and procure hedges on other systems as BAAs join EDAM.

⁹⁹ PPC Protest at 7-8.

¹⁰⁰ PIOs Comments at 3.

¹⁰¹ Puget Sound Energy Protest at 4.

¹⁰² Tacoma Protest at 6-7.

¹⁰³ Utah DPU Protest at 7.

Powerex asserts that PacifiCorp's CRR suggestion is not consistent with or superior to the *pro forma* OATT, which does not contemplate customers needing to purchase hedges on other transmission systems at an additional cost.¹⁰⁴

61. PIOs state that PacifiCorp's proposed congestion revenue allocation methodology and the limitations on adequate hedging opportunities restrict transparency in transmission revenue recovery and the equity of congestion revenue allocation and may undermine EDAM's benefits. PIOs contend that PacifiCorp's proposal risks charging transmission customers more money than under PacifiCorp's current Tariff because PacifiCorp's plan to reverse congestion charges for pre-existing customers with long-term contracts is dependent on the total congestion revenue it collects. PIOs argue that transmission customers will bear the cost if the congestion revenue PacifiCorp is allocated is insufficient to reverse all qualifying congestion charges. PIOs assert that because new power projects typically rely on long-term contracts to deliver power at stable prices, these projects could become riskier and harder to finance if those contracts are subject to unpredictable congestion costs. PIOs state that this could force renegotiation of existing long-term contracts and reduce confidence in and discourage new long-term contracts and impacting certain projects. Further, according to PIOs, the uncertainty and costs associated with transmission congestion charges could be passed on to consumers.¹⁰⁵

62. Similarly, several protesters argue that, due to PacifiCorp's proposed congestion pricing framework, PacifiCorp cannot provide long-term firm transmission holders with certainty that these transmission rights remain both physically and financially firm. Protesters assert that PacifiCorp's proposal will undermine LSEs' and market participants' certainty for long-term supply agreements and that customers within the PacifiCorp BAAs will lack access to financial transmission rights (FTR) or another instrument that would allow for congestion hedging between EDAM BAAs.¹⁰⁶ Puget Sound Energy asserts it supports Western day-ahead market development, but it is concerned that PacifiCorp's proposal may negatively impact transmission service purchased on other EDAM Transmission Service Providers' systems and long-term firm

¹⁰⁴ Powerex Protest at 33-34.

¹⁰⁵ PIOs Comments at 1-4.

¹⁰⁶ APS Protest at 3-4; WPTF and NIPPC Protest at 5-7 (citing CAISO EDAM Transmittal at 14; EDAM Order, 185 FERC ¶ 61,210 at P 307); Shell Energy Protest at 1, 4; Salt River Project Protest at 2, 7-8; Clean Energy Associations Protest at 9; PPC Protest at 6; Puget Sound Energy Protest at 1-2; Tri-State Protest at 1; Calpine Protest at 2, 16; Powerex Protest at 19-20.

point-to-point transmission service customers.¹⁰⁷ Powerex similarly argues that PacifiCorp's proposal will require transmission customers with existing transmission rights and firm transmission service to submit schedules into EDAM, exposing them to new congestion charges between the source and sink of their deliveries. Powerex claims that the charges cannot be hedged and will present harmful implications for regional reliability programs, state policy programs, and bilateral agreements.¹⁰⁸

63. WRAP Participating Entities explain that PacifiCorp's proposal only provides a partial hedge for congestion arising within a PacifiCorp BAA, not elsewhere in EDAM, leaving PacifiCorp's customers exposed to congestion costs arising from constraints within other transmission systems.¹⁰⁹ Likewise, Powerex argues that PacifiCorp's proposed mechanism to reverse EDAM congestion charges will apply only to a small subset of such charges, not the roughly 85% of congestion charges arising from constraints located in CAISO.¹¹⁰ WRAP Participating Entities similarly represent that the vast majority of the internal congestion charges for sending power between PacifiCorp's two BAAs are caused by constraints within CAISO.¹¹¹

64. Powerex therefore maintains that PacifiCorp's partial reversal of congestion charges would force transmission customers to participate involuntarily in EDAM even though the proposed Tariff lacks key attributes of long-term firm transmission service in organized markets. Powerex states that the *pro forma* OATT and Commission-approved organized markets establishes that firm service be both firm in price and quantity, but that PacifiCorp's proposal would set aside the requirement that firm service be firm in price.¹¹²

¹⁰⁷ Puget Sound Energy Protest at 3.

¹⁰⁸ Powerex Protest at 19-20.

¹⁰⁹ WRAP Participating Entities Protest at 10-11.

¹¹⁰ Powerex Protest at 21-22 (citing *id.*, attach. A (Testimony of Mr. Jeff Spires), at 5:1-16:23, 10:11-19 (Spires Test.); *id.*, 15:6-16:14; 16:19-23; *id.*, attach. B, (Testimony of Dr. Paul Gribik), at 19:17-21:14) (Gribik Test.).

¹¹¹ WRAP Participating Entities Protest at 11 (citing CAISO Department of Market Monitoring, *Q1 2024 Report on Market Issues and Performance* (Oct. 2024)).

¹¹² *Id.* at 27-28 (citing Order No. 681, 116 FERC ¶ 61,077 at P 30); *see also* WRAP Participating Entities Protest at 9-10 (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); 704B Customers Protest at 4.

65. Additionally, Powerex argues that PacifiCorp's proposal amounts to a new transmission service charge that is unrelated to the costs of PacifiCorp's transmission facilities, its transmission losses, and ancillary services and allowable PacifiCorp system redispatch costs. Powerex states that the *pro forma* OATT does not allow PacifiCorp to charge firm customers for redispatch costs to manage congestion on other systems. Powerex also argues that congestion price differences will be charges on the full quantity of each transmission customer's scheduled deliveries, in contrast to the *pro forma* OATT.¹¹³ According to Powerex, PacifiCorp's proposal represents "and" pricing, which the Commission's Transmission Pricing Policy prohibits.¹¹⁴ WRAP Participating Entities argue similarly with respect to the *pro forma* OATT, adding that the *pro forma* OATT also does not enable other transmission service providers to collect and retain congestion charges paid by transmission customers of the transmission system at issue.¹¹⁵

66. Bonneville states that it supports Powerex's comments and congestion revenue analysis. In particular, Bonneville agrees that PacifiCorp's proposal fails for three reasons: (1) it does not satisfy Commission requirements that firm transmission rights be protected in LMP markets with a financial hedging mechanism; (2) it is not consistent with or superior to the *pro forma* OATT because it exposes customers to a new charge that is unrelated to PacifiCorp's cost of service and delivers revenues from PacifiCorp's transmission customers to different transmission providers; and (3) it violates the Commission's Transmission Pricing Policy.¹¹⁶

67. Similarly, Shell Energy contends that PacifiCorp's proposal violates several ratemaking principles. Shell Energy argues the proposal inappropriately mixes traditional, cost-based ratemaking for firm transmission rights with market-based congestion components when, instead, the transmission customer should have one or the other. Shell Energy asserts that PacifiCorp's proposal could lead to overcollection of a cost-based rate. Shell Energy also states that PacifiCorp seeks to change a portion

¹¹³ Powerex Protest at 35-36 (citing *pro forma* OATT § 27).

¹¹⁴ *Id.* at 36 (citing *Inquiry Concerning the Comm'n's Pricing Pol'y 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) (cross-referenced at 69 FERC ¶ 61,086) (Transmission Pricing Policy Statement)).

¹¹⁵ WRAP Participating Entities Protest at 14-15 ("[V]ariable charges [under the *pro forma* OATT] are specifically limited to costs incurred by the [transmission service provider] to provide service, namely transmission losses, applicable ancillary services, and re-dispatch to protect reliability on the [transmission service provider's system].").

¹¹⁶ Bonneville Protest at 26-28.

of the rate by adding congestion charges without filing a full cost-of-service to demonstrate that those charges are just and reasonable. Thus, Shell Energy contends, the Commission must reject the filing for lack of adequate cost support.¹¹⁷

68. WPTF and NIPPC note 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 for even a partial hedge of congestion costs. They state that by requiring transmission customers to offer as price takers, PacifiCorp’s proposal effectively forces transmission customers to accept any congestion cost level arising from non-PacifiCorp BAA constraints to obtain even a partial hedge.¹¹⁸

69. Salt River Project contends that exposing firm transmission customers to uncertain congestion charges will discourage such customers from using resources that need firm transmission rights on PacifiCorp’s system.¹¹⁹ Protesters argue this result is inconsistent with FPA section 217(b)(4) and Commission precedent that ensures LSEs can secure firm transmission rights to support long-term supply arrangements.¹²⁰ WPTF and NIPPC echo Powerex’s arguments that PacifiCorp 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.¹²¹ They further contend that PacifiCorp’s proposal would undermine existing firm transmission rights in a manner that is inconsistent with Commission precedent and the rule against retroactive ratemaking.¹²² Powerex states that FPA section 217 and Order

¹¹⁷ Shell Energy Protest at 10.

¹¹⁸ WPTF and NIPPC Protest at 14-15 (noting that a transmission customer taking service on an 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).

¹¹⁹ Salt River Project Protest at 8-9.

¹²⁰ WPTF and NIPPC Protest at 13 (citing 16 U.S.C. § 824q(b)(4)); Salt River Project Protest at 8-9; WRAP Participating Entities Protest at 14.

¹²¹ WPTF and NIPPC Protest at 9 (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 & clarification*, Order No. 681-B, 126 FERC ¶ 61,254, at PP 9, 170 (2009)).

¹²² *Id.* at 13 (citing *Cent. Hudson Gas & Elec.*, 86 FERC ¶ 61,062, at 61,217-61,219 (1999); *Pac. Gas & Elec. Co.*, 81 FERC at 61,467; *Landgraf v. USI Film Prods.*,

No. 681 together require every transmission organization to recognize long-term firm transmission rights.¹²³ Likewise, WRAP Participating Entities state that returning the hourly day-ahead congestion price differential to LSEs is a well-established financial hedge and recognized in other day-ahead markets.¹²⁴

70. Powerex further argues that PacifiCorp's proposal ignores the Order No. 681 requirement that firm transmission rights must provide customers with an effective hedge against congestion charges.¹²⁵ Similarly, WRAP Participating Entities assert that PacifiCorp's proposal is unjust and unreasonable because it falls far short of the Commission's requirements for financial hedges. WRAP Participating Entities further state that the Commission required such hedges "should be a point-to-point right that specifies a source (injection node or nodes) and sink (withdrawal node or nodes), and quantity (MW)."¹²⁶

71. Likewise, Shell Energy asserts that the Energy Policy Act of 2005 (EPA 2005) recognized the need for LSEs to secure long-term transmission rights to support supply procurement activity, and that Order No. 681 requires congestion cost certainty for long-term transmission service in organized electricity markets.¹²⁷ Shell Energy asserts that, in contrast, PacifiCorp's proposal exposes firm transmission customers to congestion price

511 U.S. 244 (1994) (finding that rules operate retroactively where they "would impair rights a party possessed when he acted, increase a party's liability for past conduct, or impose new duties with respect to transactions already completed"). WPTF and NIPPC explain that some transmission customers have entered into transmission service agreements with multi-year terms to obtain certainty regarding the price and certainty of their transaction. They argue that PacifiCorp's proposal would convert these "firm" rights into inferior "semi-firm" rights that will no longer protect them from congestion costs, inconsistent with Commission precedent and the FPA. *Id.*

¹²³ Powerex Protest at 28-30 (citing 16 U.S.C. § 824q; Order No. 681, 116 FERC ¶ 61,077 at PP 16, 101, 108).

¹²⁴ WRAP Participating Entities Protest at 13.

¹²⁵ Powerex Protest at 30 (citing Order No. 681, 116 FERC ¶ 61,077 at PP 172, 174).

¹²⁶ WRAP Participating Entities Protest at 13-14 (quoting Order No. 681, 116 FERC ¶ 61,077 at PP 108, 116, 473 ("[W]e believe that under our guidelines financial rights are firm as physical rights outside organized electricity markets.")).

¹²⁷ Shell Energy Protest at 4 (citing 16 U.S.C. section 824q(b)(4); Order No. 681, 116 FERC ¶ 61,077 at P 11).

risk without providing adequate hedging opportunities. Shell Energy further contends that Order No. 681 requires transmission providers to plan their system so that long-term firm transmission rights remain viable throughout their full term.¹²⁸ Shell Energy also asserts that firm transmission customers' ability to protect themselves from congestion charges was reflected in both the development and approval of EDAM. Shell Energy thus argues that PacifiCorp has failed to justify that its treatment of firm transmission rights is just, reasonable, nondiscriminatory, and consistent with law.¹²⁹

72. To support a consistent with or superior to finding, WPTF and NIPPC assert that PacifiCorp must demonstrate that its proposal will offer firm transmission customers pricing certainty comparable to the *pro forma* OATT.¹³⁰ Utah DPU also states that PacifiCorp should provide sample calculations for congestion charges and credits to allow stakeholders to evaluate their bottom-line costs. Utah DPU acknowledges that PacifiCorp will not know the details until the market is active but contends that even some hypothetical examples, such as Powerex's recent white paper calculations, would show the difference between PacifiCorp's and alternate approaches. Utah DPU further argues that if Powerex's calculations are incorrect, then PacifiCorp should provide its own.¹³¹

73. Shell Energy likewise states that PacifiCorp offers no analysis to support how its congestion process will operate. Shell Energy highlights Powerex's analysis of EDAM congestion charges, which concluded that the "current design would result in a transfer of value from PacifiCorp, NV Energy and Idaho Power's retail ratepayers and other transmission customers that could reach as high as \$1 billion per year."¹³² Shell Energy states that the problems with PacifiCorp's proposal became apparent only after the proposal was filed and thus have not been considered in any evaluation or study of EDAM participation to date. Shell Energy further asserts that Powerex's analysis

¹²⁸ *Id.* (citing Order No. 681, 116 FERC ¶ 61,077 at PP 453-457).

¹²⁹ *Id.* at 5-6.

¹³⁰ WPTF and NIPPC Protest at 9-10.

¹³¹ Utah DPU Protest at 6-7 (citing Powerex, *PacifiCorp's Recent FERC Filing Reveals a Major EDAM Market Design Flaw* (Feb. 11, 2025), <https://powerex.com/sites/default/files/2025-02/PacifiCorp%E2%80%99s%20Recent%20FERC%20Filing%20Reveals%20a%20Major%20EDAM%20Market%20Design%20Flaw.pdf> (Powerex Analysis)).

¹³² Shell Energy Protest at 6 (citing Powerex Analysis, *supra* note 129).

demonstrates that firm transmission customers will not, as PacifiCorp claims, have their congestion exposure reversed under PacifiCorp's proposal.¹³³

74. WPTF and NIPPC note that available data confirms that constraints within the other EDAM BAAs have the potential to significantly impact congestion pricing within the PacifiCorp BAAs and indicates that PacifiCorp's proposal is likely to be inadequate, even for balanced self-scheduling.¹³⁴ PIOs assert that because there are financial risks if the two-step allocation does not function as intended, there should be more reliable analysis demonstrating that it will completely remove congestion costs for long-term transmission rights holders. PIOs argue that PacifiCorp's proposal creates uncertainty for clean energy integration, potentially increases costs for consumers, and could set a problematic precedent for EDAM implementation.¹³⁵

75. Shell Energy argues that, without a history of congestion on PacifiCorp's system, it is impossible to assign a risk value to a transaction. As a result, Shell Energy asserts, firm transmission customers will have to consider whether to continue utilizing PacifiCorp's system. According to Shell Energy, costs would then be shifted to ratepayers as transmission customers relinquish their firm transmission rights given their inability to hedge EDAM's congestion charges. In addition, Shell Energy states that transmission customers will have "less opportunity to contract for fixed price transactions to hedge their supply needs." Shell Energy asserts that PacifiCorp's proposal is inconsistent with every other RTO/ISO administered market with LMPs and congestion prices because it does not create a financial product to help loads manage congestion risk on other systems, nor does it properly allocate congestion costs back to LSEs incurring those costs.¹³⁶

76. WPTF and NIPPC argue that PacifiCorp's proposal would undermine broader Western arrangements. For instance, they state that an LSE in the desert Southwest with firm transmission across the PacifiCorp system would face new long-term supply arrangement risks, potentially forcing it to renegotiate or cancel that arrangement,

¹³³ *Id.* at 7 (citing Powerex Analysis, *supra* note 129).

¹³⁴ WPTF and NIPPC Protest at 10-11. WPTF and NIPPC also note that available data from WEIM show that constraints within CAISO have been the largest drivers of congestion price differences in other WEIM BAAs. *Id.* (citing CAISO Dept. of Market Monitoring, Q3 2024 Report on Market Issues and Performance tbl. 4.2 (Dec. 23, 2024), <https://www.caiso.com/documents/2024-thirdquarter-report-on-market-issues-and-performance-dec-23-2024.pdf>).

¹³⁵ PIOs Comments at 3.

¹³⁶ Shell Energy Protest at 8-9.

increasing costs for the LSE and its ratepayers. Altogether, WPTF and NIPPC state the proposal would discourage contracting across EDAM BAAs, which conflicts with enhancing regional coordination. They further note that PacifiCorp's design will be the template from which other EDAM Entities start.¹³⁷

77. Echoing this concern, WRAP Participating Entities state that PacifiCorp's proposed Tariff revisions will expose transmission customers to financial settlement at the hourly LMP any time a customer uses its transmission rights. As a result, WRAP Participating Entities state that deliveries across PacifiCorp's transmission system will be charged the hourly EDAM congestion marginal cost between the source and sink of its PacifiCorp transmission rights.¹³⁸ Similarly, UAMPS claims that the asymmetry embedded in the CAISO EDAM design will negatively impact congestion allocation within PacifiCorp because transmission customers will experience price separation between the source and sink of their energy transfers. According to UAMPS, PacifiCorp has not addressed this issue in its proposal, leaving transmission customers exposed to uncontrollable and unmitigable congestion impacts.¹³⁹

78. Puget Sound Energy states that the Commission thus cannot allow PacifiCorp to require its long-term firm point-to-point transmission service customers to be exposed to day-ahead congestion charges when they use their transmission rights for deliveries unrelated to EDAM.¹⁴⁰ Calpine states PacifiCorp must agree to protect firm transmission customers that submit balanced self-schedules, either: (1) ensuring that firm transmission reservations associated with balanced self-schedules are unavailable for EDAM day-ahead market optimization and are held financially harmless from the day-ahead market settlement for their qualifying schedules; or (2) working with CAISO to treat firm transmission customers that submit balanced self-schedules consistent with customers holding ETCs/TORs.¹⁴¹

79. Similarly, 704B Customers state that the Commission should ensure that PacifiCorp's proposal provides third-party transmission customers a full carve-out from EDAM when using their transmission rights to protect them from EDAM charges. 704B Customers assert that, alternatively, the Commission could require a financial hedge to

¹³⁷ WPTF and NIPPC Protest at 16.

¹³⁸ WRAP Participating Entities Protest at 9-10.

¹³⁹ UAMPS Protest at 19-20.

¹⁴⁰ Puget Sound Energy Protest at 6.

¹⁴¹ Calpine Protest at 16.

sufficiently protect firm transmission customers from congestion charges.¹⁴² Bonneville states that transmission carve-outs are not less efficient than PacifiCorp's proposed two-step congestion revenue allocation method, which requires a transmission customer to submit a balanced self-schedule to achieve priority access to congestion revenues. Bonneville further notes that PacifiCorp's proposal provides only a partial hedge against congestion charges due to the inter-BAA congestion revenue allocation issues.¹⁴³

80. Powerex argues that PacifiCorp's proposal conflicts with WRAP because PacifiCorp has chosen to require all customers to schedule firm service through EDAM. Powerex explains that because of PacifiCorp's choice to join EDAM, entities using PacifiCorp's system will be exposed to large and unpredictable delivery charges, causing cost uncertainty and risk for WRAP participants in particular.¹⁴⁴ Similarly, Bonneville and WRAP Participating Entities assert that the ongoing delivery charge risk, known only one hour at a time, will likely be unacceptable to many entities building or contracting new resources. Bonneville and WRAP Participating Entities argue that WRAP participants will either incur higher costs to meet their WRAP forward showing requirements or face material financial penalties if unable to do so.¹⁴⁵ WRAP Participants argue that both outcomes will impact some entities' commitment to WRAP binding operations and WRAP's overall viability.¹⁴⁶ Bonneville claims that PacifiCorp has not adequately demonstrated that loads within its BAAs will not be unduly harmed by this financial exposure. Therefore, Bonneville argues that the proposed Tariff is inferior to the *pro forma* OATT because it exposes loads to new costs without commensurate cost recovery.¹⁴⁷

81. APS likewise contends that PacifiCorp's proposal may have unintended negative consequences across the Western Interconnection, reducing WRAP's effectiveness and resulting in higher costs for transmission customers because more infrastructure would have to be constructed to meet WRAP's resource adequacy requirements.¹⁴⁸ Powerex argues that PacifiCorp's proposal threatens to force reliance on local generation,

¹⁴² 704B Customers Protest at 4.

¹⁴³ Bonneville May 21 Answer at 5.

¹⁴⁴ Powerex Protest at 54-55.

¹⁴⁵ Bonneville Protest at 15-19; WRAP Participating Entities Protest at 12.

¹⁴⁶ WRAP Participating Entities Protest at 12.

¹⁴⁷ Bonneville Protest at 26-28.

¹⁴⁸ APS Protest at 4.

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.¹⁴⁹

82. UAMPS argues that PacifiCorp's proposal fails to provide meaningful transmission investment signals because it does not expose market participants to the impact of discrete path-based congestion, including PacifiCorp.¹⁵⁰ UAMPS further states that PacifiCorp has not addressed CAISO's decision not to collect congestion revenue for its nodal procurement of imbalance reserves, causing the proposal to be deficient.¹⁵¹

83. Tri-State asserts that Commission approval of PacifiCorp's proposal would be an unconstitutional taking of firm transmission rights under the Fifth Amendment.¹⁵²

84. Powerex claims that under PacifiCorp's proposal, transmission customers that make their firm transmission rights available to Markets+ would be exposed to EDAM charges for congestion on EDAM transmission systems other than PacifiCorp, which would burden Markets+ transfers through PacifiCorp's system. Powerex states that PacifiCorp's proposal thus imposes a pricing regime that effectively blocks transmission customers from using PacifiCorp's firm transmission service to participate in a competing market and, consequently, the Commission should reject it. Powerex argues that if the Commission accepts PacifiCorp's proposal, other transmission providers may erect similar barriers, fractionalizing markets and transmission in the West. Powerex argues that if PacifiCorp does not enable Powerex to schedule the use or contribution of long-term service rights prior to EDAM, then it must be required to provide in its Tariff the necessary protections to ensure that using EDAM to process and financially settle Powerex's use of transmission service in Markets+ results in outcomes that are just and reasonable and consistent with or superior to the *pro forma* OATT.¹⁵³

85. Other commenters support PacifiCorp's proposal. Joint Commenters assert that PacifiCorp's EDAM implementation will continue to respect the nature of firm transmission service through two core features. Joint Commenters state that, first, as

¹⁴⁹ Powerex Protest at 47-48.

¹⁵⁰ UAMPS Protest at 17.

¹⁵¹ *Id.* at 18.

¹⁵² Tri-State Protest at 3-4 (citing *Penn Cent. Transp. Co. v. City of N.Y.*, 438 U.S. 104, 104 (1978)).

¹⁵³ Powerex Protest at 55-57.

adopted in PacifiCorp's proposed Tariff, a transmission customer that submits a balanced self-schedule will be assigned a higher market clearing scheduling priority to allow these transactions to clear ahead of other self-schedules and economic bids. Second, Joint Commenters state that such customers will also be entitled to have their PacifiCorp BAA-derived congestion charges returned to them.¹⁵⁴ Joint Commenters argue that, because the EDAM design does not include CRRs, they support PacifiCorp's proposal to first return any congestion revenues that CAISO allocates to the PacifiCorp BAAs to point-to-point and network customers with balanced self-schedules. Joint Commenters also agree with PacifiCorp that it should allocate any congestion revenues that remain after this first step proportionately to load and exports for the applicable period that were not already included in Step One.¹⁵⁵

86. Finally, CAISO states it determined the two-step methodology PacifiCorp now proposes for allocating collected congestion revenue, and the associated clarification about the allocation of certain transfer revenues, aligns with the CAISO tariff requirements for EDAM participation and are implementable by CAISO in a timely manner as part of the EDAM design.¹⁵⁶

d. Answers

87. In response to protests, PacifiCorp notes that CAISO intends to continue working on issues involving external congestion in the EDAM market design, but that the Commission need not and should not withhold its approval of the Tariff revisions while that process plays out. PacifiCorp nevertheless commits to delay its participation in the EDAM until CAISO resolves the external congestion issue, and PacifiCorp permits the Commission to condition acceptance of the proposed Tariff on said commitment.¹⁵⁷

88. PacifiCorp asserts that transmission constraints and the resulting congestion always has a cost to transmission consumers, whether under the OATT or in an organized market. PacifiCorp explains that organized markets were developed to introduce a more efficient and less costly means of congestion management and that the benefits of EDAM will come from the increased regionalization and coordination of congestion management across a multistate footprint. PacifiCorp states that the Commission has recognized that transmission customers pay for congestion management under the Tariff and has declined to order organized market operators to provide perfect hedges against LMP-based

¹⁵⁴ Joint Commenters Comments at 7.

¹⁵⁵ *Id.* at 9.

¹⁵⁶ CAISO Comments at 9-10.

¹⁵⁷ PacifiCorp March 12 Answer at 6-7.

congestion. PacifiCorp explains that OATT transmission customers in the West are already exposed to unhedgeable market charges, including allocations from the WEIM congestion offset account even on base scheduled volumes, but that those costs have been outpaced by the billions of dollars of benefits to the region.¹⁵⁸

89. PacifiCorp argues that it cannot unilaterally modify the Commission-approved EDAM market design, and further design enhancements to address the treatment of external congestion are outside the scope of this proceeding. PacifiCorp explains that the majority of protests on its proposed congestion revenue allocation methodology are collateral attacks on the Commission's approval of CAISO's tariff provisions.¹⁵⁹ PacifiCorp argues that in the EDAM Order, the Commission approved CAISO's congestion revenue allocation to the BAA where the internal transmission constraint arises.¹⁶⁰ PacifiCorp states that the issue before the Commission is whether PacifiCorp's proposed congestion revenue sub-allocation methodology is a just and reasonable implementation of the EDAM Entity's responsibility.¹⁶¹ Further, PacifiCorp argues that protesters' assertions that PacifiCorp's Tariff departs from their expectations or understandings of the EDAM market design are both wrong and based on CAISO's EDAM final proposal—a stakeholder process document that predated CAISO's EDAM filing by eight months.¹⁶² According to PacifiCorp, these misunderstandings should have been addressed in CAISO's EDAM proceeding.¹⁶³

¹⁵⁸ *Id.* at 7-8 (citing PacifiCorp Tariff, attach. T Energy Imbalance Market (11.0.0), § 8.5.2).

¹⁵⁹ *Id.* at 8-9 (citing CAISO eTariff, § 33.11.1 Transfer Revenue and Congestion Revenue Allocation (0.0.0)).

¹⁶⁰ *Id.* at 12-13 (citing EDAM Order, 185 FERC ¶ 61,210 at PP 434-435).

¹⁶¹ *Id.* at 13 (citing CAISO eTariff, § 33.11.1 Transfer Revenue and Congestion Revenue Allocation (0.0.0), § 33.11.1.2).

¹⁶² *Id.* at 14 (citing WPTF and NIPPC at 5; Clean Energy Associations Protest at 5; UMPA and Deseret Protest at 8). PacifiCorp states that the EDAM final proposal includes a passage that compares and contrasts the WEIM concept of base schedules to the EDAM concept of self-scheduling and notes that under EDAM self-scheduled resources will be directly settled through the market. *Id.* at 14-15 (citing CAISO, Extended Day-Ahead Market – *Final Proposal* 14-16 (Dec. 7, 2022), <https://stakeholdercenter.caiso.com/InitiativeDocuments/FinalProposal-ExtendedDay-AheadMarket.pdf>).

¹⁶³ *Id.* at 15.

90. PacifiCorp argues that aside from external congestion concerns, criticisms of PacifiCorp's two-step allocation of congestion revenues were few. PacifiCorp states that protesters' concerns regarding Tariff provisions that the EDAM Entity will prorate any shortfall proportionally based on relative congestion exposure are exaggerated. PacifiCorp explains that this rule prudently attempts to provide a proration method in the "unlikely event that revenues collected through Charge Code 8704 are insufficient to offset entirely the congestion exposure for qualifying self-schedules."¹⁶⁴

91. PacifiCorp states that while a few parties take issue with what they call a "measured demand" allocation, it did not propose a measured demand allocation in this proceeding.¹⁶⁵ PacifiCorp explains that Step Two of the congestion revenue allocation methodology is only a residual allocation triggered when qualified self-schedules have had their day-ahead congestion price differentials reversed in Step One, and the residual amounts will then be allocated proportionally to day-ahead load and exports for the applicable period not already included in the Step One allocation. PacifiCorp asserts that this proposed Step Two allocation is equitable and ensures that the balance of congestion revenues is returned to OATT customers. PacifiCorp explains that CAISO's stakeholder process should not obstruct the Commission in approving this proposal as charge codes are less important than PacifiCorp's proposed core allocation framework.¹⁶⁶

92. PacifiCorp states that protesters' arguments that exposure to congestion or other market charges devalues firm service are flawed. PacifiCorp asserts that these protesters, when referring to Order No. 888 and other discussions of firm OATT service based on physical rights, simply want risk-free market participation.¹⁶⁷

93. According to PacifiCorp, CAISO's EDAM filing was clear that CRRs are not included in the market design and that the EDAM Order confirmed this point.¹⁶⁸ PacifiCorp asserts that protestors raising this issue now are collaterally attacking the EDAM market design and that PacifiCorp has no authority to include FTRs/CRRs in its Tariff because it must work within the approved EDAM market design.¹⁶⁹ PacifiCorp

¹⁶⁴ *Id.* at 10 (quoting Transmittal at 19).

¹⁶⁵ *Id.* at 11 (citing UAMPS Protest at 11-12).

¹⁶⁶ *Id.* at 11-12.

¹⁶⁷ *Id.* at 15-16.

¹⁶⁸ *Id.* at 24-25 (citing CAISO EDAM Transmittal at 35 n.37; EDAM Order, 185 FERC ¶ 61,210 at P 19).

¹⁶⁹ *Id.* at 25.

also contends that Powerex and others are overstating the firmness of these instruments. PacifiCorp asserts that CRRs can, under certain circumstances, require the holder to pay congestion charges even when they do not schedule over the path. PacifiCorp then explains that in systems based on auction revenue rights auctions, these auctions may not return sufficient revenue to the transmission customer to cover their congestion exposure. PacifiCorp asserts that underfunded CRRs have been a problem in recent years and can result in inefficient uplift in order to fully fund those instruments, creating a financial risk for all transmission customers. PacifiCorp argues that the Commission has been clear that CRRs do not provide total protection from congestion charges.¹⁷⁰ Moreover, PacifiCorp argues that its proposed two-step congestion revenue allocation, which relies on reversal of congestion charges, is protection from congestion that comes far closer to a perfect hedge than any CRR would do.¹⁷¹

94. In addition, PacifiCorp argues that some protests overstate the guarantee of firm physical transmission under the *pro forma* OATT and that congestion management has always incorporated a variety of costs under open access, including the costs of new transmission, redispatch costs, and costs to designate network resources.¹⁷² PacifiCorp asserts that these costs are unhedgeable and that in the context of transitioning to an organized market that replaced physical rights with financial rights, the Commission has been consistent that a perfect hedge, like protection from congestion costs, was never the standard under the *pro forma* OATT and need not be the standard in markets, even for those transmission customers taking firm service.¹⁷³

95. PacifiCorp disagrees that its proposal violates Order No. 681. PacifiCorp argues that it is not a transmission organization as defined in Order No. 681 and section 42 of the Commission's regulations.¹⁷⁴ PacifiCorp also asserts that EDAM is not an organized market under those rules because EDAM prices are not "used by a transmission organization for establishing transmission usage charges."¹⁷⁵ PacifiCorp states that transmission usage charges remain under the Tariff and associated formula rate.

¹⁷⁰ *Id.* at 16-17 (citing Order No. 681, 116 FERC ¶ 61,077 at P 174; *PJM Interconnection, L.L.C.*, 136 FERC ¶ 61,190, at 61,810 (2011)).

¹⁷¹ *Id.* at 25-26.

¹⁷² *Id.* at 18 (citing Order No. 681, 116 FERC ¶ 61,077 at P 8).

¹⁷³ *Id.* at 18-19 (citing Order No. 681, 116 FERC ¶ 61,077 at P 8).

¹⁷⁴ *Id.* at 19 (citing 18 C.F.R. § 42.1(b)(1) (2024); Order No. 681, 116 FERC ¶ 61,077 at P 31).

¹⁷⁵ *Id.* at 19-20 (citing Order No. 681, 116 FERC ¶ 61,077 at P 26).

PacifiCorp further argues that Order No. 681 is best read to respect the value of congestion pricing and not to require the type of categorical indemnification and exemptions that Powerex and other protesters seek here.¹⁷⁶

96. PacifiCorp argues that Powerex's analysis is flawed and overstates transmission customers' exposure to congestion. PacifiCorp argues that Powerex circulated a position paper claiming to have identified a flaw in the EDAM design that could result in a revenue transfer "as high as \$1 billion per year" from would-be EDAM participants to the CAISO BAA,¹⁷⁷ but did not file that paper on the record in this proceeding. PacifiCorp argues that Powerex ignores that if a constraint in a PacifiCorp BAA requires redispatch of resources in that PacifiCorp BAA, congestion revenue would be returned to the PacifiCorp BAAs even though customers in CAISO faced congestion charges because of that constraint. Additionally, PacifiCorp explains that CAISO has identified flaws in the Powerex analysis, including that the WEIM congestion supporting Powerex's analysis occurred over a particular constraint that will not be modeled in EDAM, and that Powerex inappropriately used WEIM constraint data to infer unsubstantiated conclusions to EDAM and impacts of CAISO constraints on other EDAM BAAs.¹⁷⁸

97. PacifiCorp states that testimony from John Tsoukalis of the Brattle Group, which it included with its answer, also identifies several flaws with Powerex's analysis. PacifiCorp argues that the testimony shows that Powerex relies solely on data for one quarter without testing whether that quarter is reasonably representative of the WEIM experience and a reasonable basis to forecast congestion exposure under EDAM. PacifiCorp states that Powerex relies solely on the information provided in the CAISO DMM Quarterly Reports, which only report congestion impacts for load aggregation points, and infers that the data in the DMM Quarterly Reports is indicative of the congestion costs for all transmission schedules from PACE to PACW. PacifiCorp states that Mr. Tsoukalis's analysis, which is based on publicly available data over the past five years, shows that the historical congestion costs for transmission schedules from PACE to PACW are relatively small, and are not indicative of future EDAM prices. PacifiCorp asserts that Mr. Tsoukalis also explains that Powerex's backward-looking analysis fails to account for the congestion relief impacts of several key transmission projects that are under construction in the West.¹⁷⁹

¹⁷⁶ *Id.* at 20.

¹⁷⁷ *Id.* at 20-21 (citing Powerex Analysis, *supra* note 129).

¹⁷⁸ *Id.* at 21-23 (citing CAISO March 7 Answer, attach. A Declaration of Guillermo Bautista Alderete).

¹⁷⁹ *Id.* at 23-24.

98. CAISO argues that the Commission should disregard arguments that are outside the scope of this proceeding, which solely concerns whether the Commission should find PacifiCorp's proposed Tariff revisions are just and reasonable under FPA section 205. CAISO asserts that protesters are raising arguments against the methodology for allocating congestion revenue under the EDAM design approved in the EDAM Order.¹⁸⁰ In contrast, CAISO states, PacifiCorp's proposal for sub-allocating congestion revenue has to do only with the revenue CAISO allocates to a PacifiCorp BAA under the allocation provisions in CAISO's tariff. Portland General, BANC, and CAISO assert that PacifiCorp's Tariff revisions, including the revisions to sub-allocate congestion revenues, are consistent with the EDAM requirements of the CAISO tariff and are consistent with or superior to the Commission's *pro forma* OATT.¹⁸¹

99. Portland General, BANC, and CAISO argue that the Commission should disregard arguments that collaterally attack the EDAM Order, explaining that "[a] collateral attack is an attack on a judgment in a proceeding other than a direct appeal and is generally prohibited."¹⁸² CAISO states that under Commission precedent, "[a]bsent a showing of significant change in circumstances, the relitigation of an issue is simply not justified."¹⁸³ CAISO asserts that commenters fail to show there have been any significant changes in circumstances since the Commission issued the EDAM Order to overcome the prohibition against impermissible collateral attacks. BANC and CAISO explain that the EDAM Order found the entirety of CAISO's methodology for allocating congestion revenue is just and reasonable.¹⁸⁴ CAISO explains that in particular, the Commission "agree[d] that CAISO's proposal to allocate congestion revenue to the BAA where the internal transmission constraint arises is reasonable."¹⁸⁵ CAISO asserts that the time for

¹⁸⁰ CAISO March 7 Answer at 20-21.

¹⁸¹ *Id.* at 21-22; BANC Answer at 5; Portland General Answer at 7.

¹⁸² CAISO March 7 Answer at 23-24 (citing *Louisville Gas & Elec. Co.*, 144 FERC ¶ 61,054, at P 12 (2013)); BANC Answer at 4; Portland General Answer at 4.

¹⁸³ CAISO March 7 Answer at 24 (quoting *Alamito Co.*, 43 FERC ¶ 61,274, at 61,753 (1988)).

¹⁸⁴ *Id.* at 25-26; BANC Answer at 5.

¹⁸⁵ CAISO March 7 Answer at 26 (citing EDAM Order, 185 FERC ¶ 61,210 at P 434).

requests for rehearing of the EDAM Order has long since passed without anyone filing a request for rehearing.¹⁸⁶

100. CAISO states that a lot of the opposition to PacifiCorp's proposed Tariff revisions rests on the false claim that firm point-to-point transmission service under the *pro forma* OATT comes with a guarantee that transmission customers will not be required to pay congestion costs associated with their transactions even if their transmission service providers join a wholesale organized day-ahead market. For example, CAISO states that Powerex claims firm service customers are entitled to receive the economic value of the delivery path in which they have invested, including "being insulated from variable congestion charges,"¹⁸⁷ but provides no citation to any provisions of the *pro forma* OATT or Commission precedent supporting this claim. CAISO argues that firm point-to-point service is based on a transmission service model that effectively ignores congestion and that firm point-to-point service customers have no reasonable expectations of "implicit rights" that have no basis in the language of the *pro forma* OATT.¹⁸⁸

101. CAISO asserts that Order No. 888, far from precluding congestion pricing, encouraged ISOs to develop "transmission pricing proposals for addressing network congestion" that are consistent with its overall pricing policies.¹⁸⁹ CAISO explains that congestion pricing is part of wholesale market designs based on LMPs that have repeatedly been shown to provide net benefits to end-use customers,¹⁹⁰ including through improved congestion management and more effective management of parallel flow.¹⁹¹ CAISO asserts that the Commission has found the overall benefits of organized wholesale markets justify certain efforts by customers to adapt to the new market

¹⁸⁶ *Id.* at 26-27.

¹⁸⁷ *Id.* at 28 (citing Powerex Protest at 6, 47).

¹⁸⁸ *Id.*

¹⁸⁹ *Id.* at 28-29 (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 31,732 (1996)).

¹⁹⁰ *Id.* at 29 (citing *Preventing Undue Discrimination & Preference in Transmission Serv.*, Order No. 890, 118 FERC ¶ 61,119, at P 625 (2007)).

¹⁹¹ *Id.* (citing Order No. 2000, FERC Stats. & Regs. ¶ 31,089 at 31,024).

design.¹⁹² CAISO further states that when NV Energy filed tariff revisions to participate in the WEIM, NV Energy proposed to include a timeline of 57 minutes before the operating hour (T-57) for transmission customers to submit revised schedules, consistent with the timeline under CAISO's tariff.¹⁹³ CAISO explains that the Commission accepted NV Energy's proposal and stated that it "disagree[d] with Powerex's contention that submitting adjusted schedules after T-57 will increase customers' exposure to charges for imbalance energy and therefore the scheduling timeline is prohibited by Order Nos. 888 and 764 The Commission continues to find that the scheduling timelines are just and reasonable, given the complexities of the CAISO market, and are not prohibited by Order Nos. 764 and 888."¹⁹⁴ CAISO asserts that these orders recognize changes in transmission service under the *pro forma* OATT will be required to capture the benefits of LMP-based markets like EDAM for customers.¹⁹⁵

102. CAISO asserts that charging congestion to transmission customers in BAAs transitioning from a *pro forma* OATT model to wholesale market designs that provide overall benefits to customers is just and reasonable. CAISO explains that in approving revisions to the *pro forma* OATT to implement the WEIM, the Commission approved applying imbalance energy charges, including congestion charges, to deviations from firm transmission customers' schedules after T-55 (and before T-20) as "just and reasonable and not unduly discriminatory" and found those provisions "appropriately allocate[] the costs of imbalances to the customers causing such costs and [are] necessary to implement the WEIM."¹⁹⁶

103. CAISO states that several commenters object that PacifiCorp will not provide firm transmission customers a perfect hedge against congestion like CAISO accords to ETCs/TORs (i.e., legacy contracts that predated CAISO market operations in 1998). CAISO asserts that these arguments are a collateral attack on the EDAM Order, which expressly recognized CAISO was providing "financial protection from congestion charges and losses" only for balanced self-schedules associated with transmission ownership rights and legacy contracts (i.e., "transmission service rights not otherwise

¹⁹² *Id.* at 29-30 (citing *Midwest Indep. Transmission Sys. Operator, Inc.*, 109 FERC ¶ 61,157, at P 142 (2004)).

¹⁹³ *Id.* at 30 (citing *Nev. Power Co.*, 151 FERC ¶ 61,131, at P 134, *reh'g denied*, 153 FERC ¶ 61,306 (2015)).

¹⁹⁴ *Id.* (citing *Nev. Power Co.*, 151 FERC ¶ 61,131 at P 163, *reh'g denied*, 153 FERC ¶ 61,306 at PP 39-40).

¹⁹⁵ *Id.* at 30-31.

¹⁹⁶ *Id.* at 31 (citing *Nev. Power Co.*, 151 FERC ¶ 61,131 at P 162).

subject to an EDAM Entity's OATT").¹⁹⁷ CAISO reiterates that no party requested rehearing of the EDAM Order.¹⁹⁸

104. CAISO argues that the Commission has approved a perfect hedge or market "carve-out" only in extremely limited circumstances, and it has not generically approved such mechanisms for OATT transmission customers seeking to avoid the switch to a market construct. CAISO explains that for CAISO, the Commission approved a perfect hedge only for ETCs, TORs, and converted rights.¹⁹⁹ CAISO asserts that granting a perfect hedge to OATT customers in EDAM BAAs would grant greater rights to these customers than CAISO grants to non-legacy OATT customers on the CAISO system, thus raising undue discrimination and undue preference concerns. Moreover, CAISO argues that the Commission has recognized the distinction between legacy contracts and firm OATT service rights in other RTOs/ISOs. CAISO explains that when the Midcontinent Independent System Operator (MISO) sought to expand its OATT to include energy markets, the Commission authorized MISO to carve out transmission capacity from the energy markets for only Grandfathered Agreements (GFA) for which the parties have explicitly provided that unilateral modification is subject to *Mobile-Sierra* protection, that are silent with respect to the standard of review governing unilateral modification, or providing for transmission service by an entity that is not a public utility.²⁰⁰ CAISO contends however that the Commission did not permit MISO to "carve out" those GFAs that were subject to a just and reasonable standard.²⁰¹

105. CAISO explains that the Commission accepted revisions to SPP's OATT to address the treatment of GFAs in SPP, including GFA Carve Outs.²⁰² CAISO states that

¹⁹⁷ *Id.* at 37-38 (citing EDAM Order, 185 FERC ¶ 61,210 at P 244).

¹⁹⁸ *Id.* at 38-39.

¹⁹⁹ *Id.* at 40 (citing *Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274, at PP 931-46, 976 n.416, 1000 (2006)).

²⁰⁰ *Id.* at 40-41 (citing *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,236 (2004) (GFA Order), *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)); *see also United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956); *FPC v. Sierra Pac. Power Co.*, 350 U.S. 348 (1956).

²⁰¹ CAISO March 7 Answer at 41 (citing GFA Order, 108 FERC ¶ 61,236, at P 137).

²⁰² CAISO explains that a GFA Carve Out refers to the "[r]emoval of the congestion and marginal loss charges for the amount of energy (MWh) actually

most GFA responsible entities were required to convert their physical firm GFA reservations into FTRs just like other firm transmission customers and be subject to congestion and marginal loss charges, while some others were given the option to elect GFA Carve Out status for their agreements. CAISO explains that a few parties objected to SPP's carve-out proposal arguing that, among other things, non-jurisdictional GFAs should be carved out of the market. CAISO states that SPP filed a settlement providing: "In order to qualify as a 'Carved-Out GFA,' the GFA must meet two criteria. First, the GFA is a 'fixed rate' agreement, meaning that the agreement's rate terms are not subject to unilateral change by the party providing service under the agreement. Second, the GFA is 'non-jurisdictional,' meaning that the party providing service under the agreement is not a 'public utility' within the meaning of the [FPA]." ²⁰³

106. CAISO argues that wholesale electricity markets outside of RTO/ISO footprints in the West, like EDAM and SPP's Markets+, are not subject to the FTR requirements of Order No. 681. Moreover, CAISO states that FPA section 217 does not entitle LSEs to have a complete hedge against congestion. CAISO avers that the Commission explained in Order No. 681 that it did not envision FTRs, which apply in energy markets, to offer LSEs a perfect hedge. ²⁰⁴ CAISO explains that other organized day-ahead markets do assess congestion charges on point-to-point service or simply do not offer point-to-point service. CAISO states that transmission customers taking firm point-to-point service under the New York Independent System Operator, Inc. (NYISO) OATT are obligated to pay a Transmission Usage Charge. ²⁰⁵ CAISO explains that this charge is composed of both the congestion price component and the marginal losses price component of the NYISO location-based marginal price, with the congestion price component determined based on the difference in the market energy prices between the sink location and the source location of the transmission customer's transaction. ²⁰⁶ CAISO states that ISO New England Inc. (ISO-NE) does not even offer regional point-to-point service except

transacted associated with GFAs." *Id.* at 41-42 n.82 (citing *Sw. Power Pool, Inc.*, 189 FERC ¶ 61,025, at P 1 n.7 (2024); *Sw. Power Pool, Inc.*, 141 FERC ¶ 61,048 (2012); *Sw. Power Pool, Inc.*, 144 FERC ¶ 61,255 (2013)).

²⁰³ *Id.* at 42-43 (citing *Sw. Power Pool, Inc.*, 144 FERC ¶ 61,254 (2013)).

²⁰⁴ *Id.* at 43-44 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 170 FERC ¶ 61,215, at P 59 (2020); Order No. 681, 116 FERC ¶ 61,077 at P 174).

²⁰⁵ *Id.* at 44 (citing NYISO, NYISO Tariffs, NYISO OATT, § 6.7 Firm Point To Point Transmission Service (2.0.0), §§ 6.7.1.1, 6.7.1.2).

²⁰⁶ *Id.* at 44-45 (citing *N.Y. Indep. Sys. Operator, Inc.*, 158 FERC ¶ 61,081, at P 19 & n.20 (2017)).

for through and out or merchant transmission facility service.²⁰⁷ CAISO explains that both NYISO and ISO-NE make available FTRs, but neither guarantees a full source-to-sink hedge.

107. CAISO states that both PJM Interconnection, L.L.C. (PJM) and MISO provide point-to-point transmission service of varying duration under their OATTs. CAISO explains that under their congestion management constructs, holders of certain long-term firm point-to-point transmission service reservations (i.e., at least one year or for the entire period of the FTR) are eligible for an allocation of auction revenue rights which may be converted to FTRs.²⁰⁸ CAISO asserts that these do not confer a “perfect hedge” against all congestion like the “perfect hedge” that is conferred to GFAs and transmission ownership rights and that therefore there is no guarantee of a source-to-sink hedge for the entire megawatt (MW) quantity of a customer’s transmission reservation. Additionally, CAISO states that SPP’s Markets+ filing explained that the Markets+ congestion management design would not provide a perfect hedge.²⁰⁹

108. CAISO explains that the proposed Step One reversal process should largely zero out day-ahead congestion exposure or congestion benefit resulting from constraints within a PacifiCorp BAA associated with qualifying balanced self-schedules and it will provide tools for transmission customers to manage their congestion cost exposure and reduce costs to end-use customers. CAISO asserts that the Step Two sub-allocation is consistent with Commission precedent accepting measured demand as a just and reasonable cost allocation metric, including in the context of congestion revenues under the WEIM design.²¹⁰ CAISO argues that PacifiCorp’s congestion revenue allocation methodology protects load, and ultimately end-use customers, from congestion costs arising from constraints within a PacifiCorp BAA through the balanced schedule tool. CAISO asserts that similarly, point-to-point transmission customers can exercise these

²⁰⁷ *Id.* at 45 (citing ISO New England Inc., *General Business Practices* (June 13, 2025), https://www.iso-ne.com/static-assets/documents/2016/05/rto_bus_prac_sec_1.pdf).

²⁰⁸ *Id.* (citing *PJM Manual 06: Financial Transmission Rights* 9-10, 19-37 (Sept. 25, 2024), <https://www.pjm.com/-/media/DotCom/documents/manuals/m06.pdf>; *MISO Manual No. 004, FTR and ARR Business Practice Manual* 27-29 (July 2024), <https://www.misoenergy.org/legal/rules-manuals-and-agreements/business-practice-manuals/>).

²⁰⁹ *Id.* at 45-46 (citing *Sw. Power Pool Inc.*, Docket No. ER24-1658-000, at 29 (Mar. 29, 2024)).

²¹⁰ *Id.* at 48-50 (citing PacifiCorp WEIM Order, 147 FERC ¶ 61,227 at P 184).

transmission rights to support exports from or wheels through the PacifiCorp system, thus enabling their continued ability to meet contractual bilateral energy arrangements.²¹¹

109. CAISO explains that PacifiCorp does not receive a congestion revenue allocation that would fully hedge congestion costs resulting from parallel flows in the CAISO BAA, but that the CAISO tariff provides additional tools to manage these congestion costs, and these tools are available to interested market participants. CAISO states that to the extent customers desire hedging above and beyond that provided by PacifiCorp, they can acquire CRRs on the CAISO system. CAISO explains that the CAISO tariff sets forth a process whereby an external BAA LSE can seek an allocation of CRRs and that other customers, including non-LSEs like marketers, can obtain CRRs in the CAISO auction or in the secondary market and may already be acquiring such CRRs.²¹²

110. CAISO states that Powerex's argument that having to procure CRRs in CAISO results in customers having to pay twice for transmission lacks merit. CAISO explains that customers pay transmission charges to receive transmission service; they procure CRRs to hedge against the congestion associated with such transmission service. CAISO asserts that Powerex also ignores that under EDAM, unlike an integrated RTO/ISO, each balancing authority is still maintaining and administering its own separate transmission service tariff and transmission rates and so if a customer desires transmission service on both the CAISO system and the system of a participating EDAM Entity, it must separately acquire, and pay for, transmission service under each entity's tariff.²¹³

111. CAISO states that Powerex and some other commenters seek to retain all the attributes of physical transmission rights under the *pro forma* OATT and also obtain FTRs that provide a perfect hedge for the full capacity of those physical rights reservations, all while achieving the reduced risk of curtailments and benefits of market optimization under EDAM. CAISO asserts that this package of wants is inconsistent with both the fundamentals of LMP-based market designs and Commission precedent.²¹⁴ CAISO explains that it has not developed a CRR/FTR design to allocate congestion rents within EDAM, and such a design would involve significant trade-offs and complex design considerations that could only be considered through an extensive stakeholder process. CAISO avers that during past transitions from an OATT approach (except for

²¹¹ *Id.* at 50-51.

²¹² *Id.* at 51-52 (citing CAISO eTariff, § 36.9 CRR Allocation To OBAALSEs (0.0.0)).

²¹³ *Id.* at 52-54.

²¹⁴ *Id.* at 54 (citing Powerex Protest at 7-9, 25-36; Shell Energy Protest at 6-7; WPTF-NIPPC Protest at 3-4).

pre-OATT legacy contracts) to an FTR approach, physical transmission rights holders have not received full protection of their reservation rights. CAISO explains that transmission outages and derates can lead to congestion rent shortfalls that must be funded under a CRR/FTR design. CAISO avers that as part of MISO's transition into an RTO/ISO, the Commission rejected the arguments of a group of transmission-dependent utilities seeking full congestion hedge rights.²¹⁵

112. CAISO explains that commenters cite Order No. 681 to support their claim that firm OATT customers are entitled to a perfect or near-perfect hedge from congestion costs.²¹⁶ CAISO argues that Order No. 681's requirements for establishing long-term congestion hedges do not apply to EDAM as in Order No. 681, the Commission was careful to "clarify the application of this Final Rule and ensure that the definition [of an organized electricity market] captures the transmission organizations with organized electricity markets using LMP and FTRs to which Congress directed the Commission to apply this Final Rule to in section 1233(b) of EPAct 2005."²¹⁷ CAISO explains that EDAM is not an organized electricity market that uses both LMP and FTRs.²¹⁸

113. CAISO argues that were the Commission to expand the application of the requirements of Order No. 681 to day-ahead markets that retain physical transmission rights and lack FTRs, it likely would delay the benefits to end-use customers of these day-ahead markets in the West considerably. CAISO explains that determining how to overlay FTRs and related congestion hedges on a day-ahead market that retains physical transmission rights would be a complex and time-consuming process. CAISO also notes that many of the commenters arguing that the Commission should reject the PacifiCorp EDAM implementation OATT amendments due to lack of compliance with Order No. 681 are also strong proponents of Markets+, which similarly lacks FTRs.²¹⁹

114. CAISO asserts that although congestion on the CAISO controlled grid could result in congestion costs in the broader EDAM footprint, the magnitude of cost impacts suggested by Powerex and others that make similar arguments does not reflect any

²¹⁵ *Id.* at 54-57 (citing *Midwest Indep. Transmission Sys. Operator, Inc.*, 109 FERC ¶ 61,157 at P 142).

²¹⁶ *Id.* at 58 (citing Powerex Protest at 29-30; APS Protest at 4-5; Shell Energy Protest at 4-5; Bonneville Protest at 28; Tri-State Protest at 3-4).

²¹⁷ *Id.* at 58 (citing Order No. 681, 116 FERC ¶ 61,077 at P 30).

²¹⁸ *Id.* at 58-59.

²¹⁹ *Id.* at 58-60.

reasonable scenario nor require the result they seek.²²⁰ CAISO explains that Powerex relies on real-time WEIM constraint data to speculate and extrapolate potential congestion impacts in EDAM, which is misleading because it reflects ill-constructed assumptions and misuse of the real-time data regarding WEIM constraints and assumes conditions not reflecting the operations, capabilities, materiality, and implications of the day-ahead market optimization under EDAM. CAISO states that Powerex's speculation fails to acknowledge the broader effects a regional day-ahead market would have on congestion management through its extension under EDAM, including that (1) EDAM enables resource optimization across the broader transmission network of each participating BAA and the EDAM footprint as a whole, which will reduce the impact of transmission constraints on BAAs in the EDAM footprint; (2) EDAM moves away from base scheduled resources that are not responsive to market signals, which allows EDAM to mitigate congestion more effectively in the day-ahead market and provides more options for potential redispatch to manage congestion in the real-time market; and (3) several planned interregional transmission upgrades will provide increased transmission capacity across the EDAM footprint and reduce congestion.²²¹

115. CAISO states that in the EDAM Order the Commission expressly rejected Powerex's argument that the methodology for allocating congestion revenue within the BAA where the internal constraint arises favors California interests.²²² CAISO asserts that no party filed a request for rehearing of the EDAM Order and that neither Powerex, nor any other commenter, provide evidence in the instant proceeding that shows there have been any significant changes in circumstances since the Commission issued the EDAM Order in December 2023. CAISO argues that therefore no commenter produces the evidence necessary to overcome the prohibition against impermissible collateral attacks on prior Commission findings.²²³

116. CAISO states that commenters provide no record evidence CAISO ever stated parallel flows in the EDAM area on constraints in a BAA outside the contract path could not result in the allocation of congestion revenues to that constrained BAA. CAISO explains that such parallel flows are a physical phenomenon universally known in the electric industry to be inherent in the nature of moving energy on a network of interconnected transmission lines. CAISO argues that allocating congestion revenue

²²⁰ *Id.* at 61 (citing Powerex Protest at 6, 7-8, 21-22, 23, 26-27; *id.*, attach. A Spires Test. at 3:9-16:23; Shell Energy Protest at 6-7).

²²¹ *Id.* at 61-64.

²²² *Id.* at 75 (citing EDAM Order, 185 FERC ¶ 61,210 at P 435).

²²³ *Id.* at 75-76 (citing *Minn. Power & Light Co.*, 13 FERC ¶ 63,014, at 65,030 (1980); *CNG Transmission Corp.*, 51 FERC ¶ 63,018, at 65,077-65,078 (1990)).

under the EDAM design based on the parallel flows reflects not only the physical reality but also the allocation methodology the Commission approved.²²⁴ Moreover, CAISO states that many of the comments in this proceeding are based on the erroneous premise that transmission customers are entitled to a path through multiple BAAs in order to facilitate transactions in other BAAs. CAISO argues that the Commission has previously rejected arguments that having firm point-to-point transmission rights in one BAA entitles transmission customers to firm rights in another BAA.²²⁵

117. CAISO explains that it will immediately commence an expedited stakeholder effort to address concerns regarding the uncertainty over congestion cost implications from flows in other BAAs and that CAISO will engage with all interested stakeholders concerning its allocation of congestion revenue among EDAM BAAs, including considering any potential transitional measures that might ease the uncertainty regarding the incurrence of costs under the EDAM design. CAISO states that if the expedited stakeholder review yields agreed-upon changes, CAISO will prepare any revisions to the CAISO tariff needed to implement such changes. CAISO explains that it expects that any change in the EDAM congestion revenue allocation methodology would not require PacifiCorp to change its sub-allocation approach as PacifiCorp is merely reallocating to its customers the dollars CAISO allocates to PacifiCorp. CAISO asserts that, over the longer term, it may also introduce for consideration CRR/FTR functionality to the EDAM design, but that it requires careful consideration because the EDAM design accounts for optimization across a multi-BAA footprint within which transmission service providers continue to sell firm rights on their transmission systems. CAISO argues that the Commission should not reject the Tariff amendments submitted in this proceeding due to commenters' concerns about the CAISO tariff's congestion revenue allocation methodology as PacifiCorp has provided a just and reasonable two-tiered approach that, regardless of how CAISO assigns congestion revenue to participating BAAs, will allocate rents to customers in a manner consistent with cost causation principles.²²⁶

118. Bonneville argues that, as proposed, PacifiCorp's Tariff forces all non-legacy transmission rights held by transmission customers to either be made available for market use and fully exposed to congestion-based price risk or be self-scheduled and receive priority allocation of available congestion revenue. Bonneville further argues that, if

²²⁴ *Id.* at 76-77 (citing *Pub. Serv. Co. of Ind., Inc.*, 51 FERC ¶ 61,357, at 62,211 (1990)).

²²⁵ *Id.* at 78-79 (citing *Cal. Indep. Sys. Operator Corp.*, 175 FERC ¶ 61,245, at PP 146, 149; *order on reh'g*, 178 FERC ¶ 61,180, at P 31 (2022)).

²²⁶ *Id.* at 95-99.

PacifiCorp instead chose to allow its transmission customers to carve out transmission from the day-ahead market, its customers would have a mechanism to avoid, or hedge against, congestion charges if they did not feel the benefits of market participation were sufficient to offset those charges.²²⁷ Bonneville claims that CAISO's tariff enables participating entities to allow transmission customers to designate any transmission rights as non-participating, but that PacifiCorp has chosen to implement EDAM in an overly restrictive manner. Bonneville reiterates that PacifiCorp's choice forces its transmission customers to be exposed to the unmitigable risk of congestion charges based on constraints outside PacifiCorp's BAAs, which Bonneville argues is not just or reasonable or consistent with or superior to the *pro forma* OATT or the status quo.²²⁸

119. WIEC urges the Commission to reject Powerex's request that the Commission provide guidance to PacifiCorp that indicates that "[f]or firm transmission rights that are processed through EDAM and subject to EDAM charges, PacifiCorp must . . . establish a mechanism to return the source-to-sink day-ahead congestion back to the firm service customer."²²⁹ WIEC asserts that PacifiCorp can only address congestion arising in its own BAA because only that congestion leads to a return of congestion revenue from CAISO to the PacifiCorp EDAM Entity under the EDAM market design. WIEC contends that Powerex's request would require PacifiCorp and potentially its bundled retail customers such as WIEC, to bear the cost of returning the portion of the source-to-sink EDAM congestion costs that did not arise from the PacifiCorp BAAs.²³⁰

120. BANC argues that the Commission has acknowledged that the EDAM design did not include CRRs and accepted the design.²³¹ BANC asserts the EDAM design is not a full RTO design and that financial hedging instruments are incompatible with a market design in which transmission providers still sell transmission service to collect their embedded system costs. BANC contends there are negative elements to congestion transmission rights or FTRs or other obligations instruments that can expose holders to payment obligations or issues such as revenue insufficiency. Finally, BANC asserts the

²²⁷ Bonneville May 21 Answer at 3.

²²⁸ *Id.* at 4.

²²⁹ WIEC Answer at 3.

²³⁰ *Id.* at 4.

²³¹ BANC Answer at 6 (citing EDAM Order, 185 FERC ¶ 61,210 at P 260).

proper place for stakeholder discussion regarding further market design augmentations is the announced CAISO expedited stakeholder process.²³²

121. WPP emphasizes that, while some intervenors who are WRAP participants have filed in support of EDAM generally and PacifiCorp's proposal specifically, others have filed protests, including WRAP Participants, who represent a large portion of the program's peak load. WPP acknowledges that the potential economic uncertainty associated with EDAM's collection and allocation of congestion revenues and PacifiCorp's implementation could render their participation in WRAP untenable. As WRAP was developed over years of stakeholder negotiations and is a voluntary program, WPP explains it is necessary that WRAP participants have confidence in the value proposition and business case for participation in the program, and the potential for market changes in the West could undermine that proposition.²³³

122. Portland General states that in the absence of a more traditional financial hedging instrument like a CRR, PacifiCorp's proposed congestion revenue allocation methodology is just and reasonable.²³⁴ Portland General states that this allocation method seeks to make transmission customers whole from a scheduling rights perspective. Portland General further asserts that allocating any remaining congestion revenue to other transmission customers on a measured demand-like basis creates an "equitable hedge" for transmission customers and network load alike. Portland General states that a "perfect hedge" is inconsistent with modern market designs.²³⁵ Portland General derides Powerex's comments as hyperbolic and based on unrepresentative data from a period that was a significant outlier in terms of congestion.²³⁶

123. WPTF asserts PacifiCorp and CAISO's characterizations of the protests as collateral attacks are misguided and incorrect. WPTF states it is protesting PacifiCorp's proposal in this docket to subject firm transmission customers to a new class of unhedgeable congestion costs, and it is PacifiCorp that must demonstrate that its proposal is consistent with or superior to the *pro forma* OATT. WPTF contends neither the CAISO tariff nor the EDAM Order require PacifiCorp to tie its treatment of firm transmission customers to CAISO's existing methodology for allocating congestion

²³² *Id.* at 6-7.

²³³ WPP Answer at 11-12.

²³⁴ Portland General Answer at 15.

²³⁵ *Id.* at 15-16.

²³⁶ *Id.* at 21-22.

revenues when there were other alternatives.²³⁷ Moreover, WPTF argues, the fact that protesters point out that PacifiCorp's proposal would transfer revenues from firm transmission customers to customers on the CAISO system does not mean that these parties are collaterally attacking the Commission's acceptance of the methodology for allocating congestion revenues. WPTF asserts the Commission has a duty to evaluate the effect that a proposed rate, term, or condition will have on customers.²³⁸ WPTF adds that efforts to portray protesters' arguments as collateral attacks or outside the scope of this proceeding are unconvincing because in the EDAM Order, the Commission deferred any consideration of the application of congestion charges to firm transmission customers.²³⁹

124. WPTF asserts that the answers do not cure the flaws in PacifiCorp's proposal. WPTF argues that the issue in this proceeding is whether PacifiCorp's proposal to deprive firm transmission customers of any ability to hedge or otherwise limit their exposure to congestion costs associated with constraints on adjacent systems is consistent with or superior to the *pro forma* OATT. Furthermore, WPTF argues, under PacifiCorp's proposal, transmission customers will have to self-schedule and act as a price taker to receive protection from congestion arising from internal constraints, depriving customers of the ability to manage their exposure to congestion costs through economic bidding. WPTF argues that CAISO and PacifiCorp fail to identify any case where the Commission has found that it was just and reasonable to impose congestion costs on firm transmission customers without providing them with options to hedge their exposure to these costs.²⁴⁰

125. WPTF asserts CAISO's examples highlight the defects in PacifiCorp's proposal. WPTF argues, for example, that holders of GFAs and firm transmission customers were provided with access to FTRs necessary to hedge their exposure to congestion charges. WPTF also notes CAISO acknowledged that certain customers holding rights on transmission facilities that were integrated into CAISO after the market commenced operation were granted a "perfect hedge" for a transitional period—after which these customers were eligible for CRRs. Thus, WPTF contends the cases CAISO cited support that firm transmission customers must be given access to measures that allow them to hedge their exposure to congestion charges.²⁴¹

²³⁷ WPTF Answer at 7-8.

²³⁸ *Id.* at 9.

²³⁹ *Id.* at 10 (citing EDAM Order, 185 FERC ¶ 61,210 at P 319).

²⁴⁰ *Id.* at 11-12.

²⁴¹ *Id.* at 12-13.

126. WPTF argues that purchasing CRRs on the CAISO system is not a viable path to hedging congestion costs on the PacifiCorp system because there is no source and sink pair within CAISO that would provide any sort of reliable hedging mechanism for congestion differences that occur outside the CAISO BAA. In addition, WPTF contends that CAISO does not explain why it is reasonable to require PacifiCorp's firm transmission customers to bear the costs of registering for a separate market and purchasing financial products on the CAISO system to obtain the same level of protection that they have historically been provided under the OATT.²⁴²

127. WPTF disagrees with PacifiCorp's and CAISO's suggestion that PacifiCorp's proposal will result in firm transmission customers receiving a level of protection comparable to that provided to customers on the CAISO system. According to WPTF, firm transmission customers on the PacifiCorp system and CRR holders in CAISO are both exposed to the risk of revenue inadequacy, but firm transmission customers will be required to pay the costs of differences in congestion prices from external constraints to use their transmission rights even where they submit fully balanced self-schedules in the day-ahead timeframe. WPTF also contends that while holders of CRRs are provided protection against congestion charges regardless of how they bid or schedule their resources, PacifiCorp transmission customers seeking a hedge in line with their rights, or the location of their particular resources and loads, would be required to self-schedule their firm transmission rights to obtain a hedge against congestion arising from constraints in the PacifiCorp BAAs.²⁴³

128. PPC states that public data from CAISO's Department of Market Monitoring show that virtually all "internal congestion" on the PacifiCorp system arises from constraints outside of the PacifiCorp transmission system. PPC argues that, as a result, virtually the entirety of congestion exposure a transmission customer would face utilizing their PacifiCorp transmission would receive no offset for congestion exposure under PacifiCorp's proposal. PPC explains that it recognizes the congestion costs may not be fully hedgeable; however, transmission customers should have some mechanism to manage cost exposure from all sources of congestion between a source and sink.²⁴⁴

129. PPC argues that the protests and comments make it clear that the implications of the EDAM "internal congestion" allocation approach were not fully understood or adequately discussed at the time of CAISO's EDAM filing. PPC states that while CAISO has begun an expedited stakeholder process to explore the EDAM congestion design, there is no guarantee it will address stakeholder concerns prior to and after

²⁴² *Id.* at 13-14.

²⁴³ *Id.* at 14-16.

²⁴⁴ PPC Answer at 2-4.

EDAM implementation. PPC argues that the magnitude of harm and uncertainty involved should necessitate PacifiCorp to offer some meaningful avenue to manage these costs from day one of EDAM participation. PPC asserts that under CAISO's tariff, PacifiCorp could allow for a limited transmission carve-out to insulate customers from these costs but has chosen not to do so.²⁴⁵ PPC further argues that PacifiCorp's proposal creates a significant incentive for transmission customers to self-schedule. According to PPC, a limited transmission carve-out would not further harm EDAM efficiency relative to a self-schedule and could only lead to more efficient market outcomes by facilitating bilateral sales or participation in an alternative organized market. Finally, PPC asserts that if PacifiCorp's Tariff is used as a template for other transmission service providers in the West, it could undermine the benefits of existing markets and the prospective benefits of markets and regional programs under development.²⁴⁶

130. Powerex claims that PacifiCorp's proposal would leave transmission customers that schedule PacifiCorp firm transmission service fully exposed to new EDAM congestion charges arising from unavoidable parallel flows affecting constraints on other transmission systems in EDAM. Powerex asserts that such an approach is without merit. Powerex affirms that since the Commission's issuance of Order No. 888 in 1996, firm transmission rights have been understood to confer "protection" against congestion charges, which was later accomplished through financial rights.²⁴⁷

131. Powerex argues that CAISO and PacifiCorp ignore the clear intent of FPA section 217 and Order No. 681 to enable LSEs to secure firm transmission rights (or equivalent tradable or financial rights) on a long-term basis for long-term power supply arrangements and to provide increased certainty regarding the congestion cost risks of long-term transmission service in organized electricity markets. Powerex asserts these requirements apply to PacifiCorp's proposal by virtue of the nature of the market that it is implementing and that the Commission must respect the intent of Congress. Powerex further states that market and industry experience has demonstrated the importance of the protections and requirements set out in FPA section 217 and Order No. 681.²⁴⁸

132. Powerex states that while it supports CAISO engaging with stakeholders to explore potential changes to the EDAM allocation of congestion revenues, the Commission should not afford any weight to CAISO's stakeholder process or its speculative outcome. Powerex asserts that if PacifiCorp's proposal cannot meet the

²⁴⁵ *Id.* at 4 (citing CAISO March 7 Answer at 3).

²⁴⁶ *Id.* at 4-5.

²⁴⁷ Powerex March 28 Answer 5-8.

²⁴⁸ *Id.* at 8-10.

applicable legal standards on its own merits, it must be rejected; it cannot be accepted on the condition of a stakeholder process. Powerex states that under the Commission's regulations, a filing party's failure to describe the rate change and the reasons for the rate change when revising existing OATT provisions is a basis for rejecting the filing.²⁴⁹

133. Powerex disagrees with claims that the potential exposure of PacifiCorp firm transmission customers to EDAM congestion charges under PacifiCorp's proposal will be small or that Powerex's analysis is not reliable. Powerex argues that its analysis included the most recent data available for nine consecutive months and is sufficiently representative of parallel path congestion exposure. Powerex further states that PacifiCorp's new analysis purporting to find little or no average congestion in EDAM obscures actual congestion exposure because that analysis wrongly assumes power is delivered in a flat 24-hour block, continuously, for years. Powerex asserts that CAISO's argument that it will not enforce a real-time constraint in the day-ahead market is not credible because it would cause EDAM to schedule generation in the day-ahead market that is ultimately infeasible in the real-time market, thus requiring last-minute redispatch. Further, Powerex claims that CAISO offers no rationale to support the notion that a binding constraint in real time will be unenforced in the day-ahead market.²⁵⁰

134. Additionally, Powerex claims that PacifiCorp's claims that new transmission builds in the West will reduce congestion in CAISO is erroneous because (1) none will reinforce the key transmission corridors within CAISO and (2) the transmission projects identified already will be used for increased interregional transfers and largely associated with new solar generation being delivered northbound, and growing load being served from northern generation outside the solar hours. Powerex argues that these increased transfers can be expected to also increase the parallel flows on the CAISO grid, which could make the existing congestion on the CAISO grid worse, rather than alleviating it. Powerex asserts that PacifiCorp's new analysis still anticipates significant congestion in EDAM of \$1.37 billion and much of that will occur on systems outside of PacifiCorp.²⁵¹

135. Powerex claims that both CAISO and PacifiCorp attempt to frame commenters' concerns as grounded in a misunderstanding. Powerex argues that CAISO did not fulfill its responsibility to ensure all stakeholders, its Board of Governors, the Western WEIM Governing Body, and the Commission had accurate and complete information about the EDAM market design. Powerex states that CAISO's repeated lack of candor has avoided the review of an important issue that ultimately surfaced only as a result of PacifiCorp's filing in this docket. Powerex asserts that the Commission did not and could not have

²⁴⁹ *Id.* at 13-14.

²⁵⁰ *Id.* at 15-16.

²⁵¹ *Id.* at 16.

conclusively addressed this issue when it reviewed CAISO's EDAM proposal, and it remains properly before the Commission in this proceeding.²⁵²

136. Powerex argues that the critical issue revealed by PacifiCorp's proposal is that EDAM's method of allocating congestion revenue may leave transmission providers without the revenue necessary to offset EDAM congestion charges for parallel flow on other systems. Powerex argues that while CAISO, PacifiCorp, and others repeatedly claim that the Commission approved the EDAM allocation of congestion revenue, CAISO failed to disclose to the Commission the implications of that allocation. Moreover, Powerex argues, because stakeholders had not been provided complete and accurate information on this issue, they were not in a position to raise it earlier. Powerex claims that should the Commission interpret any parts of Powerex's protest or this answer as "collateral attacks" on the EDAM design, such issues are nevertheless properly before the Commission now in light of the change in circumstances precipitated by PacifiCorp's proposal, particularly given the importance of the proposal as a model going forward.²⁵³

137. Finally, Powerex states that PacifiCorp's proposal represents the first effort to make all activity by all entities captive to a market. Powerex claims that its protest seeks to ensure that PacifiCorp transmission customers will be able to manage their exposure to potentially harmful outcomes in EDAM by having the opportunity to conduct their activity outside of EDAM. Powerex states that it supports WIEC's position that retail customers should not bear the cost of protecting other transmission customers from inappropriate EDAM congestion charges for parallel flow.²⁵⁴

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

138. In the Deficiency Letter, Commission staff requested further details on several topics under PacifiCorp's congestion revenue proposal, including how PacifiCorp would return congestion revenue using the proposed two-step process. Specifically, staff inquired how PacifiCorp intended to allocate congestion revenue within its BAAs arising from displaced congestion charges due to imbalance energy reserve flows in CAISO.²⁵⁵

139. In response to the Commission staff's Deficiency Letter, PacifiCorp states that displaced congestion charges arising from imbalance energy reserve flows will not

²⁵² *Id.* at 19-21.

²⁵³ *Id.* at 21-23.

²⁵⁴ *Id.* at 29-33.

²⁵⁵ Deficiency Letter at 1-2.

contribute to an under- or over-allocation of congestion revenues to PacifiCorp because the displaced congestion charges are returned to EDAM BAAs to account for any effects of imbalance reserves on congestion revenue allocation. Therefore, PacifiCorp states that no alternative method is needed for allocating congestion revenue from displaced congestion charges because the total congestion revenue PacifiCorp will receive from CAISO will sufficiently represent the costs of congestion from energy flows. PacifiCorp adds that its methodology aligns with CAISO's allocation for CRR holders. PacifiCorp claims that CAISO will not have a separate allocation method for any congestion revenues that were determined to be displaced by imbalance reserves flow. PacifiCorp further claims that its design is consistent with CAISO's methodology in that PacifiCorp will not attempt to separate any congestion revenues that came from displaced energy flows from the total congestion revenue, which PacifiCorp will receive from CAISO, in order to allocate it to certain customers in a special way.²⁵⁶

140. Legacy Customers disagree with PacifiCorp's Deficiency Letter Response, arguing that Step Two of PacifiCorp's congestion revenue allocation methodology is essentially the same as the Measured Demand methodology it initially proposed in Docket No. ER25-573. Legacy Customers argue that even after removing the "Measured Demand" language, PacifiCorp's revised two-step methodology does not accurately allocate congestion revenue within the BAA to those who paid congestion costs. Legacy Customers also state that the introduction of Step One causes market distortion. Legacy Customers argue that relying on the ability to self-schedule to provide a perfect hedge to congestion costs through Step One does not address the lack of congestion mitigation tools.²⁵⁷ Legacy Customers state that PacifiCorp's Deficiency Letter Response does not include a plan to address third-party transmission service providers. Legacy Customers further argue that PacifiCorp did not show any means or present intent to distribute congestion revenue to third-party transmission service providers.²⁵⁸

141. CAISO argues that the Commission should reject Powerex's claim that transmission customers with firm OATT service have "economic property rights to congestion," as this claim has no basis in the *pro forma* OATT or any Commission order. CAISO also disputes Powerex's claim that Order No. 888 conferred this property right and argues that the contours of this claimed right are so vague as to be meaningless as a

²⁵⁶ PacifiCorp Deficiency Letter Response at 2-3.

²⁵⁷ Legacy Customers Protest to the Deficiency Letter Response at 3-7.

²⁵⁸ *Id.* at 7-9.

metric for legal review. According to CAISO, granting such a right would have dramatic implications beyond this proceeding.²⁵⁹

142. In response to Powerex's answer, CAISO defends its explanation in Attachment A to the CAISO March 7 Answer that certain binding constraints will be enforced in real time and not in the day-ahead market.²⁶⁰ CAISO states that enforcing a binding constraint in real time, but not day ahead, is reasonable because the constraint will be used to manage real-time flows but not schedules. CAISO also disagrees with Powerex's assertions that CAISO's information in this proceeding shows a "lack of candor" and "misdirection" on the allocation of congestion under the EDAM design accepted by the Commission, defending its explanation of the similarities with WEIM congestion management and its stakeholder process.²⁶¹ CAISO asserts that Powerex had opportunities to address its concerns in earlier proceedings and stakeholder processes.²⁶²

143. CAISO disagrees with commenters who argue that potential impacts on participation in SPP's Markets+ of the treatment of congestion costs and transmission rights under EDAM are reasons to reject the PacifiCorp's filing, stating that such arguments are inconsistent with precedent holding there is no single just and reasonable wholesale market design. CAISO goes on to explain that it is conducting a stakeholder process on an enhanced EDAM congestion revenue allocation methodology and that it plans to soon file a Tariff amendment to implement the proposal.²⁶³ With regard to that process, PacifiCorp states that it applauds the ongoing efforts of CAISO and stakeholders to engage in good faith efforts to address the congestion revenue allocation issue but it need not be resolved for the Commission to issue an order here.²⁶⁴

144. In response to Legacy Customers argument that PacifiCorp's proposal will create an incentive to self-schedule that could negatively impact the market, PacifiCorp argues that the balanced self-schedule requirement exists not to bind parties to any particular scheduling practice, but to ensure that those transmission customers that merely want to

²⁵⁹ CAISO Comments on the Deficiency Letter Response at 4, 30-36.

²⁶⁰ *Id.* at 36 (citing Powerex March 28 Answer, attach. 3 (Supplemental Testimony of Jeff Spires), at 4:12-6:6.)).

²⁶¹ *Id.* at 49-58.

²⁶² *Id.* at 58-61.

²⁶³ *Id.* at 4, 14-20.

²⁶⁴ PacifiCorp May 23 Answer at 3.

schedule according to the firm rights can do so and know they will earn a first call on congestion revenue to offset their exposure.²⁶⁵

145. In response to CAISO and PacifiCorp, Bonneville states that it agrees that an adjustment to CAISO's method of allocating congestion revenues under the EDAM provisions of the CAISO tariff are beyond the scope of this proceeding but that it disagrees with PacifiCorp's contentions that "[c]riticisms of PacifiCorp's approach are largely tangential attacks on aspects of the approved market design."²⁶⁶ Bonneville argues that PacifiCorp's congestion revenue allocation methodology perversely incentivizes self-scheduling as a manner of hedging congestion risk, which reduces the potential benefits of market optimization.²⁶⁷

146. Powerex states that it disagrees with CAISO's argument that firm OATT rights do not provide customers with "economic property rights to congestion."²⁶⁸ Powerex argues that the OATT's differentiation between firm and non-firm transmission service reflects recognition of a right for firm transmission customers to be insulated from congestion charges. Powerex asserts that Order No. 681 upholds the principle that the OATT framework provides property rights to congestion.²⁶⁹

f. Commission Determination

147. We find that PacifiCorp'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. PacifiCorp's Step One allocation of congestion revenue, which reverses day-ahead congestion price differentials associated with balanced self-schedules of firm point-to-point and network transmission customers, will insulate balanced self-scheduled transmission use from EDAM's congestion exposure up to the congestion revenue that CAISO allocates to the PacifiCorp BAAs. Additionally, we find that PacifiCorp's Step Two allocation of

²⁶⁵ *Id.* at 10 (citing Legacy Customers Protest to the Deficiency Letter Response at 5-6).

²⁶⁶ Bonneville June 9 Answer at 7 (citing CAISO Comments on the Deficiency Letter Response at 4-5; PacifiCorp May 23 Answer at 4).

²⁶⁷ *Id.* at 7-8.

²⁶⁸ Powerex June 11 Answer at 7 (citing CAISO Comments on the Deficiency Letter Response at 30-31).

²⁶⁹ *Id.* at 7-8 (citing Order No. 681, 116 FERC ¶ 61,077 at P 473).

congestion revenue will mitigate the congestion costs borne by entities that economically bid into EDAM.

148. We find that PacifiCorp's Step One allocation of congestion revenue is just and reasonable as it first reverses day-ahead congestion charges on balanced self-schedules associated with long-term transmission service rights to the greatest extent possible. As such, PacifiCorp's Step One allocation provides long-term firm transmission customers that choose to self-schedule transmission flows an opportunity to hedge against day-ahead congestion charges associated with their use of the PacifiCorp Transmission System by submitting balanced self-schedules in the day ahead.

149. While protesters argue that firm transmission customers may not be able to reverse their day-ahead congestion charges if PacifiCorp is not allocated sufficient congestion revenue, we agree with CAISO and PacifiCorp that these issues are outside the scope of the instant proceeding because they pertain to tariff provisions that the Commission accepted in the EDAM Order. 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 qualifying firm OATT service rights in the EDAM BAAs where the congestion revenue accrued.²⁷⁰ 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.²⁷¹ We believe that these tariff revisions may help to address some of the concerns that protesters raised in this proceeding.

150. While PacifiCorp's proposal provides firm transmission rights customers the ability to manage their congestion risk, we find that Order No. 681 does not apply to PacifiCorp 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.²⁷² PacifiCorp is not a "transmission organization" as defined by Order No. 681.²⁷³ While protesters are correct that the Commission has

²⁷⁰ Qualifying transmission rights are defined as long-term and monthly firm, including conditional firm, transmission service rights. *See* CAISO eTariff, 33.11.1, Transfer Revenue and Congestion Revenue Allocation (1.0.0) § 33.11.1.2.1.

²⁷¹ *Cal. Indep. Sys. Operator Corp.*, 192 FERC ¶ 61,196 at P 32.

²⁷² Order No. 681, 116 FERC ¶ 61,077 at P 19.

²⁷³ *Id.* P 63 (defining transmission organization as "a Regional Transmission Organization, Independent System Operator, independent transmission provider, or

required RTOs/ISOs to provide financial transmission rights to firm transmission customers, we find that PacifiCorp is not a market operator. Further, PacifiCorp is not proposing to create financial transmission rights within its BAAs, and the Commission accepted EDAM's market design, which did not require CAISO as the EDAM operator, nor individual EDAM Entities, to provide financial transmission rights.²⁷⁴ As we find PacifiCorp's proposal to be just and reasonable, we need not consider protesters' alternative proposal.²⁷⁵

151. We disagree with protesters who argue that their transmission rights are being devalued because firm transmission customers will be exposed to congestion costs, which they allege is inconsistent with the *pro forma* OATT.²⁷⁶ Under the proposed Step One allocation, firm transmission customers that submit a balanced self-schedule will have their day-ahead congestion charges reversed to the extent PacifiCorp is allocated sufficient congestion revenue from CAISO. We find that this treatment is sufficient to hedge a balanced self-schedule's exposure to day-ahead congestion charges under most circumstances.

152. We find that PacifiCorp's proposed Step Two allocation is just and reasonable because it will allocate any remaining revenues after the Step One allocation to load and exports not already included in the Step One allocation in proportion to such load and exports, which is akin to a Measured Demand allocation. The Commission has previously found that it is just and reasonable to use Measured Demand to allocate congestion charges in WEIM.²⁷⁷ Further, within its own BAA, CAISO operates both a day-ahead and a real-time energy market, for which the Commission previously approved CAISO's approach to return surplus congestion revenue in its CRR congestion fund using

other independent transmission organization finally approved by the Commission for the operation of transmission facilities"); 18 C.F.R. § 42.1(b)(1).

²⁷⁴ EDAM Order, 185 FERC ¶ 61,210 at P 434. We note that the Commission has also approved other day-ahead market designs that did not include financial transmission rights, such as Markets+. *See Sw. Power Pool, Inc.*, 190 FERC ¶ 61,030 (Markets+ Order), *order on reh'g and clarification*, 191 FERC ¶ 61,177 (2025).

²⁷⁵ *See, e.g., City of Bethany v. FERC*, 727 F.2d at 1136 (finding that the Commission properly did not consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs").

²⁷⁶ Clean Energy Associations Protest at 10; Powerex Protest at 27-28; WPTF and NIPPC Protest at 13.

²⁷⁷ PacifiCorp WEIM Order, 147 FERC ¶ 61,227 at P 184.

Measured Demand.²⁷⁸ We disagree with protesters' arguments that the Step Two allocation does not return congestion revenue in a manner commensurate with firm transmission rights.²⁷⁹ We find that PacifiCorp's Step Two allocation reasonably balances protecting firm transmission customers from day-ahead congestion charges and ensuring that EDAM accounts for transmission constraints in its security-constrained economic dispatch. We note that firm transmission customers may self-schedule their use of the transmission system if they want a hedge against congestion charges. Moreover, we agree with PacifiCorp that Step Two's proportional allocation to OATT customers who opted not to self-schedule is just and reasonable and ensures that the entirety of the amount of congestion revenues received from CAISO is returned to OATT customers. Further, the Commission need not consider whether protesters' alternative proposals are more just and reasonable than PacifiCorp's proposed Step Two allocation.²⁸⁰

153. With regard to protesters' arguments that the proposed two-step process may create an incentive to self-schedule,²⁸¹ we continue to find that self-schedules, as they may be used by long-term transmission contract holders to hedge congestion costs, are not inherently undesirable and that they present a viable approach to making supply resources available to CAISO's markets.²⁸² Under EDAM's current market design, the ability to self-schedule helps participating transmission providers respect their transmission customers' firm transmission service rights, a consideration that must be balanced against potential impacts to the market. Further, we find that the anticipated benefits of EDAM's market dispatches, coupled with PacifiCorp's Step Two allocation proposal, will still incentivize market participants to economically bid into EDAM. And as the Commission noted in the EDAM Order, CAISO is committed to continue engaging

²⁷⁸ *Cal. Indep. Sys. Operator Corp.*, 165 FERC ¶ 61,085, at P 52 (2018).

²⁷⁹ UMPA and Deseret Protest at 9, 12-14; Bonneville Protest at 28-29; UAMPS Protest at 11-12.

²⁸⁰ *See, e.g., City of Bethany v. FERC*, 727 F.2d at 1136 (finding that the Commission properly did not consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs").

²⁸¹ PPC Protest at 9; Legacy Customers Protest to the Deficiency Letter Response at 7-9.

²⁸² EDAM Order, 185 FERC ¶ 61,210 at P 316.

with its stakeholders to evaluate the use of transmission in EDAM as it gets more data and analyzes actual EDAM dispatches.²⁸³

154. We disagree with protesters²⁸⁴ who assert that PacifiCorp's proposal violates the Commission's Transmission Pricing Policy Statement by exposing transmission customers to incremental costs on top of embedded costs.²⁸⁵ Specifically, we note that the Transmission Pricing Policy Statement's definition of incremental costs cannot be read to include congestion-related charges.²⁸⁶

155. We also disagree with protesters' assertions that paying day-ahead congestion charges amounts to paying twice for transmission,²⁸⁷ or allows PacifiCorp to over collect on its transmission rates,²⁸⁸ as the congestion component of LMPs under EDAM does not recover PacifiCorp's costs of providing transmission service, but rather the cost of energy needed to reliably serve load behind a transmission constraint. Moreover, under PacifiCorp's two-step congestion revenue allocation methodology, the congestion revenues that CAISO allocates to the PacifiCorp BAAs are returned to transmission customers. PacifiCorp's recovery of the costs it incurs to provide transmission service, including the costs of the transmission facilities needed to provide that service, continues to be governed by PacifiCorp's Tariff.²⁸⁹ Further, under PacifiCorp's proposal, firm transmission customers can limit their exposure to day-ahead congestion charges and continue taking service as before by submitting balanced self-schedules.

²⁸³ *Id.*

²⁸⁴ Bonneville Protest at 26-28; Powerex Protest at 36.

²⁸⁵ 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.”).

²⁸⁶ *Id.* 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.”).

²⁸⁷ WRAP Participating Entities Protest at 14-15.

²⁸⁸ Shell Energy Protest at 10.

²⁸⁹ PacifiCorp Tariff, scheds. 7 LTF and STF PTP Transmission Service (4.0.0), 8 Non-Firm Point-To-Point Transmission Service (3.0.0).

156. We do not share UAMPS' concern that PacifiCorp has failed to address CAISO's decision not to collect congestion revenue for its nodal procurement of imbalance reserves.²⁹⁰ As PacifiCorp explains in its Deficiency Letter Response, "[it] will not attempt to separate any congestion revenues that came from displaced energy flows from the total congestion revenue, which [PacifiCorp] will receive from the CAISO, in order to allocate it to certain customers in a special way."²⁹¹ As such, PacifiCorp will sub-allocate any congestion revenue allocated to it from CAISO from the nodal procurement of imbalance reserves using its Step One and Step Two allocations.

157. We disagree with protesters who argue that because PacifiCorp's proposal introduces uncertainty to the cost of transmission through its proposed treatment of congestion, it may have unintended consequences such as inhibiting remote generation from serving load and undermining the incentive to invest in transmission upgrades and expansion.²⁹² We find that these protests are speculative in nature and unsupported by the record. While remote generation may face higher transmission costs as a result of congestion pricing, these higher costs will be based on actual transmission constraints on the system, and PacifiCorp's proposal provides the ability for transmission customers to hedge their congestion costs by submitting balanced self-schedules in the day ahead.

158. We also reject Tri-State's arguments that PacifiCorp's proposed congestion revenue allocation violates the Takings Clause of the Fifth Amendment of the U.S. Constitution.²⁹³ In the EDAM Order, the Commission determined that CAISO's "EDAM proposal accurately accounts for congestion costs and transfer revenues and provides for each EDAM Entity to sub-allocate costs and revenues within its BAA in accordance with its OATT or to a transmission customer."²⁹⁴ As discussed above, PacifiCorp's two-step sub-allocation will return congestion revenues to transmission customers, limited only by the share of congestion revenue PacifiCorp receives from CAISO. Therefore, we find that PacifiCorp's proposal does not violate the Takings Clause.

159. Certain protesters express concern that WRAP participants will incur higher costs to meet their WRAP forward showing requirements, which they argue will undermine the confidence necessary for some entities to commit to WRAP binding operations and for

²⁹⁰ UAMPS Protest at 18.

²⁹¹ PacifiCorp Deficiency Letter Response at 3.

²⁹² Powerex argues that this occurs because PacifiCorp's proposal removes the price certainty of bilateral agreements. Powerex Protest at 48.

²⁹³ Tri-State Protest at 3-4.

²⁹⁴ EDAM Order, 185 FERC ¶ 61,210 at P 439.

WRAP's viability. We do not find this argument to be persuasive. We note that the WRAP forward showing requirements are necessary primarily to enable LSEs to meet their own needs; as such, LSEs would need to secure the necessary transmission capacity regardless of WRAP, which only requires an up-front demonstration of 75% of the transmission capacity needed for each LSE's seasonal load.²⁹⁵ Further, we find that the hedging mechanism proposed by PacifiCorp provides the ability for firm transmission customers to manage financial risks due to congestion. Thus, we are not convinced that the potentially higher costs to secure transmission capacity threatens WRAP's viability.

160. We disagree with Utah DPU and Shell Energy that PacifiCorp needs to provide additional analysis and cost support regarding congestion charges on its system. We note that PacifiCorp is only proposing a methodology to sub-allocate congestion revenues that CAISO allocates to PacifiCorp's BAAs, and under Step One of its allocation methodology, it will reverse day-ahead congestion charges on self-schedules to the extent possible. CAISO will perform the actual collection of congestion charges, and the initial allocation of them, using a methodology that the Commission has already accepted as just and reasonable.²⁹⁶

161. Finally, having found PacifiCorp's proposal just and reasonable, we need not address protesters' alternative proposals that PacifiCorp should afford self-schedules a "perfect hedge" or otherwise allow them to "carve out" their transmission rights such that their transmission schedules will not be settled through the market at all or that CAISO should implement a CRR framework in EDAM.²⁹⁷

3. Transmission

a. Background

162. PacifiCorp asserts that, as explained by CAISO in its EDAM filing, another key element of the EDAM framework is the availability of transmission capacity. PacifiCorp states that, as explained by CAISO, EDAM will similarly maximize available transmission capacity to support optimization of demand and supply and facilitate

²⁹⁵ See Northwest Power Pool, Tariff Database, WRAP Tariff, §16 Components of the Forward Showing (1.0.0), §16.3.

²⁹⁶ EDAM Order, 185 FERC ¶ 61,210 at P 434; *see also Cal. Indep. Sys. Operator Corp.*, 192 FERC ¶ 61,196 at P 32.

²⁹⁷ See *City of Bethany v. FERC*, 727 F.2d at 1136; *see also Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (finding that under the FPA, as long as the Commission finds a methodology to be just and reasonable, that methodology "need not be the only reasonable methodology, or even the most accurate" one).

transfers of energy and capacity between BAAs. However, PacifiCorp states that some additional complexity arises in the context of EDAM compared to the WEIM because under EDAM, all generation will be committed or dispatched by the market. Moreover, PacifiCorp explains, transmission capacity supporting schedules resulting from the day-ahead market must remain available through the real-time market, whereas transmission that supports the real-time market represents whatever is available in real-time after customers have exercised transmission service rights under the Commission's *pro forma* OATT.²⁹⁸

163. PacifiCorp states that the day-ahead market relies upon the flow-based capacity of the transmission system within an EDAM BAA to support optimized unit commitment, including the internal flows supporting the transfers between participating BAAs. PacifiCorp explains that availability of internal flow capacity in EDAM aligns with the availability of internal transmission in the WEIM and will ensure that the day-ahead market model relies upon the same transmission capacity available in the real-time market. According to PacifiCorp, this internal flow-based capacity is broken down by three categories of available transmission—legacy contract rights, transmission ownership rights, and OATT service rights—as well as the distinction of whether the transmission capacity supports a transfer between BAAs in the EDAM footprint or imports, exports, or wheels through an EDAM BAA.²⁹⁹

b. PacifiCorp Filing

164. PacifiCorp asserts that the first challenge in affording sufficient transmission availability was to design a system that respected and incorporated the existing system of physical OATT rights and the scheduling of the same through an OATT transmission provider. PacifiCorp explains that the Commission-approved EDAM design first requires the EDAM Entity to register various OATT rights held by transmission customers with CAISO and that CAISO will then register these rights through a system of Contract Reference Numbers that will allow the holders of those rights to submit market self-schedules according to those registered rights. PacifiCorp states that the purpose of tracking which market self-schedules pertain to which OATT rights is to ensure that the CAISO market optimization applies the higher market scheduling priority to those schedules. PacifiCorp avers that, as CAISO explained when it submitted its EDAM filing, “[a] transmission customer that submits a self-schedule before the start of

²⁹⁸ Transmittal at 9-10 (citing CAISO EDAM Transmittal at 122-23).

²⁹⁹ *Id.* at 10 (citing CAISO EDAM Transmittal at 125).

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.”³⁰⁰

165. PacifiCorp asserts that the success of a market design in delivering economic benefits is intricately intertwined with the availability of transmission capacity to deliver resources to load. PacifiCorp states that under the EDAM design, prior to the start of the day-ahead market, a participating balancing authority will provide information to CAISO regarding any applicable transfer constraints and the amount of transmission capacity available, thereby allowing EDAM to utilize all transmission capacity available to it, including any unsold firm transmission capacity, while honoring ETCs/TORs. PacifiCorp explains that EDAM recognizes those ETCs/TORs by providing three different avenues for customers to utilize those rights prior to the day-ahead market: (1) a transmission customer may use its rights for its own purpose by submitting a balanced self-schedule associated with registered transmission rights into the day-ahead market; (2) the transmission customer may elect to release its rights to the market for optimization and, in exchange, be eligible to receive an allocation of transfer revenues (to the extent that such revenues accrue across an interface); or (3) a transmission customer may choose neither to self-schedule nor release its transmission rights. PacifiCorp asserts that under the latter scenario, the capacity will be made available to the day-ahead market for optimization; however, the transmission customer retains its right to submit an intra-day self-schedule associated with those rights. PacifiCorp explains that ETCs/TORs in an EDAM BAA are provided a market scheduling priority and settlement consistent with mechanisms established in the CAISO tariff for those types of arrangements, while making the flow capacity available to the market.³⁰¹

166. PacifiCorp asserts that the ability of a transmission customer to release transmission rights to the market and earn associated transfer revenues associated with those rights, as noted above, is a central component of EDAM and that transmission customers with registered transmission service rights across an “EDAM Internal Intertie” (defined as an interface between two BAAs that are both participating in the EDAM) will have the option to “release” those rights for use by the market in facilitating EDAM transfers between participating BAAs. PacifiCorp explains that the CAISO tariff states “[t]he Scheduling Coordinator representing the transmission rights may determine, on a daily basis, whether to make the full amount or only a portion of its registered transmission service rights available for EDAM Transfers for that day only or a longer

³⁰⁰ *Id.* (quoting CAISO EDAM Transmittal at 4).

³⁰¹ *Id.* at 10-11 (citing CAISO EDAM Transmittal at 14-15).

timeframe.”³⁰² PacifiCorp states that in exchange for releasing transmission rights, transmission customers can receive a share of transfer revenues generated from price differences between EDAM BAAs and that, under the third pathway, the transmission customer retains rights for intra-day self-scheduling. PacifiCorp explains that if directed by an EDAM Transmission Service Provider, the intra-day self-schedules will be given priority in the real-time market over other real-time and day-ahead schedules.³⁰³

167. PacifiCorp states that one of the primary objectives of the EDAM market design is to achieve the significant economic and reliability benefits of participation in a regional day-ahead and real-time organized market while maintaining the basic infrastructure of the time-tested OATT platform for providing open access transmission service. PacifiCorp asserts that there are two key features to marrying the OATT and the CAISO tariff platform, which is not based on the *pro forma* OATT. PacifiCorp explains that the first feature is that the EDAM Transmission Service Provider will continue to offer firm and non-firm service under the OATT in the same manner as it did prior to joining EDAM. PacifiCorp states that an EDAM Transmission Service Provider will recover its revenue requirement through the same OATT charges as exist today, with the exception of certain ancillary service schedules that have been modified to reflect the EDAM market design. PacifiCorp avers that requests for new transmission service over the PacifiCorp system will continue to be studied and granted in the same manner as before. PacifiCorp states that the second feature is that all transmission service over the PacifiCorp system will remain scheduled under the terms of the OATT, but the use of the transmission system will be processed through the EDAM market as economic bids or self-schedules and that consequently, OATT customers will be eligible for the benefits of organized market participation and share of some of the burdens.³⁰⁴

168. PacifiCorp notes that the EDAM market design does not contain a resource adequacy requirement and is being rolled out at the same time as many Western LSEs are seeking to address regional resource adequacy by participating in the WRAP. PacifiCorp also notes that although CAISO’s tariff did not adopt a special resource adequacy market scheduling priority, an EDAM Transmission Service Provider can signal to CAISO that certain intra-day self-schedules using specific firm OATT transmission service rights should be afforded higher priority than cleared day-ahead schedules.³⁰⁵ PacifiCorp explains that the PacifiCorp EDAM Entity will exercise its authority under the CAISO

³⁰² *Id.* at 11 (quoting CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.2).

³⁰³ *Id.* (citing CAISO EDAM Transmittal at 15).

³⁰⁴ *Id.* at 17-18.

³⁰⁵ *Id.* at 23.

tariff to provide instruction to CAISO to assign a higher market scheduling priority than cleared day-ahead schedules for long-term point-to-point wheel-through or export transactions from the PacifiCorp BAAs that are part of a WRAP forward showing; as such, intra-day self-schedules associated with such rights would receive higher market scheduling priority in the real-time market.³⁰⁶

169. Specifically, PacifiCorp explains that its proposed Tariff requires WRAP participants to identify to the PacifiCorp EDAM Entity qualifying transmission rights that are part of a WRAP forward showing in accordance with the PacifiCorp Markets Business Practice Manual. PacifiCorp asserts this mechanism will ensure that WRAP participants have high confidence in physical delivery even if scheduled after the close of the day-ahead market. PacifiCorp states that, to ensure that this provision does not create undue preference for WRAP participation, the Tariff section also signals PacifiCorp's willingness to seek the same market scheduling priority for intra-day schedule changes associated with any other Commission-approved regional resource adequacy program.³⁰⁷

170. PacifiCorp states it has not heard objections to its ability to exclude facilities based on the aforementioned criteria, but generally agrees with CAISO that it would be inappropriate to vest transmission customers with unilateral authority to remove tranches of transmission capacity from the market for any reason.³⁰⁸ Moreover, according to PacifiCorp, attempting to construct rules to address market-to-market coordination without the benefit of having an approved competing market design or its impact on EDAM is impractical and inefficient. PacifiCorp further argues that it is premature at this time to address any potential seams issues that could arise if both EDAM and any competing neighboring market reach commercial operation. PacifiCorp asserts that seams issues should only be taken up after such issues are proven to exist, stating that the Commission endorsed this approach in CAISO's EDAM design, and maintaining that questions about how PacifiCorp OATT-based transmission rights would interact with a neighboring (conceptual) market proposal are premature and outside the scope of this proceeding.³⁰⁹

171. PacifiCorp explains that the second primary market mechanism to honor OATT rights is the high market scheduling priority CAISO will afford to balanced self-

³⁰⁶ *Id.* (citing CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3); *see also* PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.6.3.1.

³⁰⁷ Transmittal at 23.

³⁰⁸ *Id.* at 25-26.

³⁰⁹ *Id.* at 26 (citing EDAM Order, 185 FERC ¶ 61,210 at P 238).

schedules that track with OATT-based transmission rights. PacifiCorp avers that as explained in CAISO's EDAM filing, "[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."³¹⁰ PacifiCorp states that the higher market scheduling priority afforded to OATT service means that the market algorithm will redispatch all economic bids and non-OATT self-schedules before having to disrupt an OATT schedule. PacifiCorp asserts that this market scheduling priority will provide OATT customers with a high degree of confidence in the physical flow of their OATT schedules and that while the Commission reserved judgment on any OATT changes that would be filed to implement EDAM, its order approving the CAISO's EDAM market design approved the basic transmission availability framework, including the market scheduling priority for OATT schedules.³¹¹

172. PacifiCorp argues that the market scheduling priorities afforded to OATT self-schedules and other bids should not be confused with OATT curtailment priorities, which remain unchanged under the EDAM model because under EDAM, CAISO will not assume an EDAM Transmission Service Provider's curtailment authority. PacifiCorp explains that if the market reaches the point of infeasibility in constrained conditions (i.e., the market cannot reach a solution using market redispatch), the EDAM Transmission Service Provider will handle any necessary curtailments in the same way it does today. PacifiCorp states that in its role as the balancing authority, it will ultimately remain responsible for balance and reliability in the PacifiCorp BAAs.³¹²

c. Comments and Protests

173. Protesters assert that PacifiCorp'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.³¹³ Powerex argues that

³¹⁰ *Id.* at 20 (quoting CAISO EDAM Transmittal at 4).

³¹¹ *Id.* at 20-21.

³¹² *Id.* at 21.

³¹³ Powerex Protest at 39-40; Bonneville Protest at 14-15; Salt River Project Protest at 10-12; WRAP Participating Entities Protest at 16 (citing CAISO eTariff, § 33.18.2 Transmission at EDAM Internal Interties (0.0.0), § 33.18.2.2.3). WRAP Participating Entities state that they do not mount a collateral attack on the EDAM Order because the Commission deferred resolution of this issue until prospective

PacifiCorp's proposal to assign intra-day schedules using firm transmission a market scheduling priority equal to EDAM transfers using "unscheduled firm service" violates precedent under the *pro forma* OATT.³¹⁴ Powerex argues that by comparison, while in SPP and MISO 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.³¹⁵

174. Powerex argues that PacifiCorp 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.³¹⁶ Powerex asserts that PacifiCorp'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.³¹⁷ Powerex and WRAP Participating Entities state that PacifiCorp 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.³¹⁸ 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. Powerex acknowledges that the "if practicable" language is intended to provide flexibility to transmission service providers,³¹⁹ but Powerex alleges that it is not intended to allow non-firm use to displace

EDAM Entities filed proposed OATT revisions, including priority of intra-day schedules, to implement EDAM within their BAAs. WRAP Participating Entities Protest at 17.

³¹⁴ Powerex Protest at 40-41 (quoting *Integration of Variable Energy Res.*, Order No. 764-A, 141 FERC ¶ 61,232, at P 23 (2012); *see also* WRAP Participating Entities Protest at 17 (citing EDAM Order, 185 FERC ¶ 61,210 at P 245; Order No. 764-A, 141 FERC ¶ 61,232 at P 23); *pro forma* OATT § 13.8).

³¹⁵ Powerex Protest at 42.

³¹⁶ *Id.* at 42-43 (citing Transmittal at 23).

³¹⁷ *Id.* at 44-45 (citing EDAM Order, 185 FERC ¶ 61,210 at P 311).

³¹⁸ *Id.*; WRAP Participating Entities Protest at 17-18.

³¹⁹ *Id.* at 45 (citing *Allegheny Power Sys. Inc.*, 77 FERC ¶ 61,266, at 62,100 (1996)).

firm transmission service.³²⁰ WRAP Participating Entities and SPP further note that PacifiCorp does not provide any explanation why it would not be “practicable” to instruct the market operator to assign intra-day schedules using firm transmission service a market scheduling priority higher than day-ahead EDAM schedules that are not on reserved firm transmission service.³²¹

175. According to Powerex, firm transmission customers have historically received the economic value associated with the delivery path in which they have invested by being insulated from congestion charges, while receiving priority to flow. Powerex asserts that PacifiCorp’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.³²² Powerex states that without predictable and economic transmission, transporting remote renewable generation becomes significantly less valuable. Powerex argues that PacifiCorp’s proposal will thus leave ratepayers and states with fewer available clean energy resources necessary to meet state and regional policy programs.³²³

176. Powerex asserts that PacifiCorp’s proposal would impede investment in transmission upgrades and expansions because long-term transmission service requests are a major driver of such transmission investment, including Powerex’s future investments. Powerex further states that the uncertainty prevents it from entering into forward transactions.³²⁴

177. In addition, Powerex argues that the proposal would shift transmission costs, resulting in higher costs for retail customers. Powerex asserts that a reduction in the sale of point-to-point transmission to third-party transmission customers will drive PacifiCorp to recover more of the annual transmission revenue requirement from native load customers.³²⁵

³²⁰ *Id.* at 46.

³²¹ WRAP Participating Entities Protest at 17-18; SPP Comments at 13-14.

³²² Powerex Protest at 47-48.

³²³ *Id.* at 48-51 (citing Western Electricity Coordinating Council, *Western Assessment of Resource Adequacy 2024*, <https://feature.wecc.org/wara/#group-section-Summary-eSoUDW1Hw8>).

³²⁴ *Id.* at 51-53.

³²⁵ *Id.* at 57-58.

178. Bonneville argues that PacifiCorp's proposal assumes that all of its transmission will be committed to EDAM and will not be available for other uses, with limited exception, contrary to contractual principles. Bonneville contends that the Commission must reject PacifiCorp's proposed revisions because they foreclose the opportunity for transmission customers to make transmission unavailable for market use as recognized in section 33.18.3.3 of CAISO's tariff. Bonneville claims that, instead of including a provision in its Tariff allowing customers to designate transmission as not available in the day-ahead market, PacifiCorp's Tariff requires that transmission customers submit bilateral schedules in the day-ahead timeframe or release their rights for EDAM optimization, albeit with a limited right to submit intra-day schedule changes if they did not schedule in advance. Bonneville argues that this effectively means that even if a transmission customer intends to use its rights for another purpose on an ongoing basis, such as to reserve it for WRAP transfers or for use in another market, that purpose must be supported by a bilateral schedule or intra-day change.³²⁶

179. Bonneville asserts that, since WEIM's inception, Bonneville and other transmission providers began to facilitate transmission customer participation in organized markets by allowing transfers across donated transmission rights held under OATTs. Bonneville argues that, here, PacifiCorp presumes to use its transmission rights on the Bonneville system for EDAM transfers, while disallowing Bonneville to use its transmission rights on the PacifiCorp system for the purpose of its choosing. Bonneville claims such a proposal is patently discriminatory and unreasonable. Bonneville asks the Commission to direct PacifiCorp to revise its Tariff to include the CAISO tariff provision recognizing transmission rights unavailable for market use at the discretion of the transmission rights holder.³²⁷

180. Bonneville asserts that PacifiCorp must follow the Commission's guidance from the Markets+ Order to ensure that day-ahead market participation does not infringe upon a transmission customer's exercise of its transmission rights.³²⁸ Bonneville argues that in the Markets+ Order, the Commission explained that it expects draft OATT provisions for day-ahead market implementation to include provisions describing the priority or priorities market transfers will receive, how they will be tagged through the e-Tag system, and how the transmission provider will determine curtailment priorities given that market transfers will likely use a mixture of firm and non-firm transmission

³²⁶ Bonneville Protest at 7-10.

³²⁷ *Id.* at 10-11.

³²⁸ *Id.* at 11-12 (citing Markets+ Order, 190 FERC ¶ 61,030 at P 152).

capacity.³²⁹ Bonneville asserts that PacifiCorp should update its Tariff to describe a process for designating unavailable transmission on an ongoing basis.³³⁰

181. Further, Bonneville contends that PacifiCorp's proposal will impact WRAP's success. Bonneville argues that without high confidence in the reliable delivery of WRAP-committed supply to WRAP load using firm transmission service, WRAP's reliability and diversity benefits will not be realized. Bonneville asserts that PacifiCorp's proposal also unreasonably restricts WRAP transaction market scheduling priority. First, Bonneville argues that the proposal only recognizes long-term point-to-point wheel-through or export transactions and fails to acknowledge that WRAP energy deployments may be delivered using network transmission service. Second, Bonneville argues that qualifying transmission rights must be part of a WRAP forward showing under PacifiCorp's proposal, while WRAP deliveries can occur over any transmission rights. Third, Bonneville contends that WRAP participants would only be able to identify such transmission twice per calendar year. Fourth, according to Bonneville, it is unclear what "higher scheduling priority" refers to except for not creating a "special curtailment priority." Finally, Bonneville recommends that PacifiCorp revise its Tariff such that WRAP deployments for resource sufficiency purposes that are known in the day-ahead timeframe can also be designated as WRAP schedules to be afforded a higher market scheduling priority.³³¹

182. PPC argues that unless an intra-day schedule meets the narrow definition outlined by PacifiCorp, it will receive a priority equal to the day-ahead market awards and that, if the market cannot fully accommodate all schedules, both the intra-day self-schedule adjustment and day-ahead market awards will be reduced proportionally. PPC asserts that this raises equity concerns that EDAM transfers receive superior service to those that make long-term investments in firm service. PPC claims that, at a minimum, the criteria for which intra-day schedule changes should receive higher priority should be extended to all Commission-approved programs, including other day-ahead and real-time market offerings.³³²

183. SPP contends that PacifiCorp's proposed treatment of firm transmission rights could present seams issues that require resolution and clarification before implementation. Specifically, SPP argues that PacifiCorp's proposal creates uncertainty regarding the level of priority for transactions using firm transmission service into, out of,

³²⁹ *Id.* (citing Markets+ Order, 190 FERC ¶ 61,030 at P 121).

³³⁰ *Id.* at 11-14.

³³¹ *Id.* at 19-20.

³³² PPC Protest at 10-12.

or wheeling through PacifiCorp's system, unnecessarily complicating seams issues for entities neighboring PacifiCorp's BAAs. SPP asserts that PacifiCorp's proposed Tariff language does not appear to ensure that PacifiCorp 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.³³³

184. SPP argues that PacifiCorp's proposal lacks critical details on how market results will inform PacifiCorp's processing of transmission schedules, leading to confusion about whether firm transmission rights will be degraded when such rights are exercised in the intra-day timeframe. SPP contends that PacifiCorp's proposed Tariff simply asserts PacifiCorp's "authority under Section 33.18.2.2.3 of the [CAISO EDAM] Tariff to provide instructions to [CAISO] to assign certain intra-day schedule changes a higher scheduling priority than cleared Day-Ahead schedules,"³³⁴ but does not "clarify the process by which firm transmission rights scheduled after the 10:00 a.m. deadline will be accommodated under EDAM."³³⁵ SPP argues that it appears PacifiCorp's proposal fails to "always" grant firm transmission service priority over non-firm service, as is required by the *pro forma* OATT.³³⁶ SPP argues that PacifiCorp's proposed Tariff revisions do not appear to ensure that PacifiCorp will respect the priority rights of all firm transmission service holders who may schedule after the day-ahead market, including those scheduling across the PacifiCorp system to facilitate participation in another market or program outside of the PacifiCorp BAAs.³³⁷

185. SPP argues that PacifiCorp should clarify how all transfers associated with resource adequacy programs receive high priority. SPP asserts that PacifiCorp's proposed Tariff revisions do not appear to ensure that 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

³³³ SPP Comments at 10-11.

³³⁴ *Id.* at 11-13 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.6.1; 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 [intra-day] Self-Schedule submitted by the EDAM Entity Scheduling Coordinator equal priority to cleared Day-Ahead Schedules.")).

³³⁵ *Id.* (quoting EDAM Order, 185 FERC ¶ 61,210 at P 294; Order No. 890, 118 FERC ¶ 61,119 at P 811).

³³⁶ *Id.* (citing *pro forma* OATT § 13.7(a)).

³³⁷ *Id.*

transmission rights on PacifiCorp's transmission system once PacifiCorp joins EDAM. Specifically, SPP contends that PacifiCorp has proposed limited accommodation for intra-day self-schedules associated with transmission used to satisfy WRAP forward showing requirements, which does not apply to other uses of firm transmission to satisfy WRAP requirements and does not address other resource adequacy programs like SPP's Attachment AA.³³⁸

186. SPP argues that absent clarification by PacifiCorp to assign high priority to all firm transmission transactions supporting WRAP obligations, parties in the program will face uncertainty about deliveries, which could undermine the core purpose of WRAP and a key underpinning of any resource adequacy program—namely, to ensure resource adequacy through deliverability. SPP argues PacifiCorp should clarify other resource adequacy program participants' market scheduling priority consistent with their contracted-for firm transmission rights on the PacifiCorp transmission system.³³⁹

187. Salt River Project argues that PacifiCorp's proposed Tariff revisions will give EDAM use of unscheduled firm transmission for economic dispatches the same priority as intra-day schedules of firm service. Salt River Project asserts that as a customer with firm transmission rights, it should have the ability to schedule firm transmission intra-day and even into real-time so load service is not compromised so long as they have firm transmission to schedule on. Salt River Project asserts that PacifiCorp's proposal would have a significant impact on Salt River Project if it must share equal market scheduling priority with EDAM market awards economically dispatched on what has traditionally been lower priority, non-firm transmission service.³⁴⁰ WRAP Participating Entities also argue that PacifiCorp has the authority to instruct the market operator to assign intra-day schedules on firm transmission service a market scheduling priority higher than EDAM schedules. WRAP Participating Entities therefore assert that PacifiCorp provides no justification for this inconsistency with the *pro forma* OATT.³⁴¹

188. Tacoma argues the Commission should require PacifiCorp to enable firm transmission customers to maintain real-time market scheduling priority as allowed by CAISO's tariff. Tacoma argues that approving this aspect of PacifiCorp's proposal would be contrary to guidance the Commission provided when it conditionally approved

³³⁸ *Id.* at 15.

³³⁹ *Id.* at 16-17.

³⁴⁰ Salt River Project Protest at 10-12.

³⁴¹ WRAP Participating Entities Protest at 16-17.

SPP's tariff revisions to implement Markets+.³⁴² Tacoma argues that PacifiCorp's proposal would severely inhibit market development in the Western Interconnection and serve as a barrier to the Commission's goal of increasing the capacity for trade across organized market borders.³⁴³

189. WRAP Participating Entities also explain that WRAP's ability to protect reliability requires that its participants have confidence in the deliverability of supply and that, under PacifiCorp's proposal, WRAP participants may only have confidence in supply scheduled prior to 10:00 a.m. the day ahead. However, WRAP Participating Entities note that scheduling all supply prior to that deadline is unworkable for two reasons: (1) 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 (2) WRAP supply includes flexible generating resources, which are instrumental in protecting reliability and are relied upon to meet actual conditions of WRAP participants during each operating hour.³⁴⁴

190. WRAP Participating Entities contend that PacifiCorp's proposal contains significant gaps and does not meet WRAP participant or design needs.³⁴⁵ Specifically, WRAP Participating Entities assert it is unclear what section 4.1.3.6.1 of the proposed Tariff intends when it describes WRAP transactions as having a higher market scheduling priority without creating a special curtailment priority. WRAP Participating Entities state that to the extent that PacifiCorp intends to condition its acceptance, rejection, modification, or curtailment of schedules using PacifiCorp transmission service, it must clearly explain how it intends to do so in its Tariff.³⁴⁶

191. Additionally, WRAP Participating Entities 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. WRAP Participating Entities argue that PacifiCorp's proposal must unambiguously apply the high market

³⁴² Tacoma Protest at 1, 4-5 (citing Markets+ Order, 190 FERC ¶ 61,030 at P 98).

³⁴³ *Id.* at 6.

³⁴⁴ *Id.* at 18-19.

³⁴⁵ *Id.* at 19-20 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.6.1; Transmittal at 23, Wilding Test. Ex. at 19-20).

³⁴⁶ *Id.* at 20.

scheduling priority to delivery of full output of identified resources and not limit the priority to the qualified capacity contribution. Next, WRAP Participating Entities 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 were part of its forward showing and might require transmission service to a different location; PacifiCorp's proposal would therefore fail to apply a high market scheduling priority to all intra-day deliveries required under the WRAP operations program.³⁴⁷

192. Furthermore, WRAP Participating Entities express concern with PacifiCorp's proposal to communicate instructions related to market scheduling priorities to the market operator only "two times per calendar year." They explain that under the WRAP tariff, WRAP participants may use firm transmission service that is procured relatively close to the operating hour for the delivery of some of the output of their forward showing resources and are only required to identify firm transmission service at the time of the forward showing for 75% of their supply.³⁴⁸ Thus, WRAP Participating Entities argue that PacifiCorp's proposal would not assign a high market scheduling priority for deliveries using firm transmission service identified after the twice-a-year deadline.

193. WRAP Participating Entities also state that PacifiCorp's proposal extends high priority only to long-term point-to-point wheel-through or export transmission rights. Thus, WRAP Participating Entities argue that WRAP deliveries using shorter-term firm transmission service would not receive the high market scheduling priority.³⁴⁹ Finally, WRAP Participating Entities explain that PacifiCorp's WRAP-specific provision is in a part of the Tariff related to "Transmission Rights to an EDAM Internal Intertie," and EDAM Internal Intertie refers to a location on the boundary between the PacifiCorp BAAs and other EDAM BAAs. Therefore, WRAP Participating Entities contend that WRAP deliveries using firm transmission to a location on the boundary between PacifiCorp and a non-EDAM BAA would not receive high priority treatment.³⁵⁰ Altogether, WRAP Participating Entities maintain that the Commission should direct PacifiCorp to revise the proposed provision to ensure that all deliveries will receive the

³⁴⁷ *Id.* at 20-21.

³⁴⁸ *Id.* at 21 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.6.1).

³⁴⁹ *Id.* (noting that long-term firm is defined as service with a term of one year or longer).

³⁵⁰ *Id.* at 21-22 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.4).

scheduling and curtailment priority associated with their underlying firm transmission rights.³⁵¹

194. Joint Commenters assert that PacifiCorp's proposal respects the nature of firm service because a transmission customer that submits a balanced day-ahead self-schedule will be assigned a higher market clearing scheduling priority to allow these transactions to clear ahead of other self-schedules and economic bids.³⁵² Joint Commenters also support PacifiCorp's proposal to assign instructions to CAISO on a standing basis for long-term point-to-point wheel-through or export transactions from the PacifiCorp BAAs that are part of a forward showing by a WRAP participant. Joint Commenters assert that PacifiCorp will avoid undue preference for WRAP participants because PacifiCorp will seek the same market scheduling priority for intra-day schedule changes associated with any other Commission-approved resource adequacy program.³⁵³

d. Answers

195. First, WPP requests clarification that the integrity of firm transmission will be honored under the Tariff such that access to contracted-for firm transmission rights needed to support deliverability for WRAP is ensured. WPP notes that in approving the WRAP Tariff, the Commission concluded that non-discriminatory access to firm delivery was a key element and rejected challenges to the firm transmission requirement.³⁵⁴ Second, WPP notes PacifiCorp's statement that "[i]f the market reaches the point of infeasibility in constrained conditions . . . the EDAM Transmission Service Provider will handle any necessary curtailments in the same way it does today." WPP states it interprets this statement to mean that PacifiCorp will follow OATT priority regardless of CAISO EDAM market instructions. If so, WPP asserts, a more explicit statement would alleviate concerns about the integrity of the WRAP program design (should the market dispatch result in outcomes that would be at odds with firm transmission priority).³⁵⁵

196. Next, WPP notes that key details are missing or could be clarified in PacifiCorp's instruction to CAISO to give higher priority in real time to intra-day self-schedules associated with transmission relied on in a WRAP participant's forward showing.

³⁵¹ *Id.* at 22.

³⁵² Joint Commenters Comments at 7.

³⁵³ *Id.* at 11 (citing Transmittal at 22, 24).

³⁵⁴ WPP Answer at 7 (citing *Nw. Power Pool*, 182 FERC ¶ 61,063, at P 79 (2023)).

³⁵⁵ *Id.* at 8 (citing Transmittal at 21).

Specifically, WPP states that confining intra-day schedule priority instruction to rights used to meet the forward showing does not seem to align well with WRAP's requirement that forward showing resources be delivered on firm transmission. WPP explains that the forward showing transmission demonstration quantities are limited to the qualified capacity contribution of each resource, but participants are required to deliver the full output of the resource on firm transmission in the operational time horizon. According to WPP, this additional firm transmission may not necessarily be treated with the same intra-day market scheduling priority, causing a potential reliability delivery gap. Similarly, WPP notes that participants may procure additional or different firm transmission after the forward showing demonstration to meet the real-time WRAP obligations, which would need intra-day market scheduling priority to support delivery with firm transmission.³⁵⁶

197. Lastly, WPP requests clarification that reliability resource deliveries using firm transmission service on PacifiCorp's transmission system will be afforded scheduling and curtailment priority consistent with the underlying firm transmission rights required by WRAP, regardless of the market scheduling priority and direction from the market.³⁵⁷

198. PacifiCorp argues that a number of parties misstate what an OATT customer may do by virtue of having requested and received service over PacifiCorp's system.³⁵⁸ PacifiCorp disagrees that OATT customers are vested with broad property-like rights; rather, PacifiCorp argues, transmission customers are subject to the terms and conditions of their executed contracts, including the transmission provider's OATT.³⁵⁹ PacifiCorp asserts that with SPP now in agreement that "nothing in the Markets+ Tariff or SPP's filings in this proceeding purports to grant any ownership rights, or any other rights, to any transmission customers that do not currently exist," that should resolve the Markets+ discussion in this proceeding.³⁶⁰

199. PacifiCorp states that some commenters criticize PacifiCorp's proposal for acknowledging that the EDAM design affords intra-day self-schedules on firm transmission an equal priority with cleared day-ahead EDAM transfers and that others argue the same point by criticizing PacifiCorp's proposal to instruct CAISO to provide a

³⁵⁶ *Id.* at 9-10.

³⁵⁷ *Id.* at 10.

³⁵⁸ PacifiCorp March 12 Answer at 26 (quoting Bonneville Protest at 7; Puget Sound Energy Protest at 6; Tri-State Protest at 3-4).

³⁵⁹ *Id.* at 27 (citing Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,745).

³⁶⁰ *Id.* (citing SPP Answer at 5).

higher market scheduling priority for certain WRAP transactions, arguing that such instructions should apply to all firm rights.³⁶¹ PacifiCorp argues that these arguments are collateral attacks on the EDAM Order because the Commission expressly disagreed that firm transmission customers' intra-day schedule changes in EDAM would have lower priority than they would under the *pro forma* OATT or were otherwise being made less firm.³⁶² PacifiCorp explains that although the Commission acknowledged the ability for the EDAM Entity to instruct CAISO to apply a higher market scheduling priority (which PacifiCorp will apply to WRAP transactions), the Commission did not condition its approval on that basis and, moreover, the Commission expressly noted that the *pro forma* OATT already requires schedules for firm point-to-point transmission service to be accommodated after 10:00 a.m. if practicable.³⁶³ PacifiCorp asserts that the market design is the manner by which the accommodation of intra-day schedules is made practicable, which is consistent with or superior to the *pro forma* OATT.³⁶⁴ PacifiCorp explains that the Commission disagreed with the notion that EDAM transfers are essentially flowing on non-firm transmission and observed that the EDAM framework gives EDAM transfers a market scheduling priority higher than non-firm transmission service in order to ensure that day-ahead schedules are dispatched.³⁶⁵

200. PacifiCorp similarly disagrees with arguments that its proposal violates Order No. 764-A because, in that order, the Commission was concerned about ensuring that firm transmission service retains its "curtailment priority over a non-firm transmission schedule."³⁶⁶ PacifiCorp asserts that EDAM is not disturbing curtailment priorities. PacifiCorp further argues that what commenters request is an unworkable solution that is more than what the *pro forma* OATT calls for, and that if all intra-day firm schedule changes were afforded the highest market scheduling priority, it would undercut the market efficiencies and liquidity that EDAM brings by settling schedules on a day-ahead basis. PacifiCorp explains that such a design element would have been a central component of the EDAM framework and there would have been no need for

³⁶¹ *Id.* at 30 (citing Powerex Protest at 38-47; Bonneville Protest at 14-20; Public Power Protest at 10-12; Salt River Project Protest at 10-12).

³⁶² *Id.* (citing EDAM Order, 185 FERC ¶ 61,210 at PP 310-11).

³⁶³ *Id.* (citing EDAM Order, 185 FERC ¶ 61,210 at PP 294, 310).

³⁶⁴ *Id.* at 30-31 (citing EDAM Order, 185 FERC ¶ 61,210 at P 310).

³⁶⁵ *Id.* at 31 (citing EDAM Order, 185 FERC ¶ 61,210 at P 310).

³⁶⁶ *Id.* (quoting Order No. 764-A, 141 FERC ¶ 61,232 at P 23).

the EDAM Entity to provide instructions at all.³⁶⁷ PacifiCorp states that requiring the highest form of market scheduling priority for all intra-day schedule changes would read “if practicable” out of the *pro forma* OATT and would provide a level of firmness that not even the *pro forma* OATT contemplates. PacifiCorp asserts that absent extreme system conditions that require manual BAA operations, the market will solve for deliverability and reliability, which were the primary concerns of the *pro forma* OATT.³⁶⁸

201. PacifiCorp argues that its instant proposal appropriately facilitates WRAP and supports deliverability. PacifiCorp states that CAISO “expects it will be able to accommodate most, if not all, such self-schedules using firm and conditional firm rights after the Commission’s 10:00 a.m. deadline through redispatch and thus WRAP transactions should have a high degree of confidence of delivery.”³⁶⁹

202. In response to WPP’s request that PacifiCorp clarify that “PacifiCorp will always follow OATT priority, regardless of the CAISO’s EDAM market instructions,”³⁷⁰ PacifiCorp explains that it interprets the request to refer to curtailment priority and that market scheduling priorities afforded to OATT self-schedules and other bids should not be confused with OATT curtailment priorities, which remain unchanged under the EDAM model. In response to WPP’s argument that limiting the intra-day market scheduling priority to rights used to meet WRAP’s forward showing resources does not align well with WRAP’s requirement that participants deliver the full output of the resource on firm transmission during the operational time horizon,³⁷¹ PacifiCorp states that the ability of the transmission provider to designate certain schedules to receive the higher market scheduling priority was expressly included in CAISO’s tariff in the context of WRAP interoperability and approved by the Commission on that basis. PacifiCorp explains that because CAISO included the functionality for all transmission customers to make intra-day schedule changes after the close of the day-ahead market, there should be ample confidence that actual deliveries in the WRAP operations program will flow. According to PacifiCorp, its proposed Tariff aligns with WRAP because WRAP participants are only required to demonstrate they have enough firm transmission to meet their forward showing quantities. PacifiCorp argues that if a WRAP participant is

³⁶⁷ *Id.* at 31-32 (citing CAISO eTariff, § 33.18.2 Transmission at EDAM External Interties (0.0.0), § 33.18.2.2.3 (Permissible Intra-Day Schedule Changes)).

³⁶⁸ *Id.* at 32-33 (citing WRAP Participating Entities Protest at 18-22; WPP Answer at 6).

³⁶⁹ *Id.* at 33 (quoting CAISO EDAM Transmittal at 142).

³⁷⁰ *Id.* at 34-35 (quoting WPP Answer at 8).

³⁷¹ *Id.* at 35 (citing WPP Answer at 9).

required to deliver power to another member in excess of its forward requirement as part of the operations program, it can receive a higher market scheduling priority by self-scheduling before the day-ahead market run and can rely on intra-day schedule changes as afforded to all other transmission customers.³⁷²

203. PacifiCorp asserts that arguments that WRAP participants may not be able to schedule all their supply by the transmission scheduling deadline is a collateral attack on the WRAP design.³⁷³ PacifiCorp argues that the resource holdback obligations in the operations program are known at 7:00 a.m. on a day-ahead basis, with the sharing calculation rerun at T-105, results posted by T-90, and tagging adjustments (if needed) by T-60; therefore the holdback obligation can be self-scheduled before the day-ahead market even runs at 10:00 a.m. PacifiCorp explains that because WRAP does not require more real-time deployment than was scheduled day-ahead, WRAP resource sharing would only decrement, and never increase, during day-ahead and real-time operations. PacifiCorp asserts that a WRAP participant has three hours to notify EDAM that they will self-schedule their WRAP requirement and that the 10:00 a.m. deadline is the same scheduling deadline under the Tariff today. PacifiCorp states that its, and EDAM's, implementation of intra-day schedule changes mirrors the current rule under the Tariff that schedules submitted after 10:00 a.m. will only be accommodated if practicable.³⁷⁴

204. PacifiCorp explains that the WRAP Participating Entities next ask PacifiCorp to create a special curtailment priority on top of the market scheduling priority afforded to WRAP schedules.³⁷⁵ PacifiCorp states that under the EDAM design, actual curtailments are not made by the market but instead remain subject to the EDAM Transmission Service Provider's OATT under long-standing curtailment priorities. PacifiCorp argues that, as a WRAP member, it disagrees that there should be a new higher curtailment priority for schedules associated with WRAP operations program deliveries. PacifiCorp states that WRAP Participating Entities also ask for the higher market scheduling priority to apply to all WRAP deliveries under the operations program.³⁷⁶ In response, PacifiCorp argues that since a WRAP participant is only required to identify firm

³⁷² *Id.* at 35-36.

³⁷³ *Id.* at 37 (citing WRAP Participating Entities Protest at 17-18).

³⁷⁴ *Id.* at 37.

³⁷⁵ *Id.* at 38 (citing WRAP Participating Entities Protest at 20).

³⁷⁶ *Id.* (citing WRAP Participating Entities Protest at 21).

transmission service at the time of its forward showing for 75% of its supply, limiting the higher market scheduling priority to those schedules is appropriate.³⁷⁷

205. PacifiCorp argues that in implementing the higher market scheduling priority option, it settled on twice per year so that WRAP Participants could identify transmission service that would likely be utilized to meet summer and winter peaking demands. PacifiCorp explains that it believed that expanding the WRAP accommodation to short-term rights would further tie-up transmission capacity without any corresponding benefit and that arguments to permit all firm schedules (whether short-term or long-term) to use the highest market scheduling priority is not necessary to support WRAP.³⁷⁸

206. PacifiCorp states that some commenters observe that PacifiCorp's proposed WRAP accommodation could be read to apply only to transmission rights utilized on internal interties and not to a non-EDAM BAA. In response, PacifiCorp explains that it does not intend to limit this functionality to internal interties, and it should apply equally to "WRAP deliveries using firm transmission service to a location on the boundary between PacifiCorp and a BAA that is not participating in EDAM," as requested by WRAP Participating Entities.³⁷⁹ PacifiCorp asserts that if the Commission agrees, it would clarify this Tariff language in a compliance filing.³⁸⁰

207. CAISO states that Powerex contends that firm point-to-point transmission customers "invest" in transmission service, which provides them with a form of ownership in the underlying transmission facilities, including the right to choose to withdraw capacity from the terms and conditions of wholesale markets adopted by their transmission service providers.³⁸¹ In response, CAISO states that transmission customers are not the equivalent of participating transmission owners. CAISO explains that a long-term firm point-to-point reservation under the *pro forma* OATT is a service right to use transmission capacity and to schedule transactions in accordance with the then-prevailing terms of the OATT, not an ownership right. CAISO argues that allowing a customer broad authority to dictate the terms on which it uses its transmission service rights has no basis in the *pro forma* OATT and that doing so would deprive transmission service

³⁷⁷ *Id.*

³⁷⁸ *Id.* at 38-39.

³⁷⁹ *Id.* at 39-40 (citing WRAP Participating Entities Protest at 22).

³⁸⁰ *Id.* at 40.

³⁸¹ CAISO March 7 Answer at 34 (citing Powerex Protest at 6, 13-14, 46, 47, 51-53, 57; *id.*, attach. A Spires Test. at 17:1-27:7).

providers of the ability to manage the use of its system by customers to ensure the reliability of the grid and provide open access for the benefits of all customers.³⁸²

208. CAISO, Portland General, and BANC state that arguments that the proposed Tariff revisions fail to honor intra-day schedules and thus violate the *pro forma* OATT are meritless and improper attempts to re-litigate issues that the Commission has already resolved.³⁸³ BANC and CAISO explain that in the EDAM Order, the Commission rejected arguments that firm point-to-point transmission customers should have an ironclad right to schedule their firm OATT rights after the 10:00 a.m. scheduling deadline (i.e., engage in intra-day scheduling) without any risk or potential market consequences. BANC and CAISO state that this scheduling deadline follows the deadline established in section 13.8 of the *pro forma* OATT. CAISO avers that in the EDAM Order, the Commission “disagree[d] with commenters’ arguments that under the EDAM transmission framework, firm transmission customers’ intra-day schedule changes would have lower priority than they would under the *pro forma* OATT.”³⁸⁴ CAISO asserts that the Commission recognized that EDAM will attempt to accommodate intra-day schedules but if that is not practicable, the firm point-to-point transmission customer bears the risk and potential market consequences if such schedules cannot be accommodated.³⁸⁵

209. CAISO asserts that the proposed Tariff revisions reflect multiple provisions that the EDAM design includes, consistent with section 13.8 of the *pro forma* OATT, to accommodate intra-day schedule changes. CAISO explains that section 33.18.2.2.3 of its tariff affords discretion to EDAM Transmission Service Providers, consistent with their OATTs and their roles as transmission providers and balancing authorities, to inform CAISO of the priority to afford particular exercises of firm/conditional firm OATT rights in the real-time market across their own systems. CAISO states that PacifiCorp has chosen to exercise its authority under CAISO tariff section 33.18.2.2.3 to assign a higher market scheduling priority to intra-day schedule changes that are part of a WRAP participant’s forward showing. CAISO explains that absent EDAM Transmission Service Provider instructions supporting a different priority, CAISO will afford the intra-day schedule submissions a priority in the real-time market higher than other real-time self-schedules and equal to cleared day-ahead self-schedules, including transfer schedules

³⁸² *Id.* at 34-36.

³⁸³ *Id.* at 70 (citing Powerex Protest at 38-47; PPC Protest at 10-12; Salt River Project Protest at 10-12); BANC Answer at 5-6; Portland General Answer at 5-6.

³⁸⁴ CAISO March 7 Answer at 70 (quoting EDAM Order, 185 FERC ¶ 61,210 at P 310); BANC Answer at 5-6.

³⁸⁵ CAISO March 7 Answer at 70-71 (citing EDAM Order, 185 FERC ¶ 61,210 at P 310).

between BAAs serving load. CAISO thus avers that the real-time market will seek to accommodate these self-schedules and, if necessary, redispatch available supply across all BAAs to support the exercise of the customer's rights. CAISO explains that if there is insufficient redispatch capacity in the real-time market, the market will manage all schedules through the market clearing process until the solution becomes infeasible and the power balance constraint is relaxed, ultimately affording transfers between BAAs equal priority to demand within each BAA.³⁸⁶

210. CAISO asserts that the higher priority for intra-day self-schedules using balanced, firm OATT transmission rights where instructed by EDAM Transmission Service Providers, coupled with EDAM's redispatch process across a multi-BAA market footprint, goes beyond the actions transmission service providers are obligated to undertake today under the *pro forma* OATT or may undertake within their BAAs. According to CAISO, EDAM leverages the supply capabilities of multiple BAAs to accommodate schedule changes after the 10:00 a.m. deadline. CAISO asserts that the Commission has recognized that section 13.8 gives transmission service providers flexibility to "accommodate" transmission service schedules submitted after 10:00 a.m.³⁸⁷

211. CAISO states that in applying the priorities described above that may result from an infeasibility, the market will inform the balancing authority of the magnitude of the infeasibility and the affected schedules so the balancing authority may take appropriate action according to its balancing authority obligations and its tariff. CAISO argues that deference to the balancing authority to resolve infeasibilities in real-time based on information available through the real-time market is consistent with the practice today in the WEIM.³⁸⁸

212. CAISO argues that the Commission should reject arguments that PacifiCorp's proposal will impair the success of WRAP as speculative and unsupported by evidence.³⁸⁹ CAISO explains that PacifiCorp's ability to provide a higher market scheduling priority than cleared day-ahead schedules to WRAP transactions that are part

³⁸⁶ *Id.* at 71-72 (citing CAISO eTariff, § 33.7.5 EDAM Transfer Priority Relative to Demand (0.0.0)).

³⁸⁷ *Id.* at 72-73 (citing *Integration of Variable Energy Res.*, Order No. 764, 139 FERC ¶ 61,246, at P 136 (2012); *Allegheny Power Sys. Inc.*, 77 FERC at 62,100).

³⁸⁸ *Id.* at 74 (citing CAISO eTariff, § 29.4 Roles and Responsibilities (5.0.0), § 29.4(b); *id.* § 29.7 EIM Operations Under Normal Conditions (4.0.0), § 29.7(g); *id.* § 29.34 EIM Operations (26.0.0), § 29.34(o)).

³⁸⁹ *Id.* at 80 (citing Powerex Protest at 54-55; WRAP Participating Entities Protest at 8-24).

of a forward showing will help WRAP participants ensure these transactions will have a high confidence of physical delivery, even if scheduled after the close of the day-ahead market. Furthermore, CAISO avers, in the EDAM Order, the Commission found that the EDAM framework is compatible with WRAP.³⁹⁰

213. CAISO states that Powerex and some others suggest that the Tariff revisions could have an adverse impact on participation in SPP's recently accepted Markets+. ³⁹¹ CAISO states that such concerns are related to potential future seams issues and are most appropriately addressed as part of potential seams agreements to be negotiated between CAISO and SPP. CAISO asserts that the Commission has long recognized there is no single acceptable approach to wholesale market designs and that because there is a wide range of just and reasonable wholesale market designs, the Commission's policy is to address issues involving the intersection of market designs through seams agreements and other comparable agreements between market operators when specific seams issues emerge.³⁹² CAISO argues that because EDAM and Markets+ have not yet gone live, any concerns about seams issues are premature.³⁹³

214. Portland General argues that the EDAM design and PacifiCorp's EDAM implementation filing both complement WRAP operations program timing and reduce potential congestion exposure. Portland General defends PacifiCorp's proposed accommodation of WRAP transfers and argues that it is sufficient to assure firmness in a manner that is consistent with or superior to the *pro forma* OATT. According to Portland General, EDAM operations impose no greater restrictions on resource deliverability for WRAP and reliability purposes than exist today under the OATT.³⁹⁴

215. Bonneville states that if transmission is used in the bilateral market, in another organized market, or is self-scheduled, it is being used efficiently and consistently with contractual principles and customer transmission rights. Bonneville states that the

³⁹⁰ *Id.* at 80-81 (citing EDAM Order, 185 FERC ¶ 61,210 at P 313).

³⁹¹ *Id.* at 83 (citing Powerex Protest at 55-57; PPC at 12; Tacoma Protest at 8-9.).

³⁹² *Id.* at 83-84 (citing Order No. 681, 116 FERC ¶ 61,077 at PP 85, 100-101; *Cal. Indep. Sys. Operator Corp., Inc.*, 165 FERC ¶ 61,148, at P 76 (2018), *order on reh'g*, 169 FERC ¶ 61,045, at P 17 (2019); *Midcontinent Indep. Transmission Sys. Operator, Inc.*, 162 FERC ¶ 61,176, at P 57; *Sw. Power Pool, Inc.*, 158 FERC ¶ 61,063, at P 13; *Sw. Power Pool, Inc.*, 149 FERC ¶ 61,113, at P 73 (2014); *PJM Interconnection, LLC.*, 119 FERC ¶ 61,063, at P 39).

³⁹³ *Id.* at 84.

³⁹⁴ Portland General Answer at 34-35.

recognition of non-participating transmission promotes cooperation among BAAs, transmission service providers, and markets by allowing transmission customers to determine the appropriate use of their contractual rights. Bonneville states if it were to join a different market than PacifiCorp or abstain from market participation and adopt the approach PacifiCorp proposes, PacifiCorp would likely be unable to participate in EDAM, or, at the very least, its participation would be greatly impaired, because PacifiCorp would not be able to use its substantial transmission rights on the Bonneville system. Bonneville argues that the Commission should find PacifiCorp's proposed Tariff unjust and unreasonable because it exposes transmission customers to undue risk associated with congestion charges and promotes flawed public policy.³⁹⁵

216. According to Powerex, arguments that concerns about PacifiCorp's proposed treatment of intra-day scheduling are a collateral attack on the EDAM design are meritless and would impair customers' use of their transmission rights under service agreements that in some cases are tied to transmission upgrades and extend for decades. Powerex asserts that the Commission should reject PacifiCorp's suggestion that the "if practicable" qualification applied to firm service scheduled after 10:00 a.m. under section 13.8 of the *pro forma* OATT should be interpreted to authorize PacifiCorp to fail to provide high priority to intra-day firm schedules on the basis that "[t]he market design itself is the manner by which the accommodation of intra-day schedules are made practicable." Powerex states that CAISO's approved tariff enables PacifiCorp to instruct CAISO to assign a high priority to intraday schedules submitted on firm transmission and PacifiCorp does not explain why it is choosing not to do so.³⁹⁶

217. Powerex claims that PacifiCorp seeks to prevent its transmission customers from using their firm transmission rights in any regional day-ahead market other than the one PacifiCorp prefers. Powerex asserts that doing so is inappropriate, just as it would be inappropriate for a transmission provider to dictate which counterparties a transmission customer may transact with, or for which products, or on what terms. According to Powerex, PacifiCorp is attempting to "close down" what would otherwise be an open market choice and, if successful, other transmission providers across the West may take similar actions, severely limiting participation in all regional programs and markets.³⁹⁷

218. SPP states PacifiCorp has not clarified how its proposed intra-day scheduling practices will respect the rights of firm transmission customers and that PacifiCorp's answer makes clear that its proposal does not adhere to significant representations made

³⁹⁵ Bonneville May 21 Answer at 5-6.

³⁹⁶ Powerex March 28 Answer at 23-24.

³⁹⁷ *Id.* at 24-27.

about EDAM.³⁹⁸ SPP asserts the Commission declined to pre-judge EDAM participants' OATTs and, as such, there is no collateral attack on CAISO's EDAM framework.³⁹⁹ Moreover, SPP asserts, its concerns about the process by which PacifiCorp will accommodate intra-day schedules of firm transmission service under EDAM are appropriately raised in this proceeding because they were not decided in the CAISO EDAM proceeding.⁴⁰⁰ SPP contends that if these concerns are deemed outside the scope of this proceeding and the earlier EDAM proceeding, SPP and others will have no opportunity to challenge these aspects of PacifiCorp's Tariff.⁴⁰¹ SPP further states that PacifiCorp's answer asserting that it is not practicable to afford firm transmission customers who submit intra-day schedules a higher priority than EDAM day-ahead schedules is contrary to the *pro forma* OATT.⁴⁰²

219. SPP asserts that PacifiCorp's proposal is not consistent with the EDAM framework. According to SPP, PacifiCorp's proposal removes the balance between preserving firm transmission customers' OATT rights and ensuring that there is confidence that EDAM transfers will be delivered. SPP contends this balance was integral to the Commission's acceptance of the scheduling provisions in CAISO's tariff.⁴⁰³ Specifically, SPP contends that section 4.1.3.6.1 of Attachment T of PacifiCorp's proposed Tariff revisions provides no avenues for intra-day schedules using firm service (other than WRAP forward showing-related schedules) to receive priority over other EDAM transfers, including those using non-firm transmission service, which results in making firm transmission service not firm.⁴⁰⁴ In addition, SPP contends that PacifiCorp continues to omit key details regarding the process PacifiCorp will follow to honor the scheduling rights of all firm transmission customers beyond the day-ahead scheduling deadline. SPP further contends that EDAM is supposed to give greater

³⁹⁸ SPP Answer at 3.

³⁹⁹ *Id.* at 4-5 (citing EDAM Order, 185 FERC ¶ 61,210 at P 308).

⁴⁰⁰ *Id.* at 5-6 (citing EDAM Order, 185 FERC ¶ 61,210 at P 294).

⁴⁰¹ *Id.* at 6.

⁴⁰² *Id.* at 6-7 (citing PacifiCorp March 12 Answer at 3; *pro forma* OATT § 13.8).

⁴⁰³ *Id.* at 7 (citing EDAM Order, 185 FERC ¶ 61,210 at P 307).

⁴⁰⁴ *Id.* at 9 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.6.1).

flexibility for firm point-to-point transmission service, but that PacifiCorp's proposal removes that flexibility without explanation.⁴⁰⁵

220. SPP contends that PacifiCorp does not follow the EDAM Order or *pro forma* OATT with its claim that accommodating firm transmission service intra-day scheduling changes would be “unworkable” and “more than what the OATT calls for.”⁴⁰⁶ SPP contends that under the *pro forma* OATT, firm point-to-point transmission service schedules submitted after 10:00 a.m. will be accommodated if practicable and only non-firm transmission service faces reductions for economic reasons.⁴⁰⁷ SPP asserts that based on the *pro forma* OATT and existing market designs, intra-day schedules for firm transmission service should be deemed “practicable” and thus accommodated unless reliability reasons demand otherwise. As such, SPP argues, the Commission should direct PacifiCorp to ensure that, in the absence of reliability considerations, PacifiCorp will instruct EDAM to accommodate intra-day schedules for firm transmission service with a level of firmness superior to transactions using non-firm transmission service or transfers based on no transmission service at all.⁴⁰⁸

221. SPP states that PacifiCorp has yet “to clarify the process by which firm transmission rights scheduled after the 10:00 a.m. deadline will be accommodated under EDAM.”⁴⁰⁹ In addition, SPP alleges that PacifiCorp has not explained how its proposal will ensure that participants of all Commission-approved resource adequacy programs, including WRAP and SPP's RTO Expansion, will receive a sufficiently high market scheduling priority to satisfy their total resource adequacy obligations using firm transmission rights on PacifiCorp's transmission system. SPP contends that PacifiCorp has responded with non-answers, such as that WRAP participants “will have a high

⁴⁰⁵ *Id.* at 10-11 (citing CAISO March 7 Answer at 73).

⁴⁰⁶ *Id.* at 12 (citing PacifiCorp March 12 Answer at 32).

⁴⁰⁷ *Id.* at 11-12 (quoting EDAM Order, 185 FERC ¶ 61,210 at P 310; *pro forma* OATT § 1.8).

⁴⁰⁸ *Id.* at 15. SPP further states that section 13.7(a) of the *pro forma* OATT requires that firm transmission service is always granted priority over non-firm service. SPP argues that the Commission held in Order No. 764 that it expects that, under section 13.8 of the *pro forma* OATT, “[a]ll 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.” *Id.* at 12-14 (quoting Order No. 764, 139 FERC ¶ 61,246 at P 136).

⁴⁰⁹ *Id.* at 16 (citing SPP Comments at 11; EDAM Order, 185 FERC ¶ 61,210 at P 294).

confidence of physical delivery, even if scheduled after the close of the day-ahead market,” and observations that PacifiCorp is a founding member of WRAP and has participated in WRAP-EDAM interoperability discussions.⁴¹⁰ Furthermore, SPP contends, PacifiCorp’s answer only addresses transmission identified in a WRAP participant’s forward showing,⁴¹¹ while the Commission found in the EDAM Order that the EDAM framework “preserve[d] the rights of firm transmission customers under an EDAM Entity’s OATT and should therefore be compatible with WRAP participation.”⁴¹²

222. SPP argues that prioritization of firm transmission rights is an appropriate and necessary feature of organized markets and congestion management. SPP contends that when market transactions using unused capacity are not identified as lower priority, then those transactions are effectively promoted to equivalent to firm, which can degrade the service of those parties who contracted for firm transmission service. SPP argues that CAISO witness Dr. Harvey’s suggestion that transmission customers wanting PacifiCorp to honor their firm transmission rights should schedule the full amount of firm rights in the day-ahead market and decrement-down in real-time does not consider that doing so can cause participation conflicts and inefficient outcomes.⁴¹³

223. SPP states it remains concerned that PacifiCorp’s proposed Tariff changes will put further regional coordination in the Western Interconnection at risk because the changes impact firm delivery priority, which can exacerbate seams and reliability issues with anticipated neighboring regional markets and initiatives. SPP further asserts that PacifiCorp’s proposed Tariff revisions threaten the integrity of regional resource adequacy programs. SPP reiterates its concern about the precedent being set in this proceeding for future EDAM Entities’ OATT filings.⁴¹⁴

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

224. In the Deficiency Letter, Commission staff requested further details about specific transmission and intra-day scheduling mechanisms in PacifiCorp’s proposal. Specifically, staff inquired what NERC transmission service reservation priority would

⁴¹⁰ *Id.* at 16-17 (citing SPP Comments at 15; PacifiCorp March 12 Answer at 34).

⁴¹¹ *Id.* at 17 (citing PacifiCorp March 12 Answer at 33-34; EDAM Order, 185 FERC ¶ 61,210 at P 313).

⁴¹² *Id.* (citing EDAM Order, 185 FERC ¶ 61,210 at P 313).

⁴¹³ *Id.* at 19-20.

⁴¹⁴ *Id.* at 23-24.

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.⁴¹⁵

225. PacifiCorp argues that NERC transmission service reservation priority, also referred to as NERC curtailment priority, is solely tied to transmission service products offered under the PacifiCorp Tariff. PacifiCorp explains that a NERC curtailment priority is distinct from the market scheduling priority that is applied by CAISO and is determined under the CAISO tariff unless otherwise directed by the PacifiCorp EDAM Entity for firm transmission related to WRAP forward showing obligations. PacifiCorp asserts that EDAM will not take NERC curtailment priorities into account when performing its core function of security-constrained economic dispatch. PacifiCorp states that the NERC curtailment priorities reflected on transmission tags will come into play under EDAM when, and if, the market reaches a point of infeasibility and turns to the EDAM Transmission Service Provider to enact any actual curtailments. In such a situation, PacifiCorp claims it will apply the well-established NERC curtailment priorities. PacifiCorp also notes that it plans to require that EDAM day-ahead schedules be tagged at 6NN or 5NM (for network and point-to-point, respectively). PacifiCorp 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.⁴¹⁶

226. PacifiCorp 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.⁴¹⁷

227. PacifiCorp states its proposed Tariff revisions do not change the way PacifiCorp processes intra-day schedule changes. PacifiCorp 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. PacifiCorp states that it can accept intra-day schedules and schedule changes until T-20 before the operating hour, absent reliability concerns with doing so. PacifiCorp explains that EDAM will also accept intra-day self-schedules by firm customers, even after the close of the day-ahead market. PacifiCorp asserts that the market will accommodate such changes “if practicable,” which in EDAM means that the market will afford such self-schedules a

⁴¹⁵ Deficiency Letter at 2-3.

⁴¹⁶ PacifiCorp Deficiency Letter Response at 3-5.

⁴¹⁷ *Id.* at 5.

market scheduling priority that is equal to other real-time self-schedules and equal to day-ahead self-schedules. PacifiCorp 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 resolving the infeasibility through its OATT procedures.” PacifiCorp argues that this market design is consistent with or superior to the *pro forma* OATT.⁴¹⁸

228. CAISO explains that the Commission did not condition its approval of EDAM on whether an EDAM Entity scheduling coordinator would instruct CAISO to apply a higher market scheduling priority for firm transmission customers.⁴¹⁹ Additionally, CAISO states that it is prepared to address any identified seams issues with Markets+ at the appropriate time with input from EDAM Entities and other stakeholders.⁴²⁰

229. SPP states that PacifiCorp’s responses regarding intra-day schedule changes appear to be a step in the right direction. However, SPP states, for the Commission to accept the proposed Tariff revisions, PacifiCorp must modify them to reflect its representation that, if and when it 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 in the curtailment process.⁴²¹ SPP reiterates that PacifiCorp’s proposal does not ensure that participants in resource adequacy programs will receive a sufficiently high market scheduling priority to satisfy their total resource adequacy obligations using firm transmission rights on PacifiCorp’s transmission system.⁴²²

230. Powerex argues that instead of honoring the priority of the underlying PacifiCorp transmission service, EDAM will apply a market scheduling priority as determined by CAISO’s tariff. Powerex asserts that PacifiCorp must ensure that the market scheduling priorities CAISO applies to self-schedules accurately reflect and enforce the NERC priority of the transmission service that PacifiCorp sells under its Tariff. Powerex argues that under PacifiCorp’s proposal, intra-day schedules will receive priority over market-generated day-ahead schedules only if there is an infeasibility that the market cannot

⁴¹⁸ *Id.* at 5-6 (citing 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).

⁴¹⁹ *Id.* at 26-27.

⁴²⁰ *Id.* at 37-39.

⁴²¹ SPP Comments on the Deficiency Letter Response at 2-4.

⁴²² *Id.* at 5-6.

resolve, such that under PacifiCorp's proposal, NERC transmission service priority will only be relevant when a CAISO market solution is infeasible.⁴²³

231. Powerex argues that PacifiCorp's proposal will change the way it processes intra-day schedules because intra-day self-schedules using firm transmission service will have the same priority as day-ahead EDAM schedules, including those using customers' unscheduled firm capacity (i.e., non-firm service). Powerex further asserts that PacifiCorp's proposal will significantly change the way the "if practicable" language is applied because it will greatly expand the range of conditions under which PacifiCorp asserts it will not be "practicable" to accommodate an intra-day self-schedule to include conditions requiring reductions in EDAM schedules that are not on firm transmission service where there either are no reliability implications or where any reliability challenges are in areas outside of PacifiCorp's service territory.⁴²⁴ Furthermore, Powerex states, PacifiCorp's proposal fails to recognize that the practicability standard applies only to the accommodation of initial schedules that are submitted after 10:00 a.m. Powerex contends that PacifiCorp's proposal to treat both initial schedules and scheduling changes as if they were the same and therefore apply the same practicability standard to both is inferior to the *pro forma* OATT, under which scheduling changes are subject only to a deadline of 20 minutes prior to the start of the next interval.⁴²⁵

232. Powerex argues that PacifiCorp's proposed Tariff omits key terms and conditions of transmission service, including: (1) how PacifiCorp will determine whether accommodating a schedule submitted after 10:00 a.m. of the day-ahead is "practicable;" (2) whether the schedules accepted by PacifiCorp will be limited by or based on the market awards determined in EDAM or in CAISO's real-time market; (3) how NERC transmission service priority will only apply when CAISO's real-time market fails to reach a "feasible" solution; (4) the conditions under which it will curtail transmission schedules, including, but not limited to, defining what constitutes an "infeasibility" of the CAISO real-time market; and (5) the requirement for EDAM schedules using unscheduled firm transmission capacity to be tagged at 6NN or 5NM. Additionally, Powerex argues that there are multiple categories of self-schedules with a market scheduling priority higher than day-ahead schedules, but PacifiCorp fails to specify where within that hierarchy it will place intra-day schedules afforded "higher" priority.⁴²⁶

⁴²³ Powerex Protest to the Deficiency Letter Response at 4-7.

⁴²⁴ *Id.* at 8-9.

⁴²⁵ *Id.* at 9-10 (citing *Am. Elec. Power Serv. Corp.*, 78 FERC ¶ 61,070, at P 7 (1997)).

⁴²⁶ *Id.* at 11-12.

233. PacifiCorp states that Powerex and SPP should have sought rehearing of the EDAM Order if they were concerned about giving intra-day schedule changes an equal market scheduling priority to cleared day-ahead schedules. In response to Powerex's argument that submitting a schedule as late as T-20 before real-time is an "initial schedule" and not a changed schedule subject to the "if practicable" standard under section 13.8 of the *pro forma* OATT, PacifiCorp notes that under the CAISO tariff's WEIM provisions schedules must be submitted by T-57 in order to be part of the WEIM Base Schedule.⁴²⁷ PacifiCorp explains that tags can be submitted after that point, until T-20, but they are exposed to imbalance charges in the WEIM and therefore there is no cost-free option under PacifiCorp's existing Tariff to schedule transmission up to T-20. PacifiCorp asserts that under Powerex's approach, an OATT customer with firm point-to-point rights over a path could schedule nothing in the day-ahead timeframe and then 20 minutes before real-time schedule all of its rights, entirely displacing the day-ahead EDAM transfers and forcing redispatch in real-time. According to PacifiCorp, such an outcome would have a detrimental impact on the integrity of the day-ahead market and create possibilities for gaming and arbitrage.⁴²⁸

234. PacifiCorp asserts that EDAM should not take into account NERC curtailment priorities in its optimization because the market does not curtail service and curtailment decisions are made by EDAM Transmission Service Providers under the OATT. PacifiCorp explains that the impact of giving intra-day OATT schedule changes the same market clearing priority as cleared EDAM transfers is economic, as the market scheduling priorities establish which redispatch options are considered. PacifiCorp asserts that under all feasible redispatch solutions the market may reach, the scheduled load will be served, although perhaps subject to the economic consequences of redispatch. PacifiCorp states that if no feasible solution can be reached in stressed conditions, such that service needs to be curtailed, the EDAM Transmission Provider steps in, and the traditional curtailment priorities will apply.⁴²⁹

235. PacifiCorp asserts that it addressed SPP's concerns regarding its RTO West resource adequacy program in PacifiCorp's Tariff by providing that "PacifiCorp would grant similar treatment and use a similar process upon a Transmission Customer's satisfactory demonstration that certain long-term firm reservations over the PacifiCorp

⁴²⁷ PacifiCorp May 23 Answer at 13 (citing PacifiCorp Energy Imbalance Market Business Practice, § 8.2 (October 20, 2022)).

⁴²⁸ *Id.* at 13-14.

⁴²⁹ *Id.* at 14-15.

system are part of its compliance with another Commission-approved regional resource adequacy program.”⁴³⁰

236. PacifiCorp explains that the issues with reliability, comparability, and undue impacts on network load, among others, that are raised by would-be Markets+ participants are both premature and beyond the scope of this proceeding. PacifiCorp states that it commits to working with all of its neighbors to address seams issues as they may arise if and to the extent both day-ahead market designs continue to mature.⁴³¹

237. Bonneville reiterates that PacifiCorp does not have the contractual right to restrict transmission customers from designating transmission available for use in another manner consistent with a customer’s contractual rights. Bonneville asserts that to the extent that PacifiCorp would argue that a hold back is necessary to maintain reliability, it should outline criteria for such determinations.⁴³² Bonneville further argues that PacifiCorp’s Tariff must recognize the higher priority of firm intra-day schedules over other real-time self-schedules to be just and reasonable. According to Bonneville, PacifiCorp’s Tariff must also explicitly recognize that when PacifiCorp is called on to resolve an infeasibility, schedules associated with firm transmission rights will retain priority over market-generated day-ahead schedules and other intra-day schedules in the curtailment process. Finally, Bonneville argues that PacifiCorp must provide more information on the requirements for other resource adequacy program-related transmission to receive higher market scheduling priority.⁴³³

238. Powerex argues that CAISO opted to allow EDAM transfers to use firm transmission rights that were not voluntarily made available to the market but that had not been scheduled (as of 10:00 a.m. day-ahead) by the firm rights-holder, and that it now seeks to obtain additional “confidence” for EDAM transfers that rely on non-firm transmission by restricting the ability of customers to use the firm transmission rights they reserved and pay for. Powerex states that its position on the topic of firmness has been solely about upholding the delivery priority of firm OATT rights, arguing that this priority must be recognized up to T-20. Powerex asserts that firm schedules can and do displace WEIM transfers that rely on lower-priority transmission service, including unscheduled firm rights. Powerex states that since EDAM will not take NERC curtailment priorities into account in its security-constrained economic dispatch, CAISO

⁴³⁰ *Id.* at 15 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.6.1).

⁴³¹ *Id.* at 24-25.

⁴³² Bonneville June 9 Answer at 4-7.

⁴³³ *Id.* at 9-11.

can ignore OATT transmission service priority whenever necessary to achieve a feasible solution within its market, to the detriment of firm OATT rights holders.⁴³⁴

f. Commission Determination

239. We find that PacifiCorp'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 PacifiCorp's proposal regarding the intra-day scheduling rights of firm point-to-point and network transmission customers are consistent with or superior to the *pro forma* OATT. We also find that the proposed Tariff revisions will allow firm transmission customers to meet their obligations under WRAP and other Commission-approved resource adequacy programs.

240. We find that PacifiCorp'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. Long-term firm transmission service rights holders that schedule their transmission rights before the 10:00 a.m. scheduling deadline will have their flows accommodated, consistent with the *pro forma* OATT and unchanged from the existing PacifiCorp Tariff.⁴³⁵ Following the 10:00 a.m. scheduling deadline, unscheduled firm transmission may be used to facilitate EDAM operations on a non-firm basis.⁴³⁶ A transmission provider's ability to offer the use of unscheduled firm transmission capacity on a non-firm basis is a core feature of the *pro forma* OATT and exists under the current PacifiCorp Tariff.⁴³⁷ This framework remains unchanged in PacifiCorp's proposal and

⁴³⁴ Powerex June 11 Answer at 6-12.

⁴³⁵ While the EDAM scheduling engine effectuates the scheduling of flows from long-term firm transmission rights holders by assigning them a higher *market* clearing scheduling priority, this *market* clearing scheduling priority does not affect the rights of firm rights holders to flow energy on the contracted path consistent with the terms of the *pro forma* OATT.

⁴³⁶ PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.7.

⁴³⁷ See *pro forma* OATT § 14.2 ("Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service."); PacifiCorp Tariff, pt. II.14 Nature of Non-Firm Point-to-Point Transmission Service (0.0.0), § 14.2.

firm transmission service rights holders maintain their rights under the *pro forma* OATT to submit intra-day schedule changes.⁴³⁸

241. 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.⁴³⁹ On the contrary, we find that PacifiCorp's proposed Tariff will ensure that firm transmission customers' intra-day schedule changes will be accommodated in a manner consistent with the Commission's *pro forma* OATT.⁴⁴⁰ 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 PacifiCorp, and according to CAISO's tariff, intra-day schedule changes will be accommodated via market redispatch;⁴⁴¹ 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.⁴⁴² Therefore, we find that PacifiCorp's firm

⁴³⁸ See *pro forma* OATT § 13.8 ("Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. . . . of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable.... Scheduling changes will be permitted up to twenty (20) minutes... before the start of the next scheduling interval.").

⁴³⁹ See, e.g., Powerex Protest at 39-40; Bonneville Protest at 14-15; SPP Comments at 10.

⁴⁴⁰ See *pro forma* OATT § 13.8.

⁴⁴¹ 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").

⁴⁴² PacifiCorp Deficiency Letter Response at 5-6; 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

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.

242. 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.⁴⁴³ As described by PacifiCorp, 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.⁴⁴⁴ Under PacifiCorp'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.⁴⁴⁵ The Commission's *pro forma* OATT does not address the market scheduling priority of different types of transmission service and

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").

⁴⁴³ 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 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.

⁴⁴⁴ PacifiCorp May 23 Answer at 15.

⁴⁴⁵ *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)).

instead only provides for curtailment and reservation priorities, which are not being modified by PacifiCorp's proposal.

243. We disagree with protesters' assertions that PacifiCorp's proposal is inconsistent with the definition of "if practicable" as provided for in section 13.8 of the *pro forma* OATT.⁴⁴⁶ 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.⁴⁴⁷ 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 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."⁴⁴⁸ Therefore, we agree with PacifiCorp 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. 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,⁴⁴⁹ we would still find that PacifiCorp's proposed Tariff revisions would be consistent with or superior to the *pro forma* OATT. As previously noted, under PacifiCorp'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 PacifiCorp, will manually dispatch their BAA according to

⁴⁴⁶ See, e.g., SPP Comments at 13-14.

⁴⁴⁷ 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.

⁴⁴⁸ *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 (2012), *order on clarification & reh'g*, Order No. 764-B, 144 FERC ¶ 61,222 (2013).

⁴⁴⁹ SPP Answer at 15.

their OATT curtailment priorities.⁴⁵⁰ Similarly, we find that Powerex's arguments regarding "initial schedules" and schedule changes are misplaced.⁴⁵¹ PacifiCorp will allow schedule changes up until T-20, which will be accommodated barring conditions that require curtailment of firm transmission schedules.

244. We disagree with various commenters' arguments that PacifiCorp'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.⁴⁵² 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 PacifiCorp 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, PacifiCorp'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 PacifiCorp's proposal to provide CAISO with the intra-day schedules associated with WRAP participant's firm transmission service twice per year just and reasonable.

245. We find that PacifiCorp's proposed Tariff is sufficiently clear that it will accommodate firm transmission use associated with other Commission-approved resource adequacy programs. SPP questions how PacifiCorp will accommodate firm transmission use with regard to other resource adequacy programs (e.g., SPP's RTO

⁴⁵⁰ See *supra* P 241.

⁴⁵¹ Powerex Protest to the Deficiency Letter Response at 9-10.

⁴⁵² See, e.g., WPP Answer at 9-10. As part of the WRAP forward showing demonstrations, 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 (WRAP Tariff).

West). As SPP notes, PacifiCorp proposes to afford other resource adequacy programs similar treatment to WRAP if a transmission customer makes a “satisfactory demonstration” that its long-term firm reservations are being used for resource adequacy but does not further explain what constitutes a “satisfactory determination.”⁴⁵³ We disagree with SPP that the proposed Tariff needs additional details on what constitutes a “satisfactory determination.” We find that the phrase memorializes PacifiCorp’s commitment to afford firm transmission use for resource adequacy programs other than WRAP similar treatment to firm transmission use for WRAP, while preserving appropriate flexibility given the fact that operational details related to BAA interactions are still being developed.

246. 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.”⁴⁵⁴ 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.”⁴⁵⁵ As such, the Commission did not prejudge whether EDAM transmission providers had to offer a higher intra-day market scheduling priority to all firm point-to-point transmission customers.⁴⁵⁶

247. We disagree with protesters that argue that PacifiCorp’s proposed Tariff revisions are unclear on the market scheduling priority that will be given for firm point-to-point transmission customers’ intra-day schedule changes. In particular, we note that

⁴⁵³ SPP Comments at 15; SPP Comments on the Deficiency Letter Response at 6 (quoting PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.6.1).

⁴⁵⁴ EDAM Order, 185 FERC ¶ 61,210 at P 311.

⁴⁵⁵ *Id.*

⁴⁵⁶ Our determination that PacifiCorp’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 PacifiCorp’s Tariff provisions are consistent with or superior to the *pro forma* OATT, even though PacifiCorp will only notify CAISO that higher market scheduling priority should be given to specific transactions related to resource adequacy programs.

PacifiCorp'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.⁴⁵⁷ We find that PacifiCorp's proposed Tariff and CAISO's tariff together provide sufficient information on market scheduling priority. Additional details in PacifiCorp'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 PacifiCorp's Tariff as well, unnecessarily complicating tariff administration.⁴⁵⁸

248. Bonneville and Tacoma argue that the Commission should reject PacifiCorp's proposed Tariff revisions because they do not contain the information the Commission required in the Markets+ tariff.⁴⁵⁹ We find that this line of argument overlooks the differences between CAISO's and SPP's respective tariffs. Specifically, CAISO's tariff contains provisions regarding how transmission use will be e-Tagged and the market scheduling priority that market transfers are expected to receive.⁴⁶⁰ PacifiCorp therefore does not need to include this information in its Tariff because it would be redundant with CAISO's approved process. Further, we agree with PacifiCorp'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.

249. With regard to some commenters' arguments that Attachment T, section 4.1.3.6.1 could be read to apply only to transmission rights used on internal interties and not on

⁴⁵⁷ 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.").

⁴⁵⁸ See PacifiCorp WEIM Order, 147 FERC ¶ 61,227 at PP 101, 103 ("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.").

⁴⁵⁹ Bonneville Protest at 11-12; Tacoma Protest at 4-5; *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+ TSP will determine curtailment priorities given that Markets+ transfers will likely be utilizing a mixture of firm and non-firm transmission capability.").

⁴⁶⁰ See, e.g., 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.

interties to a non-EDAM BAA, we note PacifiCorp's explanation that it does not intend to limit this functionality to internal interties. As PacifiCorp explains, the functionality should apply equally to "WRAP deliveries using firm transmission service to a location on the boundary between PacifiCorp and a BAA that is not participating in EDAM," as requested by WRAP Participating Entities.⁴⁶¹ Noting PacifiCorp's assertion that it would clarify this Tariff language in a compliance filing, we direct PacifiCorp to make this clarification to Attachment T, section 4.1.3.6.1 in the compliance filing ordered below within 30 days of the date of this order.⁴⁶²

250. We recognize that some commenters would like to contribute their firm point-to-point transmission rights on the PacifiCorp 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.⁴⁶³ We find that PacifiCorp'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 PacifiCorp's Tariff. Under PacifiCorp's proposed Tariff, any such transmission contribution to Markets+ would be subject to the same congestion charges, redispatch costs, and limitations applicable to every PacifiCorp firm point-to-point transmission customer.⁴⁶⁴ We find that there is no obligation under the Commission's regulations, or the *pro forma* OATT, for PacifiCorp to accommodate transmission contributions to Markets+.

251. Several commenters raise concerns about how PacifiCorp's proposal may limit the interoperability of EDAM and Markets+.⁴⁶⁵ We note that WPTF and NIPCC encourage PacifiCorp and CAISO to continue to refine the EDAM design and work to minimize

⁴⁶¹ PacifiCorp Answer at 39-40 (citing WRAP Participating Entities Protest at 22).

⁴⁶² *Id.* at 40.

⁴⁶³ See Markets+ Order, 190 FERC ¶ 61,030, at P 153, *order on reh'g & clarification*, 191 FERC ¶ 61,177, at P 18 ("[The Commission] made clear in Paragraphs 153 and 155 of the [Markets+] Order that the Markets+ Tariff does not alter the rights and obligations of transmission customers under the applicable OATTs or other governing documents, and that it does not force changes to how non-participating transmission service providers operate their systems.").

⁴⁶⁴ We likewise note that Bonneville can continue to use its firm transmission rights for the purpose of its choosing, subject to the terms of PacifiCorp's Tariff. Bonneville Protest at 10-11.

⁴⁶⁵ City of Tacoma Protest at 6; SPP Comments at 10-11.

seams issues.⁴⁶⁶ We also note PacifiCorp's commitment to working with its neighbors to address seams issues as they may arise and as both day-ahead market designs continue to mature.⁴⁶⁷ 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 PacifiCorp's filing due to a lack of seams agreements.

252. We are not persuaded by Bonneville's arguments that their contractual rights for firm transmission service on PacifiCorp'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.⁴⁶⁸ 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 ability to self-schedule their use of the transmission system, which will largely protect them from congestion charges. Similarly, PacifiCorp will continue to allow firm transmission customers to make intra-day schedule changes, consistent with or superior to the *pro forma* OATT.

253. We disagree with Powerex's arguments regarding the effects that accepting PacifiCorp'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 PacifiCorp's annual transmission revenue requirement due to a loss of firm point-to-point transmission customers. We find that these arguments are speculative.⁴⁶⁹

4. Resource Sufficiency Evaluation

a. Background

254. PacifiCorp states that the EDAM design includes an evaluation of the resource sufficiency of each BAA in the EDAM area to determine if the balancing authority's

⁴⁶⁶ WPTF and NIPPC Protest at 4.

⁴⁶⁷ PacifiCorp May 23 Answer at 24-25.

⁴⁶⁸ *E.g.*, EDAM Order, 185 FERC ¶ 61,210 at P 307; *Nv. Power Co.*, 151 FERC ¶ 61,131, at P 85 (2015).

⁴⁶⁹ Powerex Protest at 47-51, 57-58.

resources are sufficient to meet its projected needs in the day-ahead market, noting that the basic purpose of the EDAM RSE is to ensure that “each balancing authority can meet its own obligations before it engages in transfers with other balancing authorities in the EDAM area through the day-ahead market.”⁴⁷⁰ Because the EDAM RSE is conducted on a BAA-level, PacifiCorp explains the EDAM RSE does not attribute an RSE failure to a particular market participant or LSE; rather, the EDAM RSE measures whether the BAA is resource-sufficient and either penalizes or credits the BAA as a whole. PacifiCorp notes that if it allocated BAA-wide penalties within its BAA, some LSEs could end up paying penalties resulting from other LSEs’ failures. Thus, PacifiCorp states, there was strong stakeholder support for an intra-BAA RSE design that allocated penalties more specifically.⁴⁷¹

b. PacifiCorp Filing

255. According to PacifiCorp, the EDAM RSE will assess each BAA’s demand obligations and supply options before the first day-ahead market run to ensure there is enough supply to meet forecasted demand, imbalance reserve requirements, and ancillary service obligations. PacifiCorp notes that CAISO will provide the results to each balancing authority as guidance to help establish resource sufficiency before the final evaluation around 10:00 a.m., just before the day-ahead market run. PacifiCorp states that the EDAM RSE will penalize BAAs that fail one of the RSE components and will allocate revenue collected under those surcharges to BAAs that passed the test for that period.⁴⁷²

256. To implement its intra-BAA RSE design, PacifiCorp proposes a multi-step process to sub-allocate RSE responsibilities prior to the day-ahead market so that failures can be accurately tracked.⁴⁷³ The first step, PacifiCorp states, is to take the CAISO-provided BAA-wide forecast and allocate it to each LSE across all three RSE components (energy/load, imbalance reserves, and ancillary services). To account for LSEs that own or contract with resources that are not technically capable of providing imbalance reserves, PacifiCorp proposes to make energy and imbalance reserve bids interchangeable for RSE purposes. Ancillary services, PacifiCorp states, will be treated differently than energy and imbalance reserves: PacifiCorp proposes to maintain the primary responsibility for providing ancillary services to the day-ahead RSE. PacifiCorp

⁴⁷⁰ Transmittal at 12.

⁴⁷¹ *Id.* at 23-24.

⁴⁷² *Id.* at 12.

⁴⁷³ PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.3.1.

further states that Tariff customers will contribute to the ancillary services element by satisfying their obligations to pay for or self-supply ancillary services under the existing Tariff.⁴⁷⁴

257. PacifiCorp explains it received extensive feedback from LSEs in the PacifiCorp BAAs that any potential RSE failure penalties should follow cost causation principles, discourage leaning within the BAA, and provide assurances that LSEs are not being unduly impacted by others in the BAA.⁴⁷⁵ Therefore, PacifiCorp explains, it proposes to “internalize” the EDAM RSE test by proposing to rely on a financially binding snapshot at 9:15 a.m. to assess any failure penalties (regardless of the outcome of the CAISO RSE run at 10:00 a.m.).⁴⁷⁶ According to PacifiCorp, the 9:15 a.m. financially-binding intra-BAA RSE will permit the PacifiCorp EDAM Entity to measure each LSE’s compliance with its RSE requirements to know at that time whether the BAA is forecasting an RSE failure (which would result in a BAA-wide financial penalty from CAISO). PacifiCorp states this test will permit the balancing authority function to commit additional resources, if possible, by 10:00 a.m. and gives LSEs the benefit of various early morning “advisory” runs of RSE requirements so that they know whether they are bidding enough resources.⁴⁷⁷

258. PacifiCorp states it will use any RSE penalty revenues collected under the proposed Tariff to first satisfy CAISO RSE penalties assessed to the BAA (if any) and then distribute the remainder to LSEs that passed the intra-BAA RSE in the applicable period. Finally, PacifiCorp notes it will not sub-allocate any EDAM RSE charges assessed to the PacifiCorp EDAM Entity on behalf of the BAA because PacifiCorp will collect Tariff-based RSE charges.⁴⁷⁸

259. More specifically, for the energy component of the RSE, PacifiCorp proposes to apportion the CAISO-provided load forecast for the BAA based on each LSE’s load ratio contribution value, which PacifiCorp states would be based on LSEs’ historical

⁴⁷⁴ Transmittal at 24; PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.3.1.1.

⁴⁷⁵ Wilding Test. at 12.

⁴⁷⁶ Transmittal at 24 (citing Wilding Test. 11).

⁴⁷⁷ Wilding Test. at 12; PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.3.1.3.

⁴⁷⁸ Transmittal at 24.

load profiles.⁴⁷⁹ For the imbalance reserves component (which consists of imbalance reserves up and imbalance reserves down), PacifiCorp states it will proportionally allocate the quantity of imbalance reserves up to each LSE based on the load forecast, but will permit each LSE to satisfy both the energy and imbalance reserves up requirements with either energy bids alone or imbalance reserves up with accompanying energy bids. PacifiCorp's proposal will not ask LSEs to provide imbalance reserves down because not all resources meet CAISO's requirements for imbalance reserves down.⁴⁸⁰

260. PacifiCorp's proposal deems an LSE will fail the intra-BAA RSE if it has a shortfall of more than 1% of its imbalance reserves up requirement for a given hour.⁴⁸¹ For failure above the de minimis level, PacifiCorp proposes a penalty scheme that would mirror CAISO's three-tiered penalty structure for on-peak and off-peak failures (a base penalty and two escalations by 1.25x or 2.0x based on failure magnitude).⁴⁸² If an LSE's shortfall is cured by the PacifiCorp BAA function by 10:00 a.m. (and the BAA is not assessed an EDAM RSE penalty), the penalty collected from the failing LSE will be distributed to LSEs that were sufficient. If an LSE's shortfall was not cured by the BAA before the 10:00 a.m. bidding deadline, and the BAA is assessed a CAISO RSE failure penalty, the revenue from the failing LSE will be used to pay the CAISO RSE penalty.⁴⁸³ Thus, LSEs would only face sanctions for failing the 9:15 a.m. intra-BAA RSE.

261. PacifiCorp asserts that internalizing the RSE via the intra-BAA RSE satisfies CAISO's objective of encouraging the BAA to be sufficient and not unduly lean on other BAAs in the EDAM area, while also addressing cost causation and intra-BAA leaning issues. PacifiCorp further contends that this approach enables any particular LSE to avoid RSE penalties by satisfying its own RSE requirements and does not create RSE exposure from other LSE actions.⁴⁸⁴

⁴⁷⁹ PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.3.1.1.1.

⁴⁸⁰ Wilding Test. at 13-14; PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.3.1.1.2.

⁴⁸¹ PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.3.1.4.1.

⁴⁸² Wilding Test. at 15; PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), §§ 10.3.4.1, 4.3.1.4.1, 4.3.1.4.2.

⁴⁸³ Wilding Test. Ex. at 16-17.

⁴⁸⁴ *Id.* at 18.

c. Comments and Protests

262. Joint Commenters state that PacifiCorp's approach to "internalize" the RSE test to isolate resource sufficiency failures is in line with CAISO's RSE and should be accepted as just and reasonable, stating it strikes an appropriate balance of incentivizing LSEs to be resource sufficient while following cost causation principles.⁴⁸⁵

263. Several commenters protest specific design elements of PacifiCorp's proposed RSE implementation, as discussed below.⁴⁸⁶ Protesters express concern about the appropriateness of a second RSE layer (i.e., the intra-BAA RSE) including potential penalties, PacifiCorp's potential use of an allocation methodology using historical load data, and certain aspects of the penalty scheme. These protesters request that the Commission reject PacifiCorp's RSE proposal as unjust and unreasonable.

264. First, protesters argue that it is not just and reasonable for PacifiCorp to impose a second RSE layer onto its constituent LSEs, especially given that PacifiCorp may assess intra-BAA RSE penalties even if the BAA as a whole passes the CAISO EDAM RSE, thus violating cost causation.⁴⁸⁷ UAMPS states that it is PacifiCorp, not the LSEs, that is required to pay RSE penalties under the CAISO tariff.⁴⁸⁸ UAMPS also asserts that PacifiCorp's own load is responsible for the majority of RSE requirements for its BAAs and that PacifiCorp has not demonstrated or supported its position that LSE transmission customers are responsible for ensuring that the BAA is resource sufficient. UAMPS states that the proposal to sub-allocate any BAA-level RSE penalties is at odds with PacifiCorp's commitment to not alter how it maintains reliability in the PacifiCorp BAAs. UAMPS also maintains that PacifiCorp has not demonstrated that sub-allocation of BAA-level RSE requirements or penalty surcharges would not result in duplicative charges relative to services reflected in its Tariff schedules 3, 3A, 4, 5, 6, and 9 that LSEs pay for or are required to self-provide.⁴⁸⁹ UAMPS states that PacifiCorp's obligation to balance load under the Tariff arguably extends to cover minor differences between an

⁴⁸⁵ Joint Commenters Comments at 9-11.

⁴⁸⁶ Calpine Protest at 1, 4-15; Bonneville Protest at 2, 29-30; UAMPS Protest at 4, 21-27; Utah DPU Protest at 8; UMPA and Deseret Protest at 1, 15-18; WPTF and NIPPC Protest at 4, 21-23.

⁴⁸⁷ UAMPS Protest at 21-22; UMPA and Deseret Protest at 2, 15; Bonneville Protest at 29-30.

⁴⁸⁸ UAMPS Protest at 21-22.

⁴⁸⁹ *Id.* at 22-23.

LSE's resources and load. According to UAMPS, it is not equitable to require bids from LSEs of energy and/or imbalance reserves to meet LSE requirements.⁴⁹⁰

265. UMPA and Deseret argue the PacifiCorp's proposal to impose RSE charges adds an unnecessary and improper layer of obligations on transmission customers within PacifiCorp's BAAs, which are in addition to those that would be imposed under the already-approved EDAM construct.⁴⁹¹ Additionally, UMPA and Deseret highlight that if PacifiCorp's merchant function-controlled generation makes up the shortfall for another LSE within the BAA, then that LSE will compensate PacifiCorp accordingly and that if PacifiCorp's merchant function provides imbalance reserves it will be compensated accordingly. UMPA and Deseret argue that PacifiCorp's merchant function is already compensated through the market and that collection and assessment of the RSE charges would provide PacifiCorp with a duplicative and unwarranted revenue stream, which they argue is inconsistent with the principle of cost causation.⁴⁹² UMPA and Desert argue that a just and reasonable LSE RSE test within the PacifiCorp BAAs should: (1) when CAISO assesses an RSE failure surcharge to a BAA Reliability Coordinator, sub-allocate and pass the surcharge to resource deficient LSEs; and (2) when the BAA Reliability Coordinator receives allocated revenue from CAISO based on other BAAs' failures to pass the EDAM RSE test, allocate those revenues only to those LSEs that pass the LSE RSE test.⁴⁹³

266. Second, protesters assert that PacifiCorp's proposed approach to sub-allocate the BAA-level EDAM requirements to individual LSEs lacks detail and transparency and could be unjust and unreasonable and potentially unduly impact smaller LSEs. WPTF and NIPPC state that PacifiCorp has not demonstrated it can accurately suballocate demand and reserve requirements to individual LSEs within its BAA. They state that the Commission approved CAISO's proposed RSE allocation methodology for its BAA based on each individual LSE's metered demand because 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."⁴⁹⁴ Here, WPTF and NIPPC argue, PacifiCorp has not

⁴⁹⁰ *Id.* at 22 (citing PacifiCorp Tariff, pt. I.03 Ancillary Services (3.0.0)).

⁴⁹¹ UMPA and Deseret Protest at 2, 15.

⁴⁹² *Id.* at 16-17.

⁴⁹³ *Id.* at 17-18.

⁴⁹⁴ WPTF and NIPPC Protest at 21-22 (citing *Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,170, at P 8 (2024)).

provided evidence that its allocation methodology is feasible or will accurately and fairly allocate requirements to LSEs. According to WPTF and NIPPC, LSEs on PacifiCorp's system may be required to procure unnecessary capacity to avoid being assessed a surcharge due to any inaccurate attribution by PacifiCorp, even where resources initially committed by the LSE accurately reflected its actual load and reserve requirements.⁴⁹⁵

267. UAMPS argues that PacifiCorp must include in its Tariff greater detail about the RSE process, specifically how it will develop customer-specific day-ahead forecasts, adjust forecasts according to CAISO's diversity credit applied at the BAA-level to guide the sub-allocation among its multiple LSE transmission customers, and provide sufficient transparency to allow its transmission customers to verify the accuracy of each. UAMPS also asserts it is unclear how UAMPS' resources, including non-traditional and demand-side resources, will be counted; how EDAM-wide diversity crediting will be managed; and how adjustments to load or resource forecasts may be incorporated in the RSE.⁴⁹⁶

268. Calpine asserts that PacifiCorp's RSE proposal is an unjustified departure from the surcharge sub-allocation method already approved for CAISO's BAA and would result in unjust, unreasonable, and unduly discriminatory rates for LSEs within PacifiCorp's BAAs. Calpine argues that PacifiCorp should adopt the same EDAM RSE sub-allocation method approved for the CAISO BAA, stating that the Commission has already determined that it is just and reasonable for an EDAM RSE to sub-allocate surcharges and credits to LSEs based on metered demand where there is no viable mechanism to trace cost causation of a BAA-level failure to individual LSEs or generators.⁴⁹⁷

269. Calpine asserts that PacifiCorp's RSE framework would unjustly and unreasonably assess RSE surcharges to individual LSEs even where it is not possible to reliably trace a BAA-level failure to individual LSEs and generators. Calpine also states that PacifiCorp's proposal is divorced from cost causation principles and could assess an RSE surcharge to individual LSEs even when the PacifiCorp BAAs pass the

⁴⁹⁵ *Id.* at 22-23 (explaining that typically, wholesale market transactions require a minimum volume of 10 MW; in the event an LSE faces a shortfall of less than 10 MW, it may have to procure significantly more generation than it needs to pass the test).

⁴⁹⁶ UAMPS Protest at 36.

⁴⁹⁷ Calpine Protest at 6 (citing *Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,170 at P 24).

EDAM RSE.⁴⁹⁸ Further, Calpine disagrees that the circumstances in PacifiCorp's BAAs justify the differences from CAISO's approach. In fact, Calpine contends, complying with an hourly shaped RSE obligation would be more difficult for LSEs within PacifiCorp's BAAs than those within CAISO's BAA because LSEs in CAISO may access resources through CAISO's independently operated transmission system and its hourly wholesale market (which is fully integrated with the CAISO's resource adequacy program), while there is no independent system operator serving either of PacifiCorp's BAAs and no hourly shaping products exist therein or in adjacent market hubs.⁴⁹⁹

270. Calpine maintains that PacifiCorp's RSE framework is discriminatory against LSEs without a large amount of load, such as Calpine and other electricity service suppliers serving retail loads through Oregon's retail direct access program. Calpine points out that the threshold for failure (any hour where the PacifiCorp-generated demand forecast for the LSE exceeds the LSE's energy schedule by 1%) is punitive to such LSEs, as it is common for such electricity service suppliers to serve only 10-20 MW of load. Calpine contends that complying with a 1% hourly RSE accuracy target is not commercially practicable for such suppliers as the minimum scheduling block allowed is 1 MW and the minimum energy commercially available at the Mid-Columbia trading hub is normally 10 MW.⁵⁰⁰ Thus, Calpine asserts, such LSEs would have difficulty curing shortfalls without significantly over-procuring energy. According to Calpine, because PacifiCorp's RSE framework redistributes RSE surcharges from failing LSEs to passing LSEs, surcharges would therefore likely be disproportionately assessed to smaller LSEs and then distributed to larger LSEs. Calpine explains that PacifiCorp could mitigate this discriminatory impact by adopting a more reasonable de minimis tier than 1% of demand, noting that PacifiCorp's proposal during its stakeholder process contemplated "insufficiency of less than 10 MW or 1% of the apportioned LSE imbalance reserves up requirement" as de minimis.⁵⁰¹

⁴⁹⁸ *Id.* at 7 (noting the proposal also overlooks that individual LSEs do not have control over how PacifiCorp, as the balancing authority, manages reserves and other obligations affecting its compliance with the EDAM RSE).

⁴⁹⁹ *Id.* at 8 (noting that hubs such as Mid-Columbia primarily trade in multi-hour blocks for the daily on-peak and off-peak periods).

⁵⁰⁰ Calpine provides the example of an LSE serving 20 MW of load, for whom the 1% de minimis tier under PacifiCorp's proposal would be 0.2 MW, which is far less than the 1 MW minimum allowed for scheduling. *Id.* at 9.

⁵⁰¹ *Id.* at 9-10 (citing PacifiCorp, *EDAM Stakeholder Meeting Presentation*, 18 (Oct. 10, 2024), <https://www.oasis.oati.com/ppw/index.html>).

271. Calpine also asserts that PacifiCorp fails to include a reasonable process for development of each LSE's hourly demand forecast, noting that PacifiCorp refers to using each LSE's forecast based on the LSE's "historical load." According to Calpine, the Tariff language does not specify how PacifiCorp would use historical loads, nor does it even state that PacifiCorp would use historical loads. Instead, Calpine states the proposed Tariff references a forthcoming business practice for the method. Calpine argues that the details thereof are critical, and under the Commission's rule of reason, it must be set forth expressly and clearly in the Tariff.⁵⁰²

272. Further, Calpine states that demand forecast development from historical loads does not reasonably ensure accuracy, especially in the case of an electricity service supplier competing to serve retail loads. Calpine notes that such smaller LSEs see significant divergences between historical loads and day-ahead load because customers in retail direct access programs can switch electricity service suppliers, return to the utility's energy supply, or go out of business. Thus, Calpine states, the loss of just one commercial or industrial customer can result in a significant divergence between historical and day-ahead load.⁵⁰³ Moreover, Calpine argues, the RSE and imbalance provisions of PacifiCorp's proposed Tariff would together subject the LSE to unjust and unreasonable charges for failure to schedule to two inconsistent targets because LSEs remain subject to charges for energy schedules that deviate from actual metered load (Uninstructed Imbalance Energy). Specifically, Calpine explains, even if an LSE is able to adjust its schedule to meet PacifiCorp's RSE demand forecast and minimize its risk of RSE surcharges, the LSE may then have a schedule that deviates significantly from its actual metered load in real time and be subject to real-time pricing exposure through the Uninstructed Imbalance Energy provisions; on the other hand, LSEs seeking to minimize risk of Uninstructed Imbalance Energy may be exposed to significant RSE surcharges premised on an inaccurate demand forecast.⁵⁰⁴

⁵⁰² *Id.* at 11 (citing *City of Cleveland v. FERC*, 773 F.2d 1368, 1376 (D.C. Cir. 1985) (*City of Cleveland*); 18 C.F.R. § 35.1(a); *Sw. Power Pool, Inc.*, 180 FERC ¶ 61,074, at PP 23-32 (2022), *order on reh'g*, 182 FERC ¶ 61,100 (2023)).

⁵⁰³ *Id.* at 11-12.

⁵⁰⁴ *Id.* at 13 (quoting PacifiCorp Tariff, pt. I.01 Definitions (13.0.0), § 1.130 ("Uninstructed Imbalance Energy (UIE)" is defined as "For load purposes, the difference between an EDAM Load-Serving Entity's load in the Day-Ahead Schedule and its metered load in real time.")). PacifiCorp's Tariff provides: "Any settlement from the MO to the PacifiCorp WEIM Entity for load UIE shall be sub-allocated to Transmission Customers in proportion to their specific UIE for the applicable settlement interval."

273. Finally, Calpine states that nothing in the Tariff (or PacifiCorp's transmittal) requires PacifiCorp to provide the LSE with its RSE demand forecast early enough to make use of the forecast in the LSE's energy procurement and scheduling efforts. Specifically, Calpine argues, the LSE cannot be reasonably expected to procure and schedule energy within 1% of the PacifiCorp-generated demand forecast if it does not receive the forecast sufficiently in advance of PacifiCorp's RSE run at 9:15 a.m.⁵⁰⁵

274. To the extent the Commission disagrees and is inclined to allow PacifiCorp's LSE-level RSE test, Calpine offers three modifications that, if implemented, would limit the risk of unjust, unreasonable, and unduly discriminatory rates. First, Calpine states PacifiCorp should not assess an RSE surcharge to any LSEs during hours when the CAISO EDAM assessed no RSE surcharges to the PacifiCorp EDAM Entity or BAA. Second, Calpine states PacifiCorp should revise the de minimis tier such that RSE surcharges do not apply to any insufficiency of less than 1% of the apportioned LSE demand, or less than 10 MW in cases where 1% of the apportioned demand is less than 10 MW. Third, Calpine states that PacifiCorp's RSE framework should include a monthly true-up of RSE surcharges based on the LSE's actual metered demand: specifically, in hours where an RSE surcharge would apply, PacifiCorp would compare the LSE's energy schedule to post-facto metered demand and refund the RSE surcharge for any hour where the LSE's energy schedule was within the 7.5% accuracy deviation of its actual metered load.⁵⁰⁶

d. Answers

275. PacifiCorp explains that its RSE methodology will create a proper incentive structure to ensure the PacifiCorp BAAs remain resource sufficient, empower LSEs to control their own exposure to penalties by meeting their allocated RSE, and protect against intra-BAA leaning between LSEs. PacifiCorp asserts that only penalizing LSEs by sub-allocating any penalty that CAISO assesses would not address intra-BAA leaning. Moreover, PacifiCorp argues that because its proposal minimizes the burden on LSEs with regard to ancillary services requirements (for which PacifiCorp has taken

PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 11.2.

⁵⁰⁵ Calpine Protest at 11.

⁵⁰⁶ *Id.* at 15 (citing PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 15.1) (stating that the 7.5% accuracy deviation band is the imbalance scheduling accuracy threshold at which significant imbalance pricing penalties would typically begin to apply under traditional energy imbalance provisions).

responsibility on behalf of all LSEs in its BAAs), it is appropriate to protect against leaning within its BAAs. PacifiCorp disagrees with allegations of an undue revenue stream for its merchant function, stating that the RSE penalty collected from LSEs first goes to satisfy any penalty assessed by CAISO and that any excess would go to LSEs that passed their RSE. PacifiCorp further states that if CAISO did not assess a penalty, any RSE penalty collected will be returned to those LSEs that passed the RSE.⁵⁰⁷

276. Next, PacifiCorp explains that the CAISO forecast for the BAA will be apportioned to LSEs based on the load ratio contribution value, a method that is well understood and makes sense in this context. PacifiCorp states that the specific method used to apportion the forecast will have only a marginal impact on each LSE's responsibility, asserting that all load forecasts in some respect take historical values into account and that the exact systems and formulas for allocating the forecast have not yet been developed and are not tariff-level details. PacifiCorp further states that it will work with its stakeholders to ensure that the exact methodology is equitable. PacifiCorp states that a significant amount of implementation work will necessarily precede establishing EDAM and continued EDAM participation, much of which is appropriate for business practice treatment, consistent with Commission precedent.⁵⁰⁸

277. Regarding issues raised by UAMPS on the detail of RSE revenue sub-allocation, PacifiCorp explains that section 10.3.4.1.3 of proposed Attachment T contains a metered demand allocation for revenues received by the PacifiCorp BAAs under CAISO Charge Code 8088 resulting from another BAA's RSE failures. PacifiCorp acknowledges that this section could more clearly distinguish: (1) the allocation of revenues received from CAISO under charge code 8088 to Metered Demand from (2) the allocation of revenues collected by PacifiCorp under its internalized RSE test. Thus, PacifiCorp states, it agrees to make clarifying changes on compliance.⁵⁰⁹

278. Regarding details of how resources will be counted in EDAM and how adjustments to load or forecasts will be incorporated in the RSE, PacifiCorp explains that many such rules will be captured in business practices, which have not been fully developed. PacifiCorp states that to the extent that any such future rules rise to the

⁵⁰⁷ PacifiCorp March 12 Answer at 40-42 (citing UMPA and Deseret Protest at 17).

⁵⁰⁸ *Id.* at 44-45.

⁵⁰⁹ *Id.* at 45.

level of Tariff language under the rule of reason, PacifiCorp can address those issues in subsequent Tariff filings with the Commission.⁵¹⁰

279. PacifiCorp argues that Calpine's request for a 10 MW de minimis threshold is unreasonable as it would severely limit or even effectively eliminate the RSE requirement for small LSEs. According to PacifiCorp, 10 MW is the de minimis threshold for the entire BAA under the CAISO RSE framework, so using the same threshold for a single LSE could force the entire BAA to be subject to an RSE penalty without penalizing the LSE whose deficiency resulted in the penalty. However, PacifiCorp agrees to modify (if the Commission orders) its de minimis threshold to either 1 MW or 1% of the LSE's imbalance reserves up requirement, whichever is higher, such that if an LSE's failure was less than either 1 MW or 1% of imbalance reserves requirement, there would be no penalty.⁵¹¹

280. Finally, PacifiCorp states that it has identified two typographical errors it would fix in a compliance filing. First, in section 10.3.4.1.3.1 of its proposed Tariff, PacifiCorp states that the word "owned" should be corrected to "owed" so that the section would read as, "[o]n an hourly basis, the PacifiCorp EDAM Entity will sum the LSE RSE On-Peak Failure Insufficiency Surcharge revenue owed by EDAM Load-Serving Entities."⁵¹² Second, PacifiCorp states that it noticed a typographical error in proposed Attachment T, section 10.4.1 and that it should have read "day-ahead" load and exports. PacifiCorp commits to addressing this error in a compliance filing.⁵¹³

281. CAISO disagrees with commenters who argue for rejecting the RSE-related Tariff revisions. CAISO states that all of PacifiCorp's revisions are consistent with or superior to the *pro forma* OATT and fulfill the applicable requirements for EDAM participation.⁵¹⁴

⁵¹⁰ *Id.* at 54 (citing UAMPS Protest at 36). PacifiCorp notes that certain of these operational questions remain amongst customers that will require more training from both CAISO and PacifiCorp and more implementation development.

⁵¹¹ *Id.* at 45-46 (citing CAISO eTariff, § 33.31.1 EDAM Resource Sufficiency Evaluation (EDAM RSE) (1.0.0), § 33.31.1.5.1); PacifiCorp Deficiency Letter Response at 9-10.

⁵¹² PacifiCorp March 12 Answer at 46 n.104 (quoting PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 10.3.4.1.3.1).

⁵¹³ PacifiCorp March 12 Answer at 11 n.22.

⁵¹⁴ CAISO Answer at 89.

282. Portland General states that it supports PacifiCorp's LSE RSE (particularly the decision to prevent leaning within the PacifiCorp BAAs), noting that intra-BAA leaning can even occur when the EDAM Entity passes the EDAM RSE. According to Portland General, if the PacifiCorp BAAs pass the EDAM RSE despite one or more LSEs not meeting their assigned LSE RSE obligations, by definition, that shortfall was made up by other LSEs within the PacifiCorp BAAs. Thus, Portland General maintains, assigning costs and benefits of passing and failing is consistent with cost causation.⁵¹⁵ Portland General also disagrees with Calpine's and UAMPS' arguments that PacifiCorp is not entitled to identify and suballocate internal LSE-specific RSE obligations to prevent intra-BAA leaning largely because CAISO lacks a mechanism to accomplish this end, arguing that CAISO's ability to implement an LSE-specific RSE is not at issue here and says nothing about PacifiCorp's ability to do so. Portland General further contends that outside an organized market, an LSE-specific RSE is the primary tool to prevent leaning and is designed to ensure all LSEs meet their own load serving obligations.⁵¹⁶

283. According to Portland General, Calpine acknowledges that they are currently leaning, or may lean in the future, on the host balancing authority to provide a daily load shaping product that the OATT does not contemplate.⁵¹⁷ Portland General explains that energy imbalance is an hourly ancillary service, allowing changes before the hour to a customer's hourly energy deliveries to the control area; thus, a transmission customer like Calpine can reduce or avoid energy imbalance charges by changing its schedule more frequently. Portland General argues that if a transmission customer purchases blocks of MWs for heavy or light load hours, that effectively puts the shaping obligation on the host BAA to ensure reliability. Portland General further states that there is no impediment to small LSEs procuring load-shaping purchases at the Mid-Columbia hub. Altogether, Portland General argues that energy imbalance is not meant to function as a capacity shaping product enabling an LSE to block schedule energy while requiring the balancing authority to provide shortfall capacity, or shape excess energy, and that transmission customers that are serving load have the obligations to schedule as accurately as possible on an hourly basis.⁵¹⁸

⁵¹⁵ Portland General Answer at 36.

⁵¹⁶ *Id.* at 35.

⁵¹⁷ *Id.* at 36-37 (citing Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,708; *pro forma* OATT at schedule 4. Additionally, Portland General states that by Calpine's own admission, meeting their LSE RSE would require a daily load shaping product; absent a separate ancillary service, this product would be provided by the LSE's host balancing authority at the expense of the balancing authority's native load customers. *Id.*

⁵¹⁸ *Id.* at 37-38.

284. Calpine, in its answer to PacifiCorp and Portland General, reiterates its protest of the RSE proposal and asks the Commission to reject it unless PacifiCorp modifies it as proposed in Calpine's protest. First, Calpine states that PacifiCorp's intra-BAA leaning argument does not justify approval of what is incomplete, unjust, and unreasonable. Calpine asserts that concerns about "inter-BAA [sic] leaning" are unfounded, stating that LSEs will have an incentive to avoid significantly under-scheduling resources to their expected load because they will be exposed to Uninstructed Imbalance Energy charges under PacifiCorp's proposed revisions implementing EDAM.⁵¹⁹

285. Second, Calpine maintains that the Commission has no basis to conclude PacifiCorp's incomplete RSE demand forecasting method will become just and reasonable in the future. Notably, according to Calpine, PacifiCorp's answer confirms that the forecast method is undeveloped, in contrast to PacifiCorp's statement that its proposal is well understood because the CAISO forecast for the BAA will be apportioned to LSEs based on the load ratio contribution value. Specifically, Calpine states "load ratio contribution value" is not described or defined in PacifiCorp's proposed Tariff, which refers to the business practice manual, which itself remains undeveloped.⁵²⁰ Calpine argues that the rule of reason requires such significant features of a rate be included in the tariff and reviewed by the Commission, not left to be unilaterally developed in its business practice.

286. Third, Calpine disagrees with PacifiCorp's statement that it is reasonable to allow the RSE demand forecasting method in the business practice because the CAISO EDAM BAA-level RSE demand forecasting method is in CAISO's business practice manual. Calpine states that what is acceptable for development in a business practice by CAISO (which is an independent system operator with independent governance subject to the independent entity standard) is not necessarily appropriate for PacifiCorp given the Commission's obligation to prevent unduly discriminatory rates (noting that PacifiCorp is a non-independent, generation-owning transmission provider subject to the Commission's "consistent with or superior standard").⁵²¹ Calpine further notes that

⁵¹⁹ Calpine March 26 Answer at 2.

⁵²⁰ *Id.* at 3 (citing PacifiCorp March 12 Answer at 44).

⁵²¹ *Id.* at 4 (citing Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,769-31,770; *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103, at P 822 (2003) ("[A]n RTO or ISO should be treated differently because an independent RTO or ISO does not raise the same level of concern regarding undue discrimination."); *id.* P 827 ("[A]n RTO or ISO has different operating characteristics depending on its size and location and is less likely to act in an unduly discriminatory manner than a Transmission Provider that is a market participant.")).

PacifiCorp's argument ignores that the referenced CAISO tariff provisions provide the option for the EDAM Entity to submit its own demand forecast in lieu of the CAISO-supplied forecast, while PacifiCorp's proposed Tariff provides no analogous option.⁵²²

287. Calpine states that PacifiCorp's answer to concerns regarding deviations between demand forecast and actual load fails to address the problem that LSEs will face two inconsistent targets.⁵²³ Finally, Calpine argues that Portland General's answer raises issues largely beyond the scope of this proceeding. Calpine asserts that Portland General, like PacifiCorp, has no answers to the problem of LSEs being subject to unjust and unreasonable charges for failure to schedule to two inconsistent targets. However, Calpine states, Portland General also overlooks the Commission's recognition of the difficulty of scheduling energy to retail loads. Specifically, Calpine states that despite Portland General's assertions of a cost shift to native loads, the Commission-approved energy imbalance provisions are generally priced to hold the transmission provider and its native load customers harmless in case of inaccurate scheduling.⁵²⁴

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

288. In the Deficiency Letter, Commission staff requested further details on various aspects of the proposed RSE implementation. Specifically, Commission staff inquired about timing and sequence of various RSE steps (including how and when forecasts will be shared amongst CAISO, PacifiCorp, and PacifiCorp LSEs); how timing and implementation would interact with CAISO EDAM's BAA-level RSE process; RSE allocation mechanism to PacifiCorp LSEs; and the de minimis threshold for the intra-BAA RSE failure penalties.⁵²⁵

⁵²² *Id.* at 5 (citing CAISO eTariff, § 33.31.1 EDAM Resource Sufficiency Evaluation (0.0.0), § 33.31.1.2.1.1; *id.* § 33.31.4 CAISO Forecast of BAA Demand and VER Forecast for EDAM Ent. (0.0.0)).

⁵²³ *Id.* at 5-6 (citing Calpine Protest at 12-13).

⁵²⁴ *Id.* at 6 (citing *Entergy Servs., Inc.*, 93 FERC ¶ 61,156, at 61,525 (2000) (recognizing the "inherent difficulty in minimizing energy imbalances for retail loads" because "retail loads generally do not utilize hourly metering, telecommunications and associated telemetry to monitor their loads"); *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 (W)EIM LMP represents 100 percent of the cost of imbalance energy without any additional penalties"))).

⁵²⁵ Deficiency Letter at 3-4.

289. In response to Commission's staff question as to when PacifiCorp would get BAA-level RSE requirements from CAISO, PacifiCorp explains that CAISO will first begin providing the BAA RSE requirements to each EDAM Entity by 6:00 a.m. and will start conducting a series of advisory runs; at 9:00 a.m., CAISO will provide the final RSE requirement that will be the basis of the 10:00 a.m. RSE test. PacifiCorp states its understanding is that the RSE requirements would only change during the morning advisory period to reflect refinements or changes in system conditions.⁵²⁶ With regard to transmitting LSE-specific requirements, PacifiCorp explains that it will calculate and communicate each LSE's RSE requirements each time it receives an updated BAA-level requirement during the morning advisory period, and anticipates CAISO-level RSE requirements to be updated every 30 minutes. PacifiCorp further notes that the exact time it will take for systems to receive the BAA-wide requirement, apply it to various LSEs, and make the data available is uncertain but expected to be approximately five minutes. Consequently, PacifiCorp states it expects that LSEs would have their final RSE by approximately 9:05 a.m.⁵²⁷

290. Next, Commission staff inquired how PacifiCorp's RSE process might or might not account for the diversity benefit that is part of CAISO's EDAM framework, given that PacifiCorp's intra-BAA RSE would run before CAISO's binding RSE run. PacifiCorp states that the EDAM diversity benefit will be reflected in the BAA imbalance reserves requirements published at each advisory RSE run and in the final RSE value conveyed to the EDAM Entity at 9:00 a.m. PacifiCorp explains the diversity benefit is shared among the LSEs according to load ratio share because the imbalance reserves up requirement (with diversity benefit) is allocated among LSEs according to load ratio share; as a result, PacifiCorp's "intra-BAA" RSE process does not separately account for any diversity benefit when calculating penalties.⁵²⁸

291. Regarding the de minimis level for RSE failures, Commission staff inquired whether the stated de minimis threshold⁵²⁹ will apply to both the Energy and imbalance

⁵²⁶ PacifiCorp Deficiency Letter Response at 8.

⁵²⁷ *Id.*

⁵²⁸ *Id.* at 8-9.

⁵²⁹ As noted above in section IV.B.4.d, PacifiCorp's initial proposal included a failure threshold defined as "a failure by an EDAM Load-Serving Entity of the LSE RSE of one percent (1%) or less of the EDAM Load-Serving Entity's Imbalance Reserve Up requirement for that hour." However, PacifiCorp offered to refine this threshold in its Answer such that "if the LSE fails the RSE by 'the greater of one (1) MW or one percent (1%) or less of the EDAM Load-Serving Entity's Imbalance Reserve Up requirement for that hour,' it will not be subject to a penalty." *Id.* at 9-10.

reserves elements of the RSE. PacifiCorp clarifies that the de minimis threshold for RSE failure would be based on the total RSE requirement for an LSE (combining the energy and imbalance reserves requirements, as these are interchangeable in its RSE). However, for purposes of determining a de minimis exemption, PacifiCorp states it would still look to the imbalance reserves up requirement in calculating the “...or one percent (1%) or less” component of the calculation. PacifiCorp provides an example, stating that if a small LSE’s share of the load for a given hour were 5 MW, and its imbalance reserves up requirement were 0.25 MW, then the LSE will be assessed against an RSE requirement of 5.25 MW; this means the de minimis threshold for the LSE would be the greater of 1 MW or 1% of its imbalance reserves up requirement (or 0.0025 MW). Since 1 MW is the greater value, PacifiCorp explains this LSE would not face any LSE RSE penalties unless it failed to meet its RSE requirement by more than 1 MW.⁵³⁰

292. Calpine protests PacifiCorp’s response, stating that the responses have not proposed any changes or supplied information that justifies the Commission’s approval of its proposed Tariff. Specifically, Calpine maintains that PacifiCorp has not demonstrated that its forecasting process is reasonable for LSEs. Calpine notes that the demand forecast provided to each LSE shortly after 6:00 a.m. will be just a preliminary forecast and although PacifiCorp states it “expects” it may provide the final RSE demand forecast to each LSE “by approximately 9:05 a.m.” (10 minutes before the binding LSE RSE run), PacifiCorp does not commit to providing the final RSE demand forecast by 9:05 a.m. either in its Deficiency Letter Response or in the proposed Tariff.⁵³¹ Calpine contends that such a timeline is insufficient. To have a reasonable opportunity to commercially procure supply to comply with the RSE, Calpine states, PacifiCorp’s preliminary RSE demand forecast should be supplied to LSEs one week in advance, with a final RSE demand forecast supplied at least 48 hours in advance.⁵³²

293. Calpine states that PacifiCorp has begun developing its CAISO Markets Business Practice to address significant deviations between PacifiCorp’s demand forecast and actual load, noting the draft Business Practice proposes the RSE demand forecast will be based on a historical three-year average of LSEs’ hourly load to develop each LSE’s apportionment value relative to other LSEs. Calpine states this reliance on historical loads is unworkable for smaller LSEs as they can easily experience significant divergences between their expected day-ahead load and a historical three-year average

⁵³⁰ *Id.* at 9.

⁵³¹ Calpine Protest to the Deficiency Letter Response at 3.

⁵³² *Id.* at 3-4.

of load for that day.⁵³³ Calpine asserts that PacifiCorp's proposed framework does not allow for any input from the LSE to ensure a reasonably accurate forecast and that the LSE will not even receive a preliminary RSE demand forecast until three hours prior to the binding RSE run. Calpine argues that at best, the LSE would be required to acquire significant amounts of energy supply on an unreasonable timeframe (likely at a significant expense) even when PacifiCorp's RSE demand forecast far exceeds the LSE's actual load, and at worst, the LSE would be unable to obtain such energy and be penalized with RSE surcharges even when the RSE demand forecast exceeds the LSE's actual loads. Either scenario, Calpine states, is unjust and unreasonable.⁵³⁴

294. Last, Calpine states that it has recommended good faith alternative proposals that would limit the unreasonable results of a BAA-level RSE framework, including that PacifiCorp's proposed LSE-level demand forecasting method should provide an LSE with the opportunity to supply its own demand forecast (consistent with CAISO's tariff). However, Calpine states PacifiCorp's proposed Tariff includes no such rights for LSEs and instead exposes LSEs to significant risk of unjust and unreasonable charges.⁵³⁵

295. Legacy Customers protest that it is unnecessary and improper for PacifiCorp to allocate CAISO's EDAM Entity resource sufficiency requirements to its transmission customers as if it were an RTO/ISO. Legacy Customers explain that the incentives within the financial day-ahead market for PacifiCorp's transmission customers to hedge in their bid-in demand with bid-in physical supply should be sufficient to ensure that PacifiCorp does not bear an undue burden as a balancing authority and transmission service provider. They further state that to the extent PacifiCorp disagrees, it must provide sufficient evidence that it is providing a new service for which it is not being compensated. Legacy Customers assert that PacifiCorp failed to disprove that the proposed RSE penalty scheme creates a new revenue stream for PacifiCorp.⁵³⁶

296. Furthermore, Legacy Customers disagree with PacifiCorp that the RSE proposal is appropriate because PacifiCorp agreed to take on responsibility for ancillary services and allows flexibility in how transmission customers provide imbalance reserves. Legacy Customers note that PacifiCorp—as balancing authority—is required to provide ancillary services under the *pro forma* OATT if physically feasible or allow transmission

⁵³³ *Id.* at 4-5 (citing PacifiCorp, Draft CAISO Markets Business Practice at § 5.4.2 (“PacifiCorp EDAM Entity will calculate each LSE apportionment for the upcoming year in hourly granularity based on an average of the previous 3 years of load metering.”)).

⁵³⁴ *Id.*

⁵³⁵ *Id.* at 6, 11-13.

⁵³⁶ Legacy Customers Protest to the Deficiency Letter Response at 9-10, n.24.

customers to self-provide it.⁵³⁷ According to Legacy Customers, that PacifiCorp intends to demonstrate to CAISO that it provides ancillary services that it is already obligated to provide is immaterial. Legacy Customers assert that PacifiCorp's proposal pays PacifiCorp's merchant twice for services already provided under the OATT.⁵³⁸

297. Last, Legacy Customers submit that PacifiCorp has not provided any evidence that "leaning" problems will materialize, or that its transmission customers have an obligation under the *pro forma* OATT to demonstrate physical sufficiency prior to running of a financial day-ahead market, or that it is possible to assess compliance and penalties or credits with sufficient certainty to meet cost causation principles. Legacy Customers state, in addition, that PacifiCorp's Deficiency Letter Response demonstrates how premature its penalty proposal is, as it cannot answer basic and practical questions about its mechanisms.⁵³⁹

298. Bonneville asserts that PacifiCorp's proposed Tariff provisions would impose unreasonable RSE obligations on LSEs that may not be in line with more accurate forecasts developed by the EDAM Entity as allowed for under the CAISO tariff. Bonneville notes that while CAISO does not yet have an EDAM Business Practice Manual, PacifiCorp forecloses the opportunity for it to update forecasts as the EDAM Entity.⁵⁴⁰ Bonneville thus states that PacifiCorp provides no possibility for an LSE to update PacifiCorp regarding a reasonable anticipated forecast change or to schedule to a better performing forecast value despite having the option under the CAISO tariff. Furthermore, Bonneville asserts that especially when facing penalties, an LSE should not be obligated to meet an RSE share of a market operator forecast that is significantly different than the LSE's reasonably updated forecast.⁵⁴¹

299. Bonneville states the Commission should require PacifiCorp to update its Attachment T, section 4.3.1.4 on RSE allocation surcharges such that PacifiCorp will not assess a penalty based on a 9:15 a.m. day-ahead RSE evaluation. Instead, Bonneville states, the Tariff should include an after-the-fact evaluation to determine if an LSE's

⁵³⁷ *Id.* at 10 (citing PacifiCorp March 12 Answer at 41-42).

⁵³⁸ *Id.* at 10-11.

⁵³⁹ *Id.* at 11. Legacy Customers specifically note that PacifiCorp does not know when it will transmit to LSEs the RSE requirement, yet it proposes to penalize those who fail.

⁵⁴⁰ Bonneville June 9 Answer at 11-12 (citing CAISO eTariff, § 33.31.4 CAISO Forecast of BAA Demand and VER Forecast for EDAM Ent. (0.0.0)).

⁵⁴¹ *Id.* at 12.

scheduled amount is closer to the actual after-the-fact load when adjusted up to account for the allocated imbalance reserves requirement than the provided load forecast plus imbalance reserves. Additionally, Bonneville requests that the Commission require PacifiCorp to revise its unjust and unreasonable de minimis threshold. Bonneville suggests that a just and reasonable de minimis imbalance reserve penalty exemption should be up to a 3% deviation rather than the proposed 1%.⁵⁴²

300. CAISO comments that PacifiCorp's Deficiency Letter Response about RSE requirements timing is correct: CAISO notes it will begin providing the BAA RSE requirements to each EDAM Entity by 6:00 a.m. and conduct advisory runs at this time. At 9:00 a.m., CAISO explains, CAISO will provide EDAM entities with the final RSE requirement as the basis for its 10:00 a.m. RSE test. CAISO further explains that any diversity benefit or diversity credit will be included in the BAA imbalance reserves requirements in each advisory RSE run and the final RSE requirement provided to the EDAM Entity at 9:00 a.m.⁵⁴³

301. In its answer to Deficiency Letter Response protests, PacifiCorp first maintains that no party presents any material flaws in its design. However, PacifiCorp explains, since the stakeholder process, it has been working with Calpine to address its unique circumstances and how the RSE would apply to small LSEs serving retail loads through Oregon's retail direct access program, noting, for example, its concession to revise the de minimis threshold in its March 11 Answer. PacifiCorp also reiterates that load forecasts in some respect take historical values into account; while the exact systems and formulas for allocating the forecast have not yet been developed, PacifiCorp notes they are not Tariff-level details, and much of Calpine's arguments arise from impressions of PacifiCorp's discussions in developing a Business Practice Manual on the topic.⁵⁴⁴

302. Regarding Calpine's concerns about potential use of a three-year historical average of load data, PacifiCorp notes that Calpine is engaged in the stakeholder process and with PacifiCorp on EDAM implementation details, including the RSE demand forecast. PacifiCorp further states that the draft manual is far from final, and PacifiCorp agrees that a different approach may have to be developed to account for Calpine's situation. PacifiCorp explains that these implementation discussions should continue in the manual development process, not in this proceeding. If anything, PacifiCorp asserts,

⁵⁴² *Id.* at 13.

⁵⁴³ CAISO Comments on the Deficiency Letter Response at 13.

⁵⁴⁴ PacifiCorp May 23 Answer at 16-17.

Calpine's argument supports the need for manual-level flexibility to avoid hard-wiring details into the Tariff that would need to change as parties work through the concerns.⁵⁴⁵

303. PacifiCorp also disagrees with Calpine's requests to be exempt from RSE charges based on after-the-fact demand or under a loose "reasonably consistent" standard, stating that Calpine misunderstands the RSE purpose and circumstances that lead to CAISO imposing a penalty on the PacifiCorp BAAs. According to PacifiCorp, the fact that real-time demand may be lower than the day-ahead forecast is of no consequence to whether an LSE was deemed sufficient for RSE purposes in the day-ahead timeframe since the EDAM Entity may have to commit additional resources to address projected shortfalls.⁵⁴⁶

304. PacifiCorp also disagrees with Legacy Customers that the RSE proposal creates a new revenue stream for PacifiCorp, noting that LSEs control their own exposure to penalties and the penalty regime is neutral in that any LSE that is resource sufficient under the RSE will receive penalty revenue paid by a deficient LSE. PacifiCorp maintains that its proposal does not create a new revenue stream for PacifiCorp because its merchant will receive the penalty revenue in the same way as any other resource sufficient LSE. Moreover, PacifiCorp notes, LSEs like UMPA and Deseret or UAMPS would remain eligible to receive penalty revenue by doing nothing more than meeting their own RSE obligations.⁵⁴⁷

305. Finally, PacifiCorp disagrees with UMPA and Deseret that PacifiCorp will be receiving double payment under the RSE for providing ancillary services. Rather, PacifiCorp argues, because it is required to provide ancillary services under the OATT and charge customers for that service, it will not assess LSEs any RSE penalties related to ancillary services even if the BAA fails that component of the CAISO RSE. PacifiCorp also asserts that all outstanding customer concerns regarding the RSE proposal should

⁵⁴⁵ *Id.* at 18.

⁵⁴⁶ *Id.* (noting that because no exemption in CAISO's tariff from RSE penalties for the BAA exists, PacifiCorp's Tariff need not include an exemption of the type Calpine suggests).

⁵⁴⁷ PacifiCorp May 23 Answer at 19. PacifiCorp also notes that it is axiomatic that PacifiCorp (as the largest LSE in the BAA) may receive a proportional amount of those revenues, but the actual revenues are only as large as the extent of an LSE's deficiency; the allocation back to "sufficient" LSEs applies only when the penalty revenues are not needed to satisfy the CAISO-imposed RSE penalty on the BAA.

appropriately be resolved in PacifiCorp's ongoing EDAM implementation stakeholder process and not in this proceeding.⁵⁴⁸

f. Commission Determination

306. We accept PacifiCorp's RSE implementation proposal as just and reasonable and not unduly discriminatory or preferential, subject to PacifiCorp submitting a compliance filing to revise certain aspects of the proposal as PacifiCorp offered, as discussed below. As a general matter, we find that PacifiCorp has proposed a just and reasonable method to attribute and sub-allocate the EDAM (BAA-level) RSE requirements within PacifiCorp's BAA. Moreover, we find that PacifiCorp's intra-BAA RSE proposal complements the BAA-level EDAM RSE framework.

307. We agree with PacifiCorp that the EDAM RSE test analyzes only whether the BAA has enough resources to pass the EDAM RSE and does not evaluate resource sufficiency at the LSE level. Consequently, we find that it is just and reasonable for PacifiCorp to establish a method to account for how RSE requirements are met within an EDAM BAA. We find that PacifiCorp's proposal to use an intra-BAA RSE to ensure that constituent LSEs—and thus the PacifiCorp BAAs as a whole—meet the RSE requirements is reasonable. Specifically, we find that PacifiCorp's proposed approach allows PacifiCorp to both allocate the BAA-level RSE requirements to constituent LSEs and allocate penalties and credits associated with the RSE process in a manner that 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 PacifiCorp to adopt an RSE implementation approach that reduces the potential for deficiencies and leaning amongst LSEs within its BAA.

308. We find it just and reasonable that PacifiCorp will allocate the energy (or demand) and imbalance reserves up elements of the intra-BAA RSE to LSEs in its BAA, with PacifiCorp responsible for providing the imbalance reserve down and ancillary services elements of the BAAs' RSE requirements. Considering the diverse makeup of LSEs within PacifiCorp's BAAs (some of which might not necessarily be able to individually satisfy the imbalance reserve down requirement effectively), we recognize that there is need for a practicable and standardized approach to manage the RSE obligations while accommodating differences. We also agree that it is reasonable for PacifiCorp to assume the ancillary services element of the intra-BAA RSE because there is already a framework for constituent LSEs to pay for or self-supply ancillary services under the Tariff. In addition, we accept PacifiCorp's proposal to treat the energy and imbalance reserves up elements of LSEs' RSE requirements interchangeably for purposes of the

⁵⁴⁸ *Id.* at 19-20.

intra-BAA RSE, noting that it provides reasonable flexibility for those LSEs that might not be capable of providing imbalance reserves.

309. Next, we find that PacifiCorp has demonstrated that using an intra-BAA 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 PacifiCorp's Tariff nor CAISO's tariff contravenes PacifiCorp's ability to sub-allocate RSE requirements within its BAAs. Indeed, we note the concept of the intra-BAA 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.⁵⁴⁹

310. While we recognize that transmission providers must provide certain ancillary services under their OATTs, we disagree with UAMPS equating PacifiCorp's provision of ancillary services with the obligation to ensure the BAA meets the energy and imbalance reserves up elements of the RSE.⁵⁵⁰ Specifically, ancillary services such as energy imbalance service, regulation service, spinning reserve service, and supplemental reserve service are performed in real time at sub-hourly intervals—typically every five minutes—to correct any mismatches between load and supply, maintain system reliability, and address potential contingencies. In contrast, the RSE energy and imbalance reserves up elements serve primarily to demonstrate resource sufficiency prior to the day-ahead market run so that each BAA is incentivized to accurately forecast load, procure necessary capacity in advance, and have flexible capacity for ramping needs. Given the distinction between ancillary services and the RSE energy and imbalance reserves up elements, we are not persuaded that PacifiCorp's obligation to balance load under its Tariff similarly obligates it to assume sole responsibility for meeting the RSE energy and imbalance reserves up elements within its BAAs. Moreover, we note that PacifiCorp already proposes to assume responsibility for meeting the RSE imbalance reserves down and ancillary services elements for its BAAs, which will minimize LSEs' overall RSE obligation.

311. We are not persuaded by commenters stating that PacifiCorp needs to provide data or prove that leaning occurs for the Commission to find the intra-BAA RSE proposal just and reasonable. The Commission may act based on reasonable predictions rooted in

⁵⁴⁹ EDAM Order, 185 FERC ¶ 61,210 at P 355.

⁵⁵⁰ UMPA states that PacifiCorp is responsible for offering energy imbalance and spinning and supplemental reserves to balance load, and is further required to provide generator imbalance service “to the extent it is physically feasible to do so from its resources or from resources available to it” UMPA Protest at 22 (citing PacifiCorp Tariff, pt. I.03 Ancillary Services (3.0.0)).

basic economic principles in order to find a proposal just and reasonable.⁵⁵¹ Here, we find that it is reasonable for PacifiCorp to address the potential for LSEs within one of its BAAs to inappropriately lean on other LSEs within that BAA for resource sufficiency purposes by failing to obtain sufficient resources to meet their needs yet avoiding penalties because other LSEs within the BAA had excess resources. We note that the Commission accepted as just and reasonable CAISO's RSE frameworks in WEIM and EDAM on the basis that they would help to ensure that participants have sufficient resources to satisfy their resource adequacy needs and, in the WEIM Order, on the basis that CAISO's resource sufficiency proposal would prevent participants from leaning on other BAAs.⁵⁵²

312. In addition, we find that PacifiCorp's intra-BAA RSE requirements and penalties are consistent with cost causation principles. Under PacifiCorp's proposal, an LSE's penalty is ultimately based only upon its individual performance relative to its individual RSE obligations. We find that it is reasonable to subject an LSE that fails PacifiCorp's intra-BAA RSE to penalties because such deficiency could result in the PacifiCorp BAAs failing CAISO's EDAM RSE and, consequently, incurring penalties. Moreover, we agree with Portland General that if the PacifiCorp BAAs pass the EDAM RSE despite one or more LSEs not meeting their assigned LSE RSE obligations, then that deficiency must have been made up by other LSEs within the PacifiCorp BAAs.⁵⁵³ Thus, we find that it is reasonable for PacifiCorp to penalize LSEs that fail PacifiCorp's intra-BAA RSE and distribute the resulting RSE penalty revenues to the LSEs that passed the intra-BAA RSE. In sum, by penalizing LSEs that fail PacifiCorp's intra-BAA RSE, PacifiCorp's proposal identifies and assigns costs to those LSEs that caused the PacifiCorp BAAs to fail CAISO's EDAM RSE or, if other LSEs in the PacifiCorp BAAs provided sufficient resources to make up for any deficiencies, caused the potential for

⁵⁵¹ See, e.g., *PJM Interconnection, L.L.C.*, 186 FERC ¶ 61,097, at P 41 (2024).

⁵⁵² EDAM Order, 185 FERC ¶ 61,210 at PP 32, 355 (finding that CAISO's BAA-level RSE has the potential to ensure that all EDAM Entities are meeting their own resource adequacy needs); WEIM Order, 147 FERC ¶ 61,231 at P 122 (finding that CAISO's proposal regarding resource sufficiency "allows EIM participants to gain the benefits of increased resource diversity, while preventing them from inappropriately leaning on other BAAs"). We further note that WRAP encourages participants to cure any potential resource deficiencies for an operating day beforehand, bilaterally, before relying on other WRAP participants' holdback energy. See *Nw. Power Pool*, 182 FERC ¶ 61,063 at P 102.

⁵⁵³ Portland General Answer at 36.

such failure. As such, we find that PacifiCorp's RSE proposal is consistent with cost causation principles.

313. Moreover, we are not persuaded by arguments that PacifiCorp's proposal is unjust and unreasonable because it generates additional or new revenue streams for PacifiCorp or could double-penalize LSEs for providing ancillary services. Specifically, we note PacifiCorp's clarification that because it is required to provide ancillary services under the Tariff and charge customers for that service, PacifiCorp will not assess LSEs any RSE penalties related to the ancillary services component of the PacifiCorp BAAs' RSE requirement even if the BAA fails the ancillary services component of the CAISO RSE.⁵⁵⁴ In addition, PacifiCorp's proposal specifies that: (1) all RSE penalty revenue collected from LSEs goes first to satisfy any penalty assessed by CAISO on the applicable PacifiCorp BAA; (2) any remaining excess after satisfying a CAISO penalty will be returned to LSEs that were sufficient and passed the intra-BAA RSE; and (3) when no CAISO penalty is assessed, the penalty revenue is distributed to all LSEs that were RSE-sufficient in the intra-BAA RSE.⁵⁵⁵ As such, any RSE penalty revenues will be either paid to CAISO or redistributed proportionally to those LSEs who pass the intra-BAA RSE, and PacifiCorp—like all LSEs in PacifiCorp's BAAs—will only receive revenues from RSE penalties to the extent that it is sufficient and passes the intra-BAA RSE.

314. Regarding PacifiCorp's RSE proposal timelines, we recognize that the pre-EDAM RSE evaluations necessitate coordination and potentially quick adjustments to cure deficiencies. However, 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, we find that PacifiCorp's intention to update LSEs on the advisory RSE runs and conduct its intra-BAA RSE run by 9:15 a.m., before the EDAM RSE run, provides sufficient time for LSEs to satisfy their obligations.⁵⁵⁶ We note that this 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.

⁵⁵⁴ PacifiCorp May 23 Answer at 19. As noted previously, PacifiCorp proposes to maintain primary responsibility to CAISO for providing sufficiency ancillary services to the day-ahead RSE. *See id.* at 19, 19 n.39.

⁵⁵⁵ PacifiCorp March 11 Answer at 42.

⁵⁵⁶ Transmittal at 24; *see also* PacifiCorp Deficiency Letter Response at 8 (“[F]or the final day-ahead RSE requirement, assuming it is received from the CAISO at 9:00 a.m., PacifiCorp expects that LSEs would have their final RSE by approximately 9:05 a.m.”).

315. Next, we find that PacifiCorp’s intra-BAA RSE requirement allocation methodology—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 PacifiCorp’s Tariff. Instead, we find sufficient PacifiCorp’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 up components of the RSE requirements to individual LSEs based on each LSE’s load ratio contribution is a reasonable approach that provides a basis for PacifiCorp to manage penalty and credit allocations. Noting that PacifiCorp might use a type of historical load data to inform the load ratio contribution values, we disagree with protesters that its potential usage renders the proposal unjust, unreasonable, or unduly discriminatory or preferential. As a general matter, we do not find that details about how exactly PacifiCorp would calculate proxies for LSE load need to be included in the Tariff and disagree with Calpine that PacifiCorp’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.”⁵⁵⁷ The Commission has broad discretion in applying the rule of reason.⁵⁵⁸ Here, we find that discussions about the specific historical load data or methodologies—including the three-year historical load data contemplated in PacifiCorp’s draft business practice manuals and matters of how to adjust load forecasts—are appropriately managed in its business practice development.

316. Moreover, we note that the implementation details of PacifiCorp’s intra-BAA RSE requirement allocation methodology are still being developed and are subject to revision. We note PacifiCorp’s statements that PacifiCorp and Calpine have been engaged in discussions on this and related EDAM implementation matters, and that PacifiCorp is open to considering developing a different approach to account for Calpine’s situation.⁵⁵⁹

⁵⁵⁷ *City of Cleveland*, 773 F.2d at 1376.

⁵⁵⁸ *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 ‘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.*

⁵⁵⁹ PacifiCorp May 23 Answer at 16, 18.

317. Regarding Calpine’s argument that certain LSE types may experience higher variability at times and that usage of historical load inputs could impact an LSE’s RSE outcome, we do not find that the chance for variances that might lead to penalties is itself grounds to find the proposed intra-BAA RSE requirement allocation method unjust and unreasonable, nor do we find it unduly discriminatory towards smaller LSEs.⁵⁶⁰ Indeed, the intra-BAA RSE is designed to provide incentives to encourage LSEs to meet their resource sufficiency needs. While protesters point to the metered demand methodology, 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.⁵⁶¹ Therefore, although use of metered demand might also be a reasonable methodology for allocating intra-BAA RSE requirements, the Commission need only find that a proposal is just and reasonable, not that it is the most just and reasonable proposal.⁵⁶² For the same reason, we also need not address commenters’ requests that PacifiCorp revise its Tariff to allow LSEs to be able to submit their own load forecasts to PacifiCorp for the inter-BAA RSE, as we find PacifiCorp’s proposal to be just and reasonable.

318. In accepting PacifiCorp’s proposed intra-BAA RSE allocation methodology, we also find PacifiCorp’s use of a de minimis threshold in assessing RSE failures is just and reasonable and note that this approach mirrors the EDAM RSE process. However, we accept PacifiCorp’s agreement to revise its initially proposed de minimis RSE failure parameter (greater than 1% of the LSE’s imbalance reserves up requirement for an hour) to “the greater of 1 MW or 1%” of the LSE’s imbalance reserves up requirement for that hour, as offered in its answer.⁵⁶³ Accordingly, we direct PacifiCorp to include this

⁵⁶⁰ Importantly, we also note that all LSEs that pass the intra-BAA RSE will also be beneficiaries of any intra-BAA penalties paid by failing LSEs (assuming the BAA passes the EDAM RSE). It is therefore not unreasonable to expect that the framework has the potential to balance penalties and credits in the long run.

⁵⁶¹ See *Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,170 at P 24; CAISO EDAM Transmittal at 10.

⁵⁶² 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.

⁵⁶³ PacifiCorp March 12 Answer at 45-46; PacifiCorp Deficiency Letter Response at 9-10.

revision in the compliance filing ordered below within 30 days of the date of this order. We find that this revision is just and reasonable because it further reasonably accommodates LSEs with very small loads in light of the standard minimum scheduling blocks.

319. Lastly, we accept PacifiCorp's offer to further clarify and better distinguish (1) the allocation of revenues received from CAISO from another BAA's RSE failures (under charge code 8088) from (2) the allocation of revenues collected by PacifiCorp under its internalized RSE test.⁵⁶⁴ We therefore direct PacifiCorp to make these clarifications in section 10.3.4.1.3 of Attachment T to its Tariff in the compliance filing ordered below within 30 days of the date of this order. We also acknowledge that PacifiCorp states that it has identified a typographical error in proposed Attachment T, section 10.3.4.1.3.1 that it would fix on compliance, in which the word "owned" should be corrected to "owed" so that the section would read as, "[o]n an hourly basis, the PacifiCorp EDAM Entity will sum the LSE RSE On-Peak Failure Insufficiency Surcharge revenue owed by EDAM Load-Serving Entities." Finally, we accept PacifiCorp's proposed correction to Attachment T, section 10.4.1 to fix a typographical error so that it reads as "day-ahead" load and exports.⁵⁶⁵ We direct PacifiCorp to correct these typographical errors in Attachment T, sections 10.3.4.1.3.1 and 10.4.1 as stated in its answer in the compliance filing ordered below within 30 days of the date of this order.

5. External Intertie Bidding

a. PacifiCorp Filing

320. PacifiCorp states that CAISO's tariff vests EDAM Entities with the flexibility but not the obligation to enable economic bidding between EDAM and non-EDAM BAA interties. PacifiCorp states it has decided not to activate intertie bidding for EDAM go-live beyond those authorizations already permitted by the CAISO tariff.⁵⁶⁶ However, PacifiCorp states that CAISO's tariff contains a number of exceptions to the bar on intertie bidding that ensure external Designated Network Resources for load inside PacifiCorp BAAs can participate in the market; these, PacifiCorp states, will be honored

⁵⁶⁴ PacifiCorp March 12 Answer at 45.

⁵⁶⁵ *Id.* at 11 n.22, 46 n.104.

⁵⁶⁶ PacifiCorp states that its proposed revisions mirror those of CAISO and permit the EDAM BAA to activate intertie bidding at some future date. Transmittal at 23-24.

under the proposed Tariff and should address concerns of LSEs that depend on certain resources outside PacifiCorp BAAs.⁵⁶⁷

321. PacifiCorp explains that intertie bidding at go-live would introduce complexities in implementation that may not be adequately addressed until there is further experience with EDAM. However, PacifiCorp states it will monitor EDAM performance during initial participation and will work with stakeholders to assess intertie bidding after go-live. PacifiCorp also notes it will similarly not enable convergence bidding at go-live.⁵⁶⁸

b. Comments and Protests

322. Bonneville states that PacifiCorp proposes unnecessary barriers to competition in the market by prohibiting external resource intertie bidding, which provides an unfair, non-comparable advantage to its own merchant function. Bonneville states it does not support an approach of starting a flawed market that excludes firm supply and waiting to hopefully resolve this critical issue at some later date of PacifiCorp's choosing. Bonneville further states that, rather, external resource intertie bidding must be allowed on day one, as is allowed under the CAISO tariff. Bonneville argues that PacifiCorp has failed to justify its categorical prohibition on external resource bidding at EDAM interties; therefore, it would be unjust and unreasonable for the Commission to approve PacifiCorp's Tariff provisions prohibiting external resource intertie bidding. Bonneville further argues that PacifiCorp should not have unilateral discretion in prohibiting external resource intertie bidding. Bonneville states that there must be a justification for a decision that otherwise weakens the market by limiting resource participation and weakening protections against market power and potential manipulation. Bonneville further states that if external resources are limited to self-scheduling under PacifiCorp's Tariff, the market will be deprived of these firm resources that can enhance reliability, and other resource providers will also be economically disadvantaged. Bonneville argues that PacifiCorp's prohibition would result in unfair treatment to the reliable resources of Bonneville and other parties, which may bid in their resources. According to Bonneville, PacifiCorp's proposal to prohibit external resource bidding at EDAM interties is therefore unjust, unreasonable, and non-comparable treatment of external resources with transmission rights and should be rejected.⁵⁶⁹

323. Bonneville claims it is not necessary to revisit the Commission's approval of CAISO's tariff to remedy this issue. Bonneville argues that PacifiCorp is choosing not to exercise flexibility allotted by CAISO's tariff to implement EDAM in an unduly

⁵⁶⁷ *Id.* at 25.

⁵⁶⁸ *Id.*

⁵⁶⁹ Bonneville Protest at 21-24.

discriminatory manner. Bonneville claims that PacifiCorp admits the CAISO tariff would allow external resource intertie bidding; however, PacifiCorp seems to suggest there may be a legitimate discriminatory basis to prohibit external resource intertie bidding. Bonneville states that PacifiCorp's justification is inadequate and expresses no concern with the firmness of potential external resources. Bonneville further argues that once approved, PacifiCorp would have even less incentive to revisit the issue and collaborate with stakeholders. Bonneville requests that if the Commission approves PacifiCorp's proposed Tariff revisions, it should direct PacifiCorp to show cause, by a date certain, why it cannot enable external resource intertie bidding.⁵⁷⁰

324. Bonneville states it is unclear which provision of the PacifiCorp Tariff acknowledges that Designated Network Resources may submit external intertie bids. Bonneville requests the Commission direct PacifiCorp to update its Tariff to explicitly recognize Designated Network Resource participation at external interties consistent with the representations made in its filing transmittal letter. Bonneville further requests that the Commission require PacifiCorp's Tariff to clearly allow external Designated Network Resources to participate in EDAM consistent with the CAISO tariff to ensure non-discriminatory treatment of such resources.⁵⁷¹

325. UAMPS asserts that PacifiCorp's failure to include external intertie bidding will likely increase congestion charges to UAMPS because it will be much more difficult to transact outside of PACE economically, will force UAMPS to self-schedule its imports and exports, and will affect UAMPS' ability to comply with RSE requirements. UAMPS argues that the potential benefits to PacifiCorp in collecting congestion revenue compared to the costs to transmission customers from the barriers to inter-BAA trading make the proposal unjust and unreasonable.⁵⁷² UAMPS states that the Commission deferred the decision of whether to require future EDAM Entities to enable intertie bidding to future proceedings, and should mandate PacifiCorp to enable day-ahead economic bidding to avoid the unduly discriminatory result of affording opportunities to EDAM Entities in the CAISO BAA but not in the PacifiCorp BAAs. UAMPS states that EDAM is a fundamentally different market than WEIM, where no entities have implemented intertie bidding. UAMPS' states that its ability to trade efficiently with its regional partners outside the PacifiCorp BAAs is critical to its economic and least-cost load-service priorities, and without economic external intertie bidding, UAMPS would be forced to contract bilaterally with external entities in illiquid markets and self-schedule imports or exports to and from the PacifiCorp area inefficiently. UAMPS further argues

⁵⁷⁰ *Id.* at 24-25.

⁵⁷¹ *Id.* at 25-26.

⁵⁷² UAMPS Protest at 29-30 (citing Order No. 890, 118 FERC ¶ 61,119 at P 39).

that PacifiCorp creates the risk that self-scheduled transactions will create an hourly inflexible obligation that EDAM will be forced to dispatch around, undermining market benefits.⁵⁷³

326. UAMPS argues that because there will be limited transfer capacity between PACE and PACW and between PACW and CAISO when EDAM is implemented, UAMPS will be subject to the supply and demand available within PACE, where PacifiCorp is the dominant buyer and seller. UAMPS claims that without economic intertie bidding, it will likely be captive to the market decisions of PacifiCorp's merchant. UAMPS states that the Commission should reject PacifiCorp's proposed Tariff revisions because they do not include the ability for intertie bidding.⁵⁷⁴

c. Answers

327. PacifiCorp explains that its decision not to enable intertie bidding for external resources at go-live, and instead monitor and work with stakeholders at a later date, is consistent with the approach it took in the implementation of the WEIM. PacifiCorp asserts that protesters ignore that the approved CAISO tariff expressly permits intertie bidding of external resources that are Designated Network Resources for load inside the PacifiCorp BAAs, and that these existing exceptions will be honored by PacifiCorp's proposed OATT and are not subject to PacifiCorp's decision to gain market experience before activating intertie bidding more broadly. PacifiCorp argues that nothing about the EDAM market design requires UAMPS to buy power from PacifiCorp and that UAMPS can, as it does today, maintain its own resource sufficiency, including external resources that it designates as Designated Network Resources for load in a PacifiCorp BAA.⁵⁷⁵

328. CAISO states that EDAM allows non-resource-specific resources to bid economically at the CAISO interties, but it does not allow them to bid economically at the interties of other balancing authorities participating in EDAM unless authorized at the BAA interties.⁵⁷⁶ CAISO explain that PacifiCorp proposes to exercise its discretion under the CAISO tariff not to enable economic bidding at the interties between the PacifiCorp BAAs and other BAAs (i.e., external intertie bidding) when it begins participating in EDAM, in order to ensure all of its core functions work as intended and it does not introduce complexities in implementation. CAISO states that the CAISO tariff

⁵⁷³ *Id.* at 30-31.

⁵⁷⁴ *Id.* at 32-33.

⁵⁷⁵ PacifiCorp Answer at 48-51.

⁵⁷⁶ CAISO Answer at 87-88 (citing CAISO eTariff, § 33.30.3 Economic Bids at EDAM Interties (0.0.0)).

language makes it clear that the default approach is not to permit external intertie bidding. Further, CAISO explains that in the EDAM Order the Commission “disagree[d] with suggestions that CAISO should have a mechanism to enable economic bidding at external interties within the Tariff, rather than allowing economic bidding at interties to be enabled by the EDAM Entity under section 29.34(i)(2) of the existing CAISO tariff.”⁵⁷⁷ CAISO argues that it would be contrary to the plain meaning of these CAISO tariff provisions for the Commission to find they require, rather than simply permit, PacifiCorp to enable external intertie bidding at EDAM start-up and that PacifiCorp has provided reasonable justification for its choice. CAISO states that further supporting PacifiCorp’s position is the fact that no balancing authority participating in the WEIM has enabled external intertie bidding.⁵⁷⁸

329. Portland General supports PacifiCorp’s position that intertie bidding at go-live would introduce complexities in implementation that may not be adequately addressed until further experience with EDAM operations is obtained. Portland General disagrees with arguments that intertie bidding should be enabled at go-live.⁵⁷⁹

330. Bonneville again argues that PacifiCorp should be directed to enable economic intertie bidding in its initial implementation of EDAM. Bonneville asserts that PacifiCorp’s proposal limiting transmission customer rights to make transmission unavailable to the market creates captive loads in PacifiCorp’s BAAs and that these loads in the PacifiCorp BAAs would be prevented from utilizing various sources of external generation to serve load because of the intertie bidding restriction, which would limit the efficiency of market optimization. Bonneville argues that although characterized as optional under CAISO’s tariff, the Commission should not approve PacifiCorp’s disallowance of external resource intertie bidding as it will unreasonably constrain the market optimization and set a precedent for EDAM Entities to wall off any resource bidding at their borders, providing an unfair competitive advantage to the EDAM Entity’s merchant function.⁵⁸⁰

d. Commission Determination

331. We find that PacifiCorp’s decision to not enable economic bidding on external interties is just and reasonable and not unduly discriminatory or preferential. Further, we find that PacifiCorp’s proposal is consistent with the CAISO tariff’s EDAM provisions,

⁵⁷⁷ *Id.* at 88-89 (citing EDAM Order, 185 FERC ¶ 61,210 at P 240).

⁵⁷⁸ *Id.* at 89.

⁵⁷⁹ Portland General Answer at 13.

⁵⁸⁰ Bonneville June 9 Answer at 14.

which provide that economic bidding on external interties is only permitted if the EDAM Entity supports economic bidding.⁵⁸¹

332. We are unpersuaded by Bonneville's and UAMPS' arguments that PacifiCorp's decision to not enable economic external intertie bidding unduly discriminates against third-party suppliers or is otherwise preferential towards PacifiCorp's merchant arm. In particular, we note that external generation resources with firm transmission rights can still serve load in the PacifiCorp BAAs by submitting a self-schedule.⁵⁸² As a result, LSEs within the PacifiCorp BAAs may continue to serve their load from external resources. Further, we disagree with UAMPS that, due to congestion charges, transacting with external resources economically will become more difficult. As discussed in more detail in the congestion revenue allocation section above, we find that PacifiCorp's Step One allocation will protect balanced self-schedules from day-ahead congestion charges to the extent possible, meaning that LSEs' ability to transact with external resources will remain mostly unchanged. Additionally we note that under the CAISO tariff, pseudo-tied and dynamically scheduled resources into EDAM Entity BAAs can economically bid into the market, and bids from delivered energy contracts may also participate.⁵⁸³ We also understand from CAISO's explanations in its EDAM filing that external Designated

⁵⁸¹ 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.").

⁵⁸² CAISO eTariff, § 33.18.1 Transmission at EDAM External Interties (0.0.0), §§ 33.18.1.1, 33.18.1.3.

⁵⁸³ CAISO eTariff, § 33.30.8 Bids from External Resources (0.0.0), §§ 33.30.8.1, 33.30.8.2 ("Bids from delivered firm Energy contracts may participate in the Day-Ahead Market. Such firm Energy contracts include but are not limited to arrangements pursuant to Service Schedule C of the Western Systems Power Pool Agreement, CAISO resource adequacy imports, and similar forward contracted Supply.").

Network Resources will be able to economically bid in EDAM.⁵⁸⁴ Nevertheless, we disagree with UAMPs and Bonneville that PacifiCorp needs to include these exceptions in its Tariff, as they are provided for in the CAISO tariff and would be needlessly duplicative.

333. We also disagree with Bonneville and UAMPs' arguments alleging that PacifiCorp did not provide a sufficient justification for why it is just and reasonable not to enable economic bids at external interties. In its transmittal letter, PacifiCorp explained 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.⁵⁸⁵ 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." The Commission then found that "CAISO's proposed prohibition is just and reasonable, on balance, given that it can avoid these operational risks."⁵⁸⁶

334. We disagree with arguments that preventing external resources from economically bidding into EDAM may negatively affect the market's efficiency due to the reliance on self-schedules and there being fewer economic bids as a result. As noted in a previous section, we find concerns regarding the effect of self-schedules to be largely speculative.⁵⁸⁷ Further, we are not convinced that the potential for fewer economic bids and potential decrease in market efficiency renders the proposal unjust and unreasonable. As we have previously found, concerns regarding the complexity of implementing economic bids at external interties are reasonable and may outweigh the potential benefits of enabling these bids until PacifiCorp, and CAISO, gain more experience with the operational characteristics of EDAM. Further, we note that PacifiCorp asserted it will

⁵⁸⁴ CAISO EDAM Transmittal at 158 ("The EDAM design will support external resource participation by source-specific off-system designated network resources.").

⁵⁸⁵ Transmittal at 25.

⁵⁸⁶ EDAM Order, 185 FERC ¶ 61,210 at P 239.

⁵⁸⁷ *See supra* P 153.

monitor EDAM's performance and commits to work with stakeholders to assess intertie bidding once EDAM is live.⁵⁸⁸

335. Finally, we do not agree with UAMPS that not enabling economic bids at external interties will make it captive to, or harmed by, PacifiCorp's potential market power. As previously noted, external resources will continue to be able to serve load within the PacifiCorp BAAs via self-scheduling, even if they are barred from making economic bids. Further, in approving EDAM, we found that CAISO's proposal to extend its local market power mitigation used in the WEIM to EDAM was just and reasonable. Consequently, if PacifiCorp is found to have market power within EDAM, its economic bids will be subject to mitigation. Additionally, the Commission found that PacifiCorp, and all other EDAM Participants, will need to comply with the Commission's market-based rate program and will need to seek market-based rate authority in order to participate.⁵⁸⁹ These requirements will help ensure that any potential market power within EDAM is adequately mitigated.

6. Other Issues

a. Reporting and Transparency

i. PacifiCorp Filing

336. PacifiCorp states that stakeholders have asked for a commitment that congestion issues will be evaluated and monitored during the nascent phases of the EDAM market. PacifiCorp commits to monitor congestion performance and submit an informational report to the Commission within 90 days after the first anniversary of PacifiCorp's participation in the EDAM market, explaining the perceived performance of the Congestion Offset charge code allocation in the PacifiCorp BAAs, and congestion issues impacting OATT customers more generally. PacifiCorp avers that it has also been authorized by CAISO to represent that CAISO will support PacifiCorp's preparation of that report as needed and that this report will provide all stakeholders with full transparency as to the performance of EDAM on this important issue.⁵⁹⁰

⁵⁸⁸ Transmittal at 25. We also noted a similar commitment from CAISO in the EDAM Order. EDAM Order, 185 FERC ¶ 61,210 at P 239.

⁵⁸⁹ EDAM Order, 185 FERC ¶ 61,210 at PP 473-474 (noting that EDAM is a new relevant geographic market for market power analysis purposes).

⁵⁹⁰ Transmittal at 20.

ii. Comments and Protests

337. WPTF and NIPPC argue that customers will not have 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. WPTF and NIPPC state that while PacifiCorp has committed to submitting informational reports relating to congestion performance, this will not provide sufficient transparency or information necessary for market participants. Thus, they urge the Commission to require PacifiCorp and other EDAM BAAs 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.⁵⁹¹

338. Clean Energy Associations also urge the Commission to ensure transparency as EDAM Entities prepare for implementation. Clean Energy Associations state that, should the Commission approve PacifiCorp's Tariff as currently proposed, it should also require PacifiCorp to provide updates on the anticipated impacts of congestion revenue allocation as it proceeds with EDAM market simulations and parallel operations, and the relative degree of "reversal" of day-ahead congestion price differentials its methods achieve over specific paths, and overall, throughout the BAA. Clean Energy Associations state that PacifiCorp should report on how congestion revenues allocated from CAISO to PacifiCorp address congestion exposure in the PacifiCorp BAAs. Clean Energy Associations also request that the Commission require further reporting related to available transfer capacity on the existing grid and overall path specific settlement trends.⁵⁹²

339. Bonneville states that it is not clear how PacifiCorp will provide transparency to LSEs regarding their individual RSE obligations since the RSE is evaluated at the EDAM BAA level. Bonneville further states that PacifiCorp proposes to allocate penalties to any deficient LSE whether there is a penalty from the market operator to PacifiCorp or not. Bonneville also states that PacifiCorp's transmission customers must have 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 fail to meet their component of the obligation, and provide a transparent accounting of how the penalty is enforced and funds are allocated, including transparency regarding the PacifiCorp merchant performance with regard to satisfaction of the RSE obligation, and

⁵⁹¹ WPTF and NIPPC Protest at 19-21.

⁵⁹² Clean Energy Associations Protest at 14.

explain any penalties from the market operator and how such penalties would be allocated.⁵⁹³

iii. Answers

340. PacifiCorp states that certainty with regard to congestion exposure can only be gained through actual experience and that is why it is committed to monitor congestion performance with CAISO's support and submit an informational report to the Commission within 90 days after the first anniversary of PacifiCorp's participation in the EDAM market, explaining the perceived performance of the Congestion Offset charge code allocation in the PacifiCorp BAAs, and congestion issues impacting OATT customers more generally.⁵⁹⁴

341. PacifiCorp explains it is working with stakeholders to develop a schedule and format for a performance report related to the RSE to inform stakeholders about the efficacy of the penalty structure and to identify any patterns in the assessment and distribution of penalties. PacifiCorp states that if the LSEs can agree on a format that balances transparency and confidentiality concerns, and if Commission accepts this commitment, PacifiCorp states it would be willing to post any such report to its Open Access Same-Time Information System (OASIS). On sharing intra-BAA RSE runs results within the PacifiCorp BAA, PacifiCorp explains that each LSE would only be able to see its advisory and binding results, and not those of other LSEs. PacifiCorp explains it must balance a number of potentially competing objectives, including transparency and each LSE's load data. However, PacifiCorp notes it is aware that several parties that request greater transparency in RSE are those LSEs who presumably do not want their load data shared with other market participants, especially during a time when multiple LSEs may be in the market trying to cure deficiencies or making bidding and unit commitment decisions.⁵⁹⁵

iv. Commission Determination

342. We find that additional monitoring and reporting requested by commenters is not required at this time. However, we note PacifiCorp's commitment to monitor congestion performance and submit an informational report, with CAISO's help, to the Commission

⁵⁹³ Bonneville Protest at 29-30.

⁵⁹⁴ PacifiCorp March 12 Answer at 10.

⁵⁹⁵ PacifiCorp Deficiency Letter Response at 9.

within 90 days after the first anniversary of PacifiCorp's participation in the EDAM market.⁵⁹⁶

343. Additionally, we note that PacifiCorp commits to work with stakeholders to develop a schedule and format for a performance report related to the RSE to inform stakeholders about distribution of RSE penalties, assessment of RSE results and patterns, and/or data that might reveal inefficiencies and equities.⁵⁹⁷ We believe PacifiCorp's commitment to work with LSEs to design a mutually acceptable report format and post any such report (should it be agreed upon between PacifiCorp and stakeholders) on OASIS will promote transparency for stakeholders and reduce the incidence of RSE failure.

344. To provide clarity, transparency, and oversight of the implementation of the RSE allocations, we direct PacifiCorp to provide reporting to the Commission on a six-month basis for the first two years of EDAM participation.⁵⁹⁸ These informational filings should include the PACE and PACW BAA-wide forecasts from CAISO, PacifiCorp's estimated hourly load forecast and RSE allocations for each LSE, and each LSE's actual hourly loads. We also encourage PacifiCorp 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. Transmission Carve-out

i. PacifiCorp Filing

345. PacifiCorp states that the CAISO tariff gives the EDAM Entity discretion to hold back certain transmission from the market and that CAISO referred to this in its EDAM filing as the ability to "carve out" certain transmission.⁵⁹⁹ PacifiCorp explains that CAISO did not define with precision the circumstances in which an EDAM Transmission Service Provider should "carve out" transmission, but a few things are clear from the CAISO tariff process. PacifiCorp avers that CAISO represented to the Commission that

⁵⁹⁶ PacifiCorp states that this report will explain the perceived performance of the Congestion Offset charge code allocation in the PacifiCorp BAAs, and congestion issues impacting OATT customers more generally. *See* Transmittal at 20.

⁵⁹⁷ PacifiCorp Deficiency Letter Response at 9.

⁵⁹⁸ These informational reports should be filed in the instant docket and will not be noticed for comment or require Commission action.

⁵⁹⁹ Transmittal at 11 (citing CAISO EDAM Transmittal at 15; CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 33.18.3.3).

it expects carve outs to be rare in order to protect the efficiency of the market. First, PacifiCorp explains that if large swaths of transmission capacity were to be carved out of the market optimization, it would necessarily constrain the market outcomes and would likely create significant price increases as the market seeks to redispatch around such carve-outs and deal with potentially phantom congestion. Second, PacifiCorp states that CAISO affirmatively rejected calls by certain stakeholders to vest a carve out right in transmission customers. PacifiCorp provides CAISO's explanation that:

Some stakeholders also expressed a desire to have the right to carve their OATT transmission rights out of the market to the extent they are rights that support exports from or wheels through an EDAM [BAA] to a non-EDAM [BAA] to meet resource adequacy or other obligations. The proposed EDAM tariff provisions do not "carve out" such transmission rights (i.e., take such capacity away from the market), but they allow customers to exercise their rights associated with such transactions.⁶⁰⁰

346. PacifiCorp states that a key feature of the EDAM framework is that it respects the contract rights of certain pre-OATT contracts still in effect on the PacifiCorp system. PacifiCorp explains that CAISO's tariff treats legacy contracts similar to the ETC/TOR model used in the CAISO BAA and that the EDAM Entity will register legacy contracts with CAISO, affording legacy contract holders two key benefits. First, PacifiCorp states that CAISO will provide registered legacy contract self-schedules a "priority higher than other self-schedules in the market, and will allow changes to the associated self-schedule through real-time while maintaining the higher scheduling priority throughout this timeframe."⁶⁰¹

347. Second, PacifiCorp explains that CAISO will also settle self-schedules for legacy contracts using the "perfect hedge" style settlement, which reverses congestion and loss charges that would otherwise be attributed to that schedule by the market. PacifiCorp asserts that these two features together ensure that legacy contract schedules have a high confidence of physical delivery without exposure to market charges.⁶⁰²

348. PacifiCorp states that because legacy contracts are non-OATT contracts, the few holders of these contracts will not be required to participate in EDAM. However, PacifiCorp explains that CAISO must have visibility into these schedules in order to effectively run the day-ahead and real-time markets and so the PacifiCorp EDAM Entity will act as the Scheduling Coordinator for legacy contracts and will not pass through

⁶⁰⁰ *Id.* at 11-12 (quoting CAISO EDAM Transmittal at 140).

⁶⁰¹ *Id.* at 21 (citing CAISO EDAM Transmittal at 126).

⁶⁰² *Id.*

market charges to legacy contract holders. PacifiCorp states that in order to transparently apply this rule, PacifiCorp will maintain a list of qualifying legacy contracts on its OASIS. PacifiCorp avers that as a result of this non-OATT treatment, legacy contract holders will not be able to make their transmission capacity available for market optimization and take advantage of the opportunity to earn transfer revenue.⁶⁰³

349. PacifiCorp states that the CAISO tariff gives the EDAM Entity discretion to hold back certain transmission from the market; PacifiCorp agrees with CAISO that carve-outs should be very limited to protect against adverse impacts in market and plans to use this authority judiciously.⁶⁰⁴ Further, PacifiCorp expects the initial carve-outs to be facilities-based: certain discrete transmission facilities owned by third parties or multiple parties in the PacifiCorp BAAs that, if included in market, would present costs and complications that would far exceed their utility. PacifiCorp also states that the proposed Tariff changes do not include vesting any carve-out rights in transmission customers to merely opt-out their rights over the PacifiCorp system.⁶⁰⁵

ii. Comments and Protests

350. Salt River Project highlights that section 33.18.3.3 of CAISO's tariff allows a transmission service provider in EDAM to remove firm transmission from the market. Salt River Project presumes that transmission removed from EDAM in this manner would no longer be subject to settlements, including congestion charges and allocations, and thereby resolving this contentious issue. Salt River Project suggests that PacifiCorp could propose a paradigm in its Tariff that allows customers with firm transmission rights wheeling through or out of PacifiCorp's service area to provide PacifiCorp with notice that they do not want those rights to be included in EDAM. Salt River Project argues there is a similar opt-out provision already approved for SPP's Markets+.⁶⁰⁶

351. UAMPS argues that failure to include an option to opt-out will reduce opportunities for transmission rights holders to receive reciprocal treatment from adjacent markets, reduce overall market participation by discouraging outside participation, and result in a more complicated congestion revenue allocation calculation. UAMPS argues that without an opt-out, PacifiCorp cannot show that its proposal is superior to the *pro forma* OATT. UAMPS states that without an opt-out option, third-party participants may

⁶⁰³ *Id.* at 21-22.

⁶⁰⁴ *Id.* at 25 (citing Bremer Test. Ex. at 21).

⁶⁰⁵ *Id.*

⁶⁰⁶ Salt River Project Protest at 9-10 (citing Markets+ Order, 190 FERC ¶ 61,030 at PP 82-98).

avoid using the PacifiCorp system, and network transmission customers like UAMPS will pay increased rates as a result. UAMPS states that including an opt-out option would allow for greater transparency and accuracy of settlements within EDAM.⁶⁰⁷

352. Powerex states that PacifiCorp's proposal seeks to force customers to participate in EDAM as a condition of transmission service but fails to ensure that such participation upholds the contract rights of that transmission service. Powerex argues it is necessary for PacifiCorp to provide a limited carve-out that enables customers to use their PacifiCorp transmission service without participating in—or experiencing the negative effects of—EDAM. Powerex further argues that providing a limited carve-out would not raise concerns about potential “stranding” of transmission, and a limited carve-out would ensure that customers continue to be able to use their PacifiCorp transmission service to support transactions that are unrelated to EDAM, or to participate in other regional programs and markets.⁶⁰⁸

353. Puget Sound Energy asserts that PacifiCorp did not use all of the tools provided in the EDAM framework to honor the rights and priorities of long-term firm point-to-point transmission service customers in the *pro forma* OATT. Puget Sound Energy states the CAISO tariff has a provision where an EDAM Entity must inform CAISO of “information about transmission capacity available to the Day-Ahead Market to its EDAM Entity Scheduling Coordinator and the CAISO.”⁶⁰⁹ Puget Sound Energy argues that this provision lets PacifiCorp carve out firm rights for long-term firm point-to-point transmission service customers on the PacifiCorp transmission system, which is, Puget Sound Energy asserts, a tool similar to the provisions in Markets+ that would allow rights holders in a Markets+ BAA to utilize their rights fully outside Markets+.⁶¹⁰

iii. Answers

354. PacifiCorp agrees with CAISO that carve-outs should be very limited to protect against adverse impacts on the market, and PacifiCorp plans to use that authority judiciously. PacifiCorp states that neither the CAISO tariff nor PacifiCorp's Tariff revisions purport to vest transmission customers with the ability to unilaterally take tranches of transmission capacity out of the market design, which is PacifiCorp's chosen method of congestion management. PacifiCorp argues that protesters leverage their

⁶⁰⁷ UAMPS Protest at 27-29.

⁶⁰⁸ Powerex Protest to the Deficiency Letter Response at 2-3.

⁶⁰⁹ Puget Sound Energy Protest at 5 (citing CAISO eTariff, § 33.4.2 EDAM Transmission Service Provider (0.0.0)).

⁶¹⁰ *Id.*

concerns on congestion exposure to argue that modifying the OATT method of congestion management demands that they have broad unilateral right to carve out their transmission rights from EDAM.⁶¹¹ PacifiCorp asserts that protesters see the value of carve-outs not as protection of physical rights, but as the best path to their stated desire to port transmission rights to another market. PacifiCorp explains that even if a transmission customer were able to opt out its capacity from EDAM, their desired authorization to donate that capacity to an entirely different market operator would not be the inevitable result. PacifiCorp asserts that if EDAM and Markets+ continue to mature, there will come a time for seams issues to be addressed and that it recognizes that effective seams agreements between the two markets will be necessary for reliability and to protect customers, but that this proceeding is neither the time nor the place.⁶¹²

355. PacifiCorp argues that vesting transmission customers with the unilateral ability to carve-out transmission capacity from the market would create a situation where one customer could exempt itself from the Tariff's governing approach to congestion management. PacifiCorp explains that the purpose of EDAM is in part to adopt a more efficient method of congestion management, based in part on the price signals sent by LMPs, and the locational differences therein that are revealed in congestion charges and that letting customers opt out could badly distort the price signals the market produces. In addition, PacifiCorp asserts widespread opt-outs would hobble the market's ability to reach efficient solutions, badly increasing costs for those customers who did not opt out and that as transmission capacity is pulled out of the market, the market's ability to find efficient and least-cost redispatch scenarios could be badly limited. Further, PacifiCorp argues that since this broad carve-out authority is being pursued largely by point-to-point customers, granting it would present a serious risk of unduly prejudicing native load in the PacifiCorp BAAs.⁶¹³

356. SPP argues that CAISO's assertion, that allowing transmission customers a right to opt out of non-RTO/ISO market participation would necessarily undercut existing RTOs/ISOs by allowing customers to remove transmission capacity from the RTO's/ISO's optimization, blurs the line between RTOs/ISOs, which control transmission, and markets like EDAM and SPP's Markets+, which do not.⁶¹⁴

⁶¹¹ PacifiCorp March 12 Answer at 28 (citing Powerex Protest at 31; Bonneville Protest at 9-10; Puget Sound Energy Protest at 5; PPC Protest at 13; WRAP Participating Entities Protest at 10; UAMPS Protest at 15; UMPA and Deseret Protest at 24-26).

⁶¹² *Id.* at 28-29.

⁶¹³ *Id.* at 29.

⁶¹⁴ *Id.* at 21-22.

357. CAISO states that several commenters argue that individual transmission customers can choose completely to “opt-out” of a Commission-approved wholesale market in which their balancing authority elects to participate, i.e., withdraw transmission capacity from consideration in that market.⁶¹⁵ CAISO asserts that this argument ignores the fact that EDAM, as accepted by the Commission, is voluntary for each BAA or transmission service provider but is not voluntary for individual transmission service customers and that CAISO’s tariff does not provide a right for individual transmission customers to opt out of the market.⁶¹⁶ CAISO explains that in its order accepting the Markets+ design, the Commission authorized a mechanism proposed by SPP to allow transmission opt-outs subject to specified limitations, but that this was SPP’s own proposal for its own market design that the Commission found was just and reasonable.⁶¹⁷ CAISO asserts that the Commission has long recognized that there is a range of just and reasonable wholesale market designs, and no RTO/ISO has to adopt the same market design as another RTO/ISO.⁶¹⁸ CAISO argues that the Commission’s acceptance of that design choice is far from a guarantee that each point-to-point transmission customer in any BAA with a day-ahead market can elect to wholly remove its transmission from that market, as state regulators and RTO market monitors have raised, and the Commission has acknowledged, concerns about potential gaming opportunities and market inefficiencies resulting from provisions limiting transmission availability to day-ahead markets.⁶¹⁹ CAISO asserts that the operators and designers of wholesale markets have the right to determine whether to offer individual customers a unilateral right to remove any transmission capacity rights under the *pro forma* OATT from the optimization of LMP-based markets.⁶²⁰

⁶¹⁵ CAISO Comments on the Deficiency Letter Response at 31-32 (citing Powerex Protest at 7; Bonneville Protest at 12; Puget Sound Energy Protest at 6).

⁶¹⁶ *Id.* at 32 (citing EDAM Order, 185 FERC ¶ 61,210 at P 12).

⁶¹⁷ *Id.* (citing Markets+ Order, 190 FERC ¶ 61,030 at PP 82, 85-89).

⁶¹⁸ *Id.* at 32-33 (citing *Midcontinent Indep. Transmission Sys. Operator, Inc.*, 162 FERC ¶ 61,176, at P 57 (2018); *PJM Interconnection, LLC.*, 119 FERC ¶ 61,063, at P 39 (2007); *Sw. Power Pool, Inc.*, 110 FERC ¶ 61,031, at PP 22-23 (2005); *Midwest Indep. Transmission Sys. Operator, Inc.*, 102 FERC ¶ 61,196, at P 43 (2003)).

⁶¹⁹ *Id.* at 33 (citing Markets+ Order, 190 FERC ¶ 61,030 at PP 87-88, 92; *id.* (Chang, Comm’r, concurring at PP 9-10)).

⁶²⁰ *Id.* (citing PacifiCorp, PGE, and NV Energy, Request for Clarification and Rehearing, Docket No. ER24-1658-004, at 1-3, 8-16, 18-19 (filed Feb. 18, 2025)).

358. CAISO argues that the arguments of those urging the Commission to mandate individual customer opt-outs as a matter of right could have unintended consequences. CAISO explains that other RTOs/ISOs such as PJM and MISO have successful LMP-based day-ahead markets under a tariff structure that retains point-to-point transmission service and that these RTOs/ISOs have not allowed individual OATT transmission customers to “opt out” of participating in the market. CAISO states that these RTOs/ISOs are subject to the same “consistent with or superior to” standard to support variations from the *pro forma* OATT that applies to PacifiCorp’s Tariff amendments in this proceeding. CAISO argues that any finding that the “consistent with or superior to” standard requires affording individual point-to-point customers the right to opt out of a market adopted by their transmission service provider at will, would create new precedent that could significantly undermine the efficiency of those existing RTO/ISO markets and create new opportunities for individual customers to remove transmission capacity from those markets regardless of the impacts on the overall efficiency of such markets. CAISO states that the fact that EDAM retains multiple BAAs rather than a single consolidated BAA, which is different than what has been done in most current RTOs/ISOs, is not a reason to grant individual transmission customers the right unilaterally to remove their transmission capacity from the market.⁶²¹

359. CAISO asserts that conferring the ownership rights sought by Powerex to any party that reserves long-term point-to-point transmission service would undermine the ability of the transmission service provider to provide service in accordance with terms it establishes under the FPA and would impact the ability of the transmission service provider to maintain reliability in its own BAA and could create unjustified cost shifts to other customers. CAISO argues that giving a customer the ability to remove transmission capacity to another market unilaterally would effectively allow another transmission service provider to manage utilization of transmission facilities owned or operated by the utility providing the transmission service to the customer without the consent of that utility, which could adversely impact the ability of the host transmission service provider to manage reliability within its BAA. CAISO asserts that such a customer opt-out ability could also mandate the enabling of dynamic capacity of the transmission system that the host transmission provider may not have studied and that has no basis under the OATT or the customer’s service agreement. CAISO argues that it could also create unjustified cost shifts, limiting or eliminating the ability of the host transmission service provider to make unscheduled firm transmission available for sale on a non-firm basis, deriving additional revenues by the transmission service provider that put downward pressure on rates and support recovery of costs of the system.⁶²²

⁶²¹ *Id.* at 33-34.

⁶²² *Id.* at 36-37.

360. CAISO states that some commenters argue the Commission should require PacifiCorp to exercise its rights under the EDAM provisions of the CAISO tariff to provide a “carve-out” of transmission rights upon request to a customer taking PacifiCorp transmission service.⁶²³ CAISO asserts that the Commission should put PacifiCorp under no such obligation and should find PacifiCorp’s Tariff revisions addressing carve-outs are just and reasonable. CAISO explains that in its EDAM filing, it explained that the EDAM design allows for the physical carve-out of certain transmission rights across particular frequently scheduled paths only where the applicable transmission service provider determines such carve-outs are necessary in accordance with its tariff.⁶²⁴ CAISO avers that the Commission, in accepting the CAISO tariff provision regarding transmission service provider carve-outs, recognized CAISO “expects that conditions warranting such a carve-out will be limited and that the transmission customer’s option to exercise firm transmission rights at a higher market clearing priority above cleared day-ahead EDAM transfer schedules in real-time is a more efficient use of transmission capacity and should be implemented instead of carve-outs where possible.”⁶²⁵ CAISO explains that the Commission also found that any carve-out of transmission rights from EDAM “would be contingent on the EDAM transmission service provider’s OATT provisions allowing for such carve-out.”⁶²⁶

361. CAISO asserts that the Commission should find PacifiCorp’s requested authority to provide carve-outs only in limited circumstances (e.g., to maintain the reliability of the PacifiCorp BAAs or to effectuate contract rights) to be just and reasonable as under court and Commission precedent, the Commission need only consider PacifiCorp’s proposed revisions on their own terms and not in comparison to any alternatives.⁶²⁷ CAISO argues that the Commission should disregard commenters’ alternative proposal that PacifiCorp should instead be obligated to provide carve-outs any time a customer requests to remove capacity from the market as their alternative proposal is inconsistent with the EDAM design, the affirmance of that design in the EDAM Order, and the efficiency of EDAM,

⁶²³ *d.* at 65 (citing Powerex Protest at 18-19, 31; *id.* Gribik Test., at 30:13-31:18; *id.*, attach. C (Testimony of Kevin Wellenius) at 3:9-4:12(Wellenius Testimony); *id.*, attach. E (Testimony of Joseph Gardner) at 22:3-10 (Gardner Testimony); PPC Protest at 13).

⁶²⁴ *Id.* at 65-66 (citing CAISO EDAM Transmittal at 140-141, 16, 134-135, 141 n.264, 143).

⁶²⁵ *Id.* at 66-67 (quoting EDAM Order, 185 FERC ¶ 61,210 at P 285).

⁶²⁶ *Id.* at 67 (quoting EDAM Order, 185 FERC ¶ 61,210 at P 314).

⁶²⁷ *Id.* at 67-68 (citing *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,135, at P 44 n.43 (2012); *City of Bethany v. FERC*, 727 F.2d at 1136).

to the detriment of end-use customers benefitting from the EDAM market optimization. CAISO asserts that the transmission service provider is in the best position to establish whether to allow any carve-outs based on the rights and terms and conditions conferred under its OATT and that mandating that customers have a unilateral right to remove transmission from the market optimization where not supported by the transmission service provider would adversely affect the ability of the service provider to administer its OATT and manage grid reliability.⁶²⁸

362. Portland General states that the Commission should reject calls to empower transmission customers with the unilateral ability to “carve-out” or “opt-out” their transmission service rights from EDAM.⁶²⁹ Portland General goes on to assert that while firm transmission service rights are respected under EDAM, transmission customers are no more entitled to “opt out” of the market than they would be to “opt out” of any other generally applicable term and condition under the EDAM Entity’s OATT.⁶³⁰ Portland General states that accordingly, rejecting these baseless claims for unilateral customer “carve-outs” is important for preserving the primacy of the OATT both for EDAM and any other generally applicable term and condition of transmission service. Portland General argues that the argument advanced by protesters, that transmission customers should have the ability to exercise their transmission service rights “in the manner of their choosing,” has no limiting principle.⁶³¹ Portland General asserts that such carve-outs would force more system costs (and redispatch costs) onto customers classes that cannot opt-out and that permitting transmission customers to use their transmission service rights “in the manner of their choosing” or “carving them out,” over the objection of the transmission service provider conflicts with fundamental OATT and cost causation principles, introducing reliability problems.⁶³²

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

363. As part of staff’s Deficiency Letter, Commission staff inquired what criteria PacifiCorp would use to determine transmission facility carve-outs (or hold back) from the market, as well as whether the associated information would be in business practice

⁶²⁸ *Id.* at 68-69.

⁶²⁹ Portland General Answer at 4-5.

⁶³⁰ *Id.* at 23.

⁶³¹ *Id.* at 25.

⁶³² *Id.* at 26-27.

manuals and/or if a list of carved-out facilities would be available publicly in any source.⁶³³

364. PacifiCorp states that it does not have any additional criteria to propose at this time for determining whether it will be necessary to hold back transmission facilities from the market. PacifiCorp explains that “carving out” transmission from the market will be infrequent and guided by the Tariff principles. PacifiCorp explains that it is difficult to develop additional criteria in the absence of operational experience in EDAM, as such experience will assist PacifiCorp in understanding which facilities may be appropriate for carving-out and why and that it is possible that transmission facilities that might be suitable for carving-out might be solely- or jointly-owned by a third party that might otherwise decide to make such capacity available to EDAM, rendering moot the need for any such carve-out. PacifiCorp claims that if such criteria are developed in the future, PacifiCorp commits to publicly posting them in a Business Practice or otherwise documenting them on its OASIS. PacifiCorp 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.⁶³⁴

365. CAISO argues that there is no basis to compel PacifiCorp to provide broader carve-outs inconsistent with the fundamentals of the EDAM design, or to provide individual customers with an “opt-out” option to remove transmission capacity from the market. CAISO argues that granting those requests would be inconsistent with its tariff, the EDAM Order, and PacifiCorp’s proposal, and that because these requests would fundamentally change PacifiCorp’s filed proposal, they contravene *NRG*.⁶³⁵ CAISO argues that conditioning acceptance of the proposed Tariff, and PacifiCorp’s participation in EDAM, on an opt-out right for transmission customers would constitute a collateral attack on the findings in the EDAM Order.⁶³⁶ CAISO reasserts that it has repeatedly

⁶³³ Deficiency Letter at 3.

⁶³⁴ PacifiCorp Deficiency Letter Response at 6-7.

⁶³⁵ CAISO Comments on the Deficiency Letter Response at 40-41 (citing *NRG*, 862 F.3d 108).

⁶³⁶ *Id.* at 41-43 (citing Markets+ Order, 190 FERC ¶ 61,030 at PP 82, 85-89). In a further answer, CAISO reiterates that automatic transmission opt-outs or transmission carve-outs are inconsistent with fundamental features of the EDAM framework that was accepted by the Commission. CAISO June 17 Answer at 2-4 (citing CAISO EDAM Transmittal at 16).

emphasized the narrow scope of the EDAM transmission carve out section of the CAISO tariff and its expectations that such carve-outs would be rare.⁶³⁷

366. PacifiCorp argues that no protester provides any support for why transmission customers should be able to unilaterally carve themselves out of generally applicable terms and condition of transmission service. PacifiCorp explains that a unilateral carve-out right introduces any number of concerns over scheduling and congestion management, including how it would even work to make PacifiCorp transmission capacity subject to the dispatch authority of a neighboring market, and how to address potentially distorted market price signals, and other inefficiencies that result. PacifiCorp asserts that such carve outs would render the market less efficient and raise costs for those that are not carved-out, such as network load. PacifiCorp argues that the *pro forma* OATT does not give transmission service customers the unilateral ability to exempt themselves from generally applicable terms and conditions of taking service over a transmission provider's system and that such an ownership-like right cannot be reconciled with the OATT or Commission precedent.⁶³⁸

367. Powerex argues that CAISO's assertion that a limited opt-out of transmission rights would materially reduce EDAM's benefit is without merit.⁶³⁹ Powerex asserts that a transmission customer's use of its own firm transmission rights in no way represents transmission that should be available to EDAM for optimization because such transmission capacity is already being used by the rights-holder that reserved and paid for the transmission service. Powerex states that a limited opt-out or carve-out mechanism would in no way impede the ability of EDAM Entities or CAISO to account for all load and resources. Powerex clarifies that it does not request that the Commission modify PacifiCorp's proposal, but that the Commission reject it and provide an explanation for the rejection, which would not be barred under *NRG*.⁶⁴⁰

v. Commission Determination

368. We find that PacifiCorp's proposal to carve out transmission capacity associated with only certain discrete transmission facilities owned by third parties or multiple parties in the PacifiCorp BAAs, which would present costs and complications if included in

⁶³⁷ *Id.* (citing CAISO EDAM Transmittal at 130, 135, 140-141, 143; CAISO eTariff, § 33.18.3 Contract Reference Number (CRN) (0.0.0), § 33.18.3.3).

⁶³⁸ PacifiCorp May 23 Answer at 23-24.

⁶³⁹ Powerex June 11 Answer at 12 (citing CAISO Comments on the Deficiency Letter Response at 45-46).

⁶⁴⁰ *Id.* at 12-14 (citing *NRG*, 862 F.3d 108).

EDAM, is just and reasonable and not unduly discriminatory or preferential, as discussed in more detail below.

369. We find PacifiCorp's proposal to exclude only certain transmission capacity from participation in EDAM is just and reasonable and not unduly discriminatory or preferential. The proposed Tariff provides that PacifiCorp will carve out a transmission facility or capacity if it deems it necessary to "maintain the reliability of the PacifiCorp BAAs or . . . give effect to any contract right, including EDAM Transmission Ownership Rights, that the PacifiCorp EDAM Entity determines is not adequately addressed by the rules of this Tariff and the [CAISO] Tariff."⁶⁴¹ PacifiCorp 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.⁶⁴² We find that the proposed Tariff language and PacifiCorp'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.

370. 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.⁶⁴³ Some of these protesters argue that being able to opt out 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.⁶⁴⁴ However, as we are finding that both PacifiCorp'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.

371. Some protesters note that under CAISO's tariff, PacifiCorp has the discretion to allow for a more permissive carve-out of transmission rights and argue that PacifiCorp should allow its firm transmission customers to be able to opt out their transmission rights in a manner similar to Markets+.⁶⁴⁵ We find that while it is true that in Markets+

⁶⁴¹ PacifiCorp Tariff, attach. T Extended Day-Ahead Market and Energy Imbalance Market (13.0.0), § 4.1.3.8.

⁶⁴² PacifiCorp Deficiency Letter Response at 7.

⁶⁴³ See, e.g., Puget Sound Protest at 5.

⁶⁴⁴ See, e.g., UAMPS Protest at 27-29.

⁶⁴⁵ See, e.g., Tacoma Protest at 4-5.

individual firm transmission customers may opt out their transmission rights, CAISO ultimately gives EDAM Entities the discretion to determine which facilities and capacity can be carved out.⁶⁴⁶ We find that PacifiCorp's proposal to limit carve-outs is just and reasonable because, as both PacifiCorp and CAISO note, permissive carve-outs could undermine the efficiency of EDAM. We further find that PacifiCorp's proposal is consistent with CAISO's representations in its EDAM filing.⁶⁴⁷

c. Miscellaneous

i. Comments and Protests

372. Clean Energy Associations request clarification of PacifiCorp's proposed Attachment T, section 9.2, which appears to label one method of securing transmission service as "not satisfying" the requirement to secure transmission service. Specifically, Clean Energy Associations state that PacifiCorp should clarify that the financial charge under its proposed Attachment T, section 9.2 that is assessed "for the quantity of transmission in excess of the required reservation" constitutes payment for transmission service and thereby satisfies the requirement in that section that "[e]ach EDAM Resource Facility must obtain transmission service." Clean Energy Associations argue that, absent a clarification of the Tariff, one could inappropriately interpret the PacifiCorp language to suggest that the assessment is a "penalty" for failure to obtain transmission service rather than a "payment" for transmission service. Clean Energy Associations state that this could be potentially important to the extent that other EDAM or PacifiCorp settlement provisions, scheduling rules, curtailment priorities, etc., are explicitly tied to properly obtaining transmission service.⁶⁴⁸

373. UMPA and Deseret argue that PacifiCorp's proposal does not comply with CAISO's tariff. UMPA and Deseret explain that CAISO's tariff requires that the "EDAM Entity will ensure that Congestion revenue allocated to its EDAM Entity Scheduling Coordinator is further allocated by all applicable EDAM Transmission Service Providers as may be detailed in the EDAM Transmission Service Provider tariff

⁶⁴⁶ See EDAM Order, 185 FERC ¶ 61,210 at P 314 ("We note that section 33.18.3.3 does not explicitly limit any designation of non-availability and states that designating unavailable transmission capacity would be done according to the EDAM transmission service provider's OATT. Therefore, 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.").

⁶⁴⁷ CAISO EDAM Transmittal at 16, 134-35, 140-41, 141 n.264, 143.

⁶⁴⁸ Clean Energy Associations Protest at 12-13.

and business practices.”⁶⁴⁹ UMPA and Deseret state that PacifiCorp is acting as both the EDAM Entity and the EDAM Entity Scheduling Coordinator. However, UMPA and Deseret argue that Deseret is also an EDAM Transmission Service Provider and as such should have a role in allocating congestion revenue, which it is not accorded under PacifiCorp’s proposal.⁶⁵⁰ Additionally, UMPA and Deseret argue that PacifiCorp’s proposed Tariff revisions provide insufficient detail as to how congestion revenues attributable to Deseret’s transmission system will be allocated, such that Deseret can thereafter allocate those revenues to its own transmission customers according to its own future OATT methodology.⁶⁵¹

374. UMPA and Deseret contend that there are no details contained within PacifiCorp’s proposal to explain how the PacifiCorp EDAM Entity will coordinate with Deseret to collect and thereafter distribute appropriate forgone transmission service revenues through the PacifiCorp EDAM Access Charge. UMPA and Deseret state that discussions with PacifiCorp to date have not yet resulted in an explanation as to how the EDAM Access Charge will be coordinated and administered including, but not limited to, how CAISO would determine and allocate revenue owed to Deseret for unreserved use of its system, which is an approved provision of the Deseret OATT.⁶⁵²

375. SPP contends that PacifiCorp should clarify its definition of “Self-Schedule” so that all firm transmission customers are able to exercise their rights and obtain high priority for their transactions for which they contracted for firm service. SPP argues that at this time, PacifiCorp’s definition excludes wheel-throughs or load or generation that has been pseudo-tied out of PacifiCorp’s BAAs, because such transactions would not include an “EDAM Resource” or an “EDAM Load” as those terms are defined. SPP asserts these exclusions are discriminatory against any other use of firm transmission service that does not involve an “EDAM Resource” and/or an “EDAM Load.”⁶⁵³

376. UAMPS argues that PacifiCorp has not provided an appropriate level of detail in its proposed Tariff revisions in multiple areas, noting that the Commission uses the rule of reason to determine whether a provision must be included in the tariff versus a business practice. Specifically, UAMPS finds details lacking about: (1) to what extent

⁶⁴⁹ UMPA and Deseret Protest at 8 (citing CAISO eTariff, § 33.11.1 Transfer Revenue and Congestion Revenue Allocation (0.0.0), §33.11.1.2).

⁶⁵⁰ *Id.* at 9.

⁶⁵¹ *Id.* at 29.

⁶⁵² *Id.* at 27-28.

⁶⁵³ SPP Comments at 17-18.

PacifiCorp will have discretion and how it will exercise any discretion in its performance of the RUC process, as well as any interaction it may have with CAISO surrounding Short-Term Unit Commitment processes or other intra-day operator-initiated processes or adjustments; (2) how non-traditional resources will be managed in the PacifiCorp BAAs, such as monitoring state-of-charge constraints on storage resources, or supporting hybrid- and co-located resource optimization in the market; (3) whether and under what conditions PacifiCorp has the authority to instruct manual dispatch on UAMPS' resources outside of the market solution, as well as the settlements implications of such actions; and (4) when and how convergence bidding will be enabled. UAMPS further states that PacifiCorp has not provided sufficient detail as to the counting of LSE transmission customer's resources, which is problematic for UAMPS members with behind-the-meter generation sources that do not meet the 3 MW threshold for representation in CAISO's full network model or to otherwise be bid.⁶⁵⁴

377. Other protesters cite governance issues as a reason to reject PacifiCorp's proposal. WPTF and NIPPC believe that CAISO's delegation of tariff language development implementing EDAM to individual BAAs represents a major limitation of the overall market design. They argue that unless governance modifications are enacted, the current design could result in either: (1) an EDAM Entity implementing an OATT design that is inconsistent with intended EDAM market design; or (2) EDAM Entities implementing market provisions that are highly inconsistent with one another.⁶⁵⁵ 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 provisions to ensure they are consistent with CAISO's EDAM market design and will not adversely affect EDAM market. WPTF and NIPPC encourage CAISO to work with EDAM Entities and stakeholders to adopt *pro forma* implementation provisions to ensure consistency through the footprint while avoiding the "race to file" that is created by the current approach to EDAM implementation.⁶⁵⁶

378. A number of comments and protests discuss PacifiCorp's stakeholder process. Bonneville argues that as a result of PacifiCorp's approach to stakeholder engagement, transmission customers and stakeholders did not receive a full or fair opportunity to address issues and work with PacifiCorp to resolve them.⁶⁵⁷ Tacoma contends PacifiCorp's proposed Tariff revisions, in their current form, were submitted without a

⁶⁵⁴ UAMPS Protest at 24, 36-37.

⁶⁵⁵ WPTF and NIPPC Protest at 25.

⁶⁵⁶ *Id.* at 27.

⁶⁵⁷ Bonneville Protest at 5-7.

meaningful stakeholder process and adequate analysis of available options.⁶⁵⁸ Utah DPU states the changes from the initial to the revised proposed Tariff revisions happened quickly and there was not adequate time for stakeholders to consider the implications of the revised proposal. Utah DPU further asserts that PacifiCorp should hold a more robust stakeholder input process before the proposed Tariff revisions are approved.⁶⁵⁹ UAMPS argues that additional responsibilities on PacifiCorp as the EDAM Entity increase the opportunity for conflicts of interest and require a more robust stakeholder process for developing EDAM-related Tariff changes and business practices.⁶⁶⁰ Legacy Customers state that the problems with PacifiCorp's proposal in this proceeding demonstrate the need for a formal, Commission-approved stakeholder process set forth in its Tariff to guide revisions to Attachment T to the PacifiCorp Tariff. Legacy Customers state that, had PacifiCorp had a more robust and responsive stakeholder process, it would have been better informed about the flaws identified by stakeholders and likely could have resolved many of the issues before reaching the Commission and given transmission customers greater confidence in EDAM implementation.⁶⁶¹

379. SPP contends PacifiCorp has not sufficiently responded to SPP's concerns about pseudo-tied out resources. SPP argues that not allowing pseudo-tied out resources or load to utilize firm transmission to deliver into a receiving BAA may pose significant challenges for balancing the system. SPP thus renews its request that PacifiCorp include load or generation that has been pseudo-tied out of PacifiCorp's BAAs in its definition of "self-schedule."⁶⁶²

ii. Answers

380. In response to Clean Energy Associations' comments on Attachment T, section 9.2, PacifiCorp avers that the clarification sought by these organizations would run counter to the proposed Tariff. PacifiCorp states that section 9.2 requires "[e]ach EDAM Resource Facility must obtain transmission service under this Tariff in a quantity sufficient to cover its cleared day-ahead and real-time bids or Self-Schedules" or be subject to a charge when "the relevant EDAM Resource Facility has failed to comply with this requirement." PacifiCorp states the best way to ensure that these entities can be

⁶⁵⁸ Tacoma Protest at 7-8. Tacoma states that PacifiCorp provided only an informational meeting with no opportunity for written stakeholder feedback.

⁶⁵⁹ Utah DPU Protest at 3-4.

⁶⁶⁰ UAMPS Protest at 33-35.

⁶⁶¹ Legacy Customers Protest to the Deficiency Letter Response at 13-14.

⁶⁶² SPP Protest at 18.

determined to have transmission service is to reserve transmission service in accordance with the Tariff.⁶⁶³

381. In response to comments about a lack of detail in its proposed Tariff, PacifiCorp states that UAMPS includes a list of operational questions that it has about EDAM, including how its specific resources will be counted in the EDAM, and how PacifiCorp will monitor state-of-charge constraints on storage resources, and other similar questions. PacifiCorp asserts that it understands that certain operational questions remain among customers that will require both further training from CAISO and PacifiCorp, as well as further implementation development, and that to the extent any such operational solutions are reduced to rules of general applicability, many such rules will be captured in business practices, which PacifiCorp has not yet fully developed. PacifiCorp states that to the extent that any such future rules rise to the level of tariff language under the Commission's rule of reason, PacifiCorp can address those issues in subsequent Tariff filings with the Commission.⁶⁶⁴

382. In response to comments about its stakeholder process, PacifiCorp argues that it has no responsibility under its Tariff to hold any stakeholder process and, unlike an RTO/ISO, PacifiCorp is not a membership organization comprised of complex committee processes and votes that are preconditions to FPA section 205 filings, but that it still undertook significant customer outreach both before and after the Commission's approval of CAISO's EDAM design.⁶⁶⁵

383. In response to SPP's comments, PacifiCorp states its proposed definition of self-schedules in Attachment T was not intended to exclude wheel-throughs and that it will, upon Commission order, add clarity to the definition of self-schedule in a compliance filing. PacifiCorp explains that this clarification notwithstanding, it would not be correct to include pseudo-ties in the definition of self-schedule, as pseudo-ties are not schedules, but can be part of a self-schedule. PacifiCorp asserts that the right to submit a self-schedule should not be interpreted as a right to pseudo-tie a specific generating resource and that pseudo-ties each present their own operational issues and are handled on a case-by-case basis.⁶⁶⁶

⁶⁶³ PacifiCorp March 12 Answer at 51-52 (citing Clean Energy Associations Protest at 12; PIOs Comments at 5).

⁶⁶⁴ *Id.* at 54.

⁶⁶⁵ *Id.* at 47-48.

⁶⁶⁶ *Id.* at 52.

384. PacifiCorp states that it agrees that transmission customers should be able to settle with CAISO directly and provided the optionality for an EDAM Load-Serving Entity to be represented by its own Scheduling Coordinator for load. PacifiCorp avers that it will continue to work with all of its LSEs throughout the EDAM onboarding and preparation process to address any data file issues that may arise. In response to arguments that these data files could create a competitive advantage for PacifiCorp's merchant function, PacifiCorp explains that its merchant function will have its own Scheduling Coordinator for purposes of its load and resource participation that is not the same as the EDAM Entity Scheduling Coordinator and that the merchant function's Scheduling Coordinator will be subject to functional separation requirements and will not have unduly preferential access to settlement data.⁶⁶⁷

385. PacifiCorp asserts that comments made from UMPA, Deseret, and others misunderstand the level of optionality and flexibility available to them as EDAM Transmission Service Providers and that these comments, along with other comments and recommended changes not addressed, are issues that are outside the scope of the proceeding.⁶⁶⁸

386. CAISO states that Deseret raises several concerns related to Deseret's status as a transmission service provider embedded in the middle of the PACE BAA.⁶⁶⁹ CAISO explains that consistent with Deseret noting its ongoing discussions with CAISO and PacifiCorp, CAISO commits to work to address the questions and concerns of transmission service providers such as Deseret that are embedded in the BAA of a separate EDAM Entity. However, CAISO asserts that any such discussions with Deseret must be consistent with the requirements of the CAISO tariff and the PacifiCorp Tariff. CAISO explains that the Commission has accepted the EDAM provisions of the CAISO tariff, and CAISO has confirmed that all of PacifiCorp's Tariff revisions are consistent with the EDAM requirements of the CAISO tariff and are consistent with or superior to the *pro forma* OATT. CAISO states that for example, while it understands a transmission service provider may prefer a direct settlement relationship with CAISO, the CAISO tariff currently only allows for a settlement relationship with the scheduling coordinator for the EDAM Entity and that similarly, outage information must be reported to CAISO on a balancing-area-by-balancing-area level.⁶⁷⁰ CAISO states that after EDAM implementation, it can consider alternative participation models for embedded

⁶⁶⁷ *Id.* at 53-54.

⁶⁶⁸ *Id.* at 46-47 (citing UMPA and Deseret Protest at 18-29).

⁶⁶⁹ CAISO March 7 Answer at 90 (citing UMPA and Deseret Protest at 18-29).

⁶⁷⁰ *Id.* at 90-91 (citing CAISO eTariff, §§ 33.4.2 EDAM Transmission Service Provider (0.0.0), 33.4.3 EDAM Entity Scheduling Coordinator (0.0.0)).

transmission service providers such as Deseret and that it commits to work with non-EDAM Entity transmission service providers such as Deseret on developing and executing the appropriate agreements with them prior to EDAM go-live. CAISO argues that this process should not delay acceptance of the PacifiCorp filing here.⁶⁷¹

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

387. In the Commission's Deficiency Letter, Commission staff asked PacifiCorp to explain how it proposes to allocate congestion revenue associated with charges incurred on unaffiliated EDAM Transmission Service Providers' systems within the PacifiCorp BAAs. Commission staff also requested further explanation of the just and reasonableness of excluding EDAM participation of facilities with a net output lower than 3 MW. Last, Commission staff requested explanation of how PacifiCorp would settle energy from any manual dispatches to EDAM Resources to address reliability or operational issues that EDAM is not able to address through its normal process.⁶⁷²

388. In the Deficiency Letter Response, PacifiCorp states that both CAISO's approved tariff provisions and the proposed Tariff would permit a third-party transmission owner to be an "EDAM Transmission Service Provider." PacifiCorp explains that if those facilities are to be included in the market model, the third-party owner would execute CAISO's EDAM Transmission Service Provider Agreement; if the third party's transmission facilities are included in the EDAM market, CAISO would treat them the same as other facilities in the PacifiCorp BAAs for purposes of market modeling, pricing, and (as relevant to the question) congestion.⁶⁷³ PacifiCorp further explains that, because the CAISO tariff requires the return of congestion revenue to the EDAM Entity, not to a specific EDAM Transmission Service Provider, PacifiCorp's Tariff allocation would continue to govern the reallocation of all congestion revenue returned to the PacifiCorp BAAs. Additionally, PacifiCorp states that its allocation methodology returns congestion revenue to transmission customers. Finally, PacifiCorp adds that, to the extent these operational solutions for discrete facilities owned by third-party transmission service providers cannot be implemented for go-live, the EDAM Entity retains the ability to exclude them from the market model using the "carve out" authority.

389. In response to UAMPS's protest, as to why the proposed Tariff excludes facilities with an output less than 3 MW, PacifiCorp explains that the threshold was chosen based on Oregon state regulatory requirements prohibiting utilities from imposing requirements

⁶⁷¹ *Id.* at 91.

⁶⁷² Deficiency Letter at 1-2.

⁶⁷³ PacifiCorp Deficiency Letter Response at 2.

to install, operate, and maintain metering infrastructure on generating facilities that are 3 MW or less. However, PacifiCorp states that, upon further review, it agrees that generators less than 3 MW should be able to participate in EDAM as EDAM Resource Facilities, provided that they meet all other requirements for market participation under the PacifiCorp Tariff and the CAISO tariff. Therefore, on compliance, PacifiCorp states it would revise its proposed Tariff (including the definition of EDAM Resource Facility) to enable generators less than 3 MW to participate in EDAM upon meeting applicable requirements.⁶⁷⁴

390. Finally, PacifiCorp states that energy from manual dispatches will be settled as a 5-minute/15-minute instructed imbalance, as is done today in the WEIM. PacifiCorp assures that this will not change with EDAM.⁶⁷⁵

391. CAISO states that it agrees with PacifiCorp's explanation that, if a third-party owner of transmission within the PacifiCorp BAAs that provides transmission services executes an EDAM Transmission Service Provider Agreement with CAISO, the transmission facilities of that third-party owner will be treated the same as PacifiCorp's transmission facilities for market modeling, pricing, and congestion revenue allocation.⁶⁷⁶ CAISO also states that it agrees that PacifiCorp has the right to "carve out" the transmission of embedded transmission service providers from EDAM optimization, but emphasizes any such carve-outs should be an option of last resort.⁶⁷⁷ Regarding Deseret, CAISO states that it commits to continue its discussions with Deseret and PacifiCorp to negotiate the appropriate agreements, address any implementation issues, and allow Deseret to become an EDAM Transmission Service Provider. CAISO states that it anticipates a similar and more efficient result than the carve-out option could be accomplished using the EDAM market functionality applied to EDAM transmission ownership rights but acknowledges that PacifiCorp does not have a provision to account for this in its Tariff.⁶⁷⁸

⁶⁷⁴ *Id.* at 12.

⁶⁷⁵ *Id.*

⁶⁷⁶ CAISO Comments on the Deficiency Letter Response at 8.

⁶⁷⁷ *Id.* at 8-9.

⁶⁷⁸ *Id.* at 9-10.

iv. Commission Determination

392. In response to Clean Energy Associations, we agree with PacifiCorp that entities with concerns about transmission service availability should reserve transmission service in accordance with Attachment T, section 9.2 of the PacifiCorp Tariff.

393. Regarding UMPA and Deseret's assertions that PacifiCorp's proposal usurps the rights of other EDAM Transmission Service Providers in the PacifiCorp BAAs and is inconsistent with CAISO's tariff,⁶⁷⁹ we agree with CAISO that any third-party transmission provider should have the opportunity to enter into an EDAM Transmission Service Provider Agreement with CAISO to avail itself of CAISO's congestion revenue allocation pursuant to CAISO's tariff. If third-party transmission service providers within the PacifiCorp BAAs enter into an EDAM Transmission Service Provider Agreement with CAISO, PacifiCorp would have to develop Tariff provisions to allocate congestion revenues according to section 33.11.1.2 of CAISO's tariff.⁶⁸⁰ Similarly, PacifiCorp would have to develop Tariff provisions to allocate forgone transmission service revenues under the EDAM Access Charge according to section 33.26.3 of CAISO's tariff if third-party transmission service providers within the PacifiCorp BAAs execute an EDAM Transmission Service Provider Agreement with CAISO.⁶⁸¹

394. We disagree with protesters that argue the Tariff revisions generally lack sufficient detail, or that they violate the rule of reason. As discussed above, 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."⁶⁸² The Commission has

⁶⁷⁹ UMPA and Deseret Protest at 8-9.

⁶⁸⁰ See CAISO eTariff, § 33.11.1 Transfer Revenue and Congestion Revenue Allocation (0.0.0), § 33.11.1.2 ("An EDAM Entity will ensure that Congestion revenue allocated to its EDAM Entity Scheduling Coordinator is further allocated by all applicable EDAM Transmission Service Providers as may be detailed in the EDAM Transmission Service Provider tariff and business practices.").

⁶⁸¹ See CAISO eTariff, § 26.2.3 CAISO EDAM Access Charges (0.0.0) ("CAISO EDAM Access Charge revenue will be credited to EDAM Entity Balancing Authority Areas in the manner set forth in Section 33.26.3."); *id.* § 33.26.3 Assessing Access Charges and Allocating Revenues in the EDAM (1.0.0) ("The CAISO will allocate revenues collected from the EDAM Access Charges to EDAM Entities on behalf of each EDAM Transmission Service Provider, in proportion to each EDAM Entity's proportionate share of total projected EDAM Recoverable Revenue.").

⁶⁸² *City of Cleveland v. FERC*, 773 F.2d at 1376.

broad discretion in applying the rule of reason.⁶⁸³ As CAISO outlined in its comments and answer, PacifiCorp has responded to all of its requirements and those in CAISO's tariff to enable participation in EDAM.⁶⁸⁴ To the extent that PacifiCorp's proposal lacks implementation details to be included in its business practice manuals, we note that PacifiCorp has committed to providing such information in its manuals and on its OASIS.⁶⁸⁵

395. With regard to UAMPS's specific concerns about Tariff details that impact UAMPS, we similarly find that details regarding individual LSE resource counting and related operational details are implementation details that are appropriate for the Business Practices. We note that the issues related to LSE resource counting, state of charge management, and resource participation are in development and that these details are appropriately addressed jointly by CAISO and PacifiCorp, including any relevant and necessary trainings, as they concern broader EDAM participation matters. Nevertheless, we note that to the extent any such details "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, PacifiCorp commits to propose appropriate Tariff provisions in a subsequent filing."⁶⁸⁶

396. With regard to UAMPS's concern about participation of resources under 3 MW capacity, we accept PacifiCorp's offer to revise its Tariff to enable their participation, assuming such resources meet all other applicable requirements under the CAISO tariff and PacifiCorp Tariff. Therefore, we direct PacifiCorp, in the compliance filing ordered below, to submit necessary Tariff revisions to enable resources that are 3 MW or less to participate in EDAM as proposed within 30 days of the date of this order.

397. Regarding calls to direct CAISO to form a governance structure to oversee implementation filings of Participating Entities, such requests are outside the scope of the instant proceeding.

398. We further find that protests arguing for a stakeholder process are outside the scope of this proceeding and the Commission only needs to evaluate whether

⁶⁸³ *Hecate*, 72 F.4th at 1314.

⁶⁸⁴ CAISO Comments at 9-10; CAISO March 7 Answer at 90-91.

⁶⁸⁵ PacifiCorp Answer at 54.

⁶⁸⁶ PacifiCorp March 12 Answer at 54; *City of Cleveland v. FERC*, 773 F.2d at 1376.

PacifiCorp's instant proposal is just and reasonable and not unduly discriminatory or preferential.⁶⁸⁷

399. Lastly, we acknowledge that PacifiCorp has agreed to revise on compliance proposed Attachment T, sections 10.4.1, 1.39 (definition of "EDAM Resource Facility") and 1.117 (definition of "Self-Schedule") to address protesters concerns' and the Commission's inquiry after further consideration.⁶⁸⁸ We direct PacifiCorp to file revisions to Attachment T, sections 10.4.1, 1.39, and 1.117 in the compliance filing ordered below within 30 days of the date of this order.

The Commission orders:

(A) PacifiCorp's proposed Tariff revisions to Attachment T-1 are hereby accepted, effective May 16, 2025, as requested, as discussed in the body of this order.

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

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

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

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.

⁶⁸⁷ *City of Bethany v. FERC*, 727 F.2d at 1136.

⁶⁸⁸ PacifiCorp March 12 Answer at 52; PacifiCorp Deficiency Letter Response at 12.

Appendix

Tariff Sections Effective 5/16/2025

PacifiCorp, Transmission OATT and Service Agmts, [Attachment T-1, EDAM Preparation Activities \(1.0.0\)](#).

Tariff Sections Effective 12/31/9998

PacifiCorp, Transmission OATT and Service Agmts,

[Tariff, OATT Volume No. 11 \(17.1.0\)](#)

[Tariff, OATT Volume No. 11 \(17.0.0\)](#)

[Part I.01, Definitions \(13.0.0\)](#)

[Part I.07, Billing and Payment \(2.0.0\)](#)

[Part I.10, Force Majeure and Indemnification \(3.0.0\)](#)

[Part I.12, Dispute Resolution Procedures \(4.0.0\)](#)

[Part II.Preamble, Preamble \(2.0.0\)](#)

[Part II.13, Nature of Firm Point-To-Point Transmission Service \(7.0.0\)](#)

[Part II.14, Nature of Non-Firm Point-To-Point Transmission Service \(8.0.0\)](#)

[Part II.15, Service Availability \(3.0.0\)](#)

[Part II.16, Transmission Customer Responsibilities \(3.0.0\)](#)

[Part II.17, Procedures for Arranging Firm PTP Transmission Service \(4.0.0\)](#)

[Part II.18, Procedures for Arranging NF PTP Transmission Service \(5.0.0\)](#)

[Part II.23, Sale or Assignment of Transmission Service \(5.0.0\)](#)

[Part II.27, Compensation for New Facilities and Redispatch Costs \(2.0.0\)](#)

[Part III.Preamble, Preamble \(2.0.0\)](#)

[Part III.28, Nature of Network Integration Transmission Service \(5.0.0\)](#)

[Part III.29, Initiating Service \(5.0.0\)](#)

[Part III.30, Network Resources \(6.0.0\)](#)

[Part III.33, Load Shedding and Curtailments \(3.0.0\)](#)

Docket Nos. ER25-951-000 and ER25-951-001

- 166 -

[Part IV.Table of Contents, Table of Contents \(8.0.0\)](#)

[Part IV.37, EDAM and WEIM Requirements \(7.0.0\)](#)

[Part V.Table of Contents, Table of Contents \(7.0.0\)](#)

[Schedule 1, Scheduling, System Control and Dispatch Service \(7.0.0\)](#)

[Schedule 3, Regulation and Frequency Response Service \(13.0.0\)](#)

[Schedule 4, Energy Imbalance Service \(7.0.0\)](#)

[Schedule 5, Operating Reserve - Spinning Reserve Service \(10.0.0\)](#)

[Schedule 6, Operating Reserve - Supplemental Reserve Service \(10.0.0\)](#)

[Schedule 9, Generator Imbalance Service \(11.0.0\)](#)

[Schedule 10, Real Power Losses \(13.0.0\)](#)

[Schedule 3A, Generator Regulation and Frequency Response Service \(12.0.0\)](#)

[Attachment H-1, PacifiCorp's Formula Rate \(28.0.0\)](#)

[Part V.53, CAISO Markets Requirements \(3.0.0\)](#)

[Attachment T, Extended Day-Ahead Market and Energy Imbalance Market \(13.0.0\)](#)

[Attachment U, Requirements for Self-Supply of Schedules 5 and 6 \(4.0.0\)](#)

Document Content(s)

ER25-951-001.docx.....1