

California Community Choice Association

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- 1. The WEIM Governance Review Committee appreciates the stakeholder engagement and comments received on its Phase Three (EDAM) straw proposal (July 15, 2022). In response to the GRC's Phase Three (EDAM) revised proposal (October 31, 2022), and in preparation for the GRCs final proposal, do you have any additional comments on the following items?**

1. Delegation of authority; 2. Size and composition of the Governing Body; 3. Stakeholder engagement and policy development; 4. CAISO's responsibility to consider regional stakeholders; 5. Timing for approval and implementation of GRC proposals.

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the EDAM governance revised straw proposal. CalCCA supports the Governance Review Committee's (GRC's) proposal to extend the joint authority model currently used for the Western Energy Imbalance Market (WEIM) to an Extended Day-Ahead Market (EDAM).

The revised straw proposal would add to the scope of joint authority the ability to "approve or reject a proposal to change or establish any tariff rule for the day-ahead or real-time markets that directly establishes or changes the formation of any locational marginal price(s) for a product that is common to the overall WEIM or EDAM market."^[1] The proposal indicates that the GRC finds this rule change to be clear and well-defined. However, the proposal introduces ambiguity by remaining silent on how this change would impact governance over penalty parameters, a topic discussed at length during the November 7, 2022 GRC meeting. The CAISO uses penalty parameters to (1) establish the conditions under which constraints may be relaxed, and (2) set the market prices when such constraints are relaxed. Relaxing constraints in the market through penalty parameters is the CAISO Balancing Authority's (BA's) way of prioritizing the use of transmission and generation for various products (e.g., energy, ancillary services, exports, wheel-throughs, etc.) when conditions are tight and there is not enough to meet every requirement.

Under EDAM, each BA will retain its BA reliability functions and rely on its own operational tools to resolve reliability events.^[2] The relaxation of constraints clearly falls within the CAISO's reliability function as a BA, and while different than those in other BAAs without a market, is one tool the CAISO BA has to maintain reliable operations for its area. Therefore, the scope of joint authority should only include penalty parameters to the extent they impact LMPs for products common to the CAISO and EDAM. Joint authority *should not* apply when penalty parameters are strictly setting priorities under which constraints are relaxed.

For the same reasons joint authority should not apply to penalty parameters setting scheduling priorities, CalCCA agrees with the GRC that transmission access or priority should not be included within joint authority. Transmission access and priority remain

BA functions each BA establishes for itself as transmission priorities impact the CAISO BA's ability to reliability serve its load.

[\[1\]](#) Revised Straw Proposal at 17.

[\[2\]](#) EDAM Draft Final Proposal at 21.