



February Meeting

Chair: Gabriel Aguilera

Chair, New Mexico Public Regulation Commission

Vice-Chair: John Hammond

Commissioner, Public Utilities Commission of Idaho

February 13, 2026

1. Update on WEM Governing Body Nominating Committee
2. Update on ROWE Nominating Committee
3. Briefing on ROWE Start-Up Funding Initiative
4. Briefing on EDAM Benefit Calculation Methodology



WEM Governing Body Nominating Committee

Commissioner Milt Doumit

BOSR Representative to WEM Governing Body Nominating Committee



ROWE Nominating Committee

Vice-Chair John Hammond

BOSR Representative to ROWE Nominating Committee



BOSR

Body of State Regulators

ROWE Start-Up Funding

Stacey Crowley

Vice President of External Affairs, CAISO



California ISO

Extended Day-ahead Market Benefits Draft Methodology

Guillermo Bautista Alderete

Director, Market Performance and Advanced Analytics

Body of State Regulators

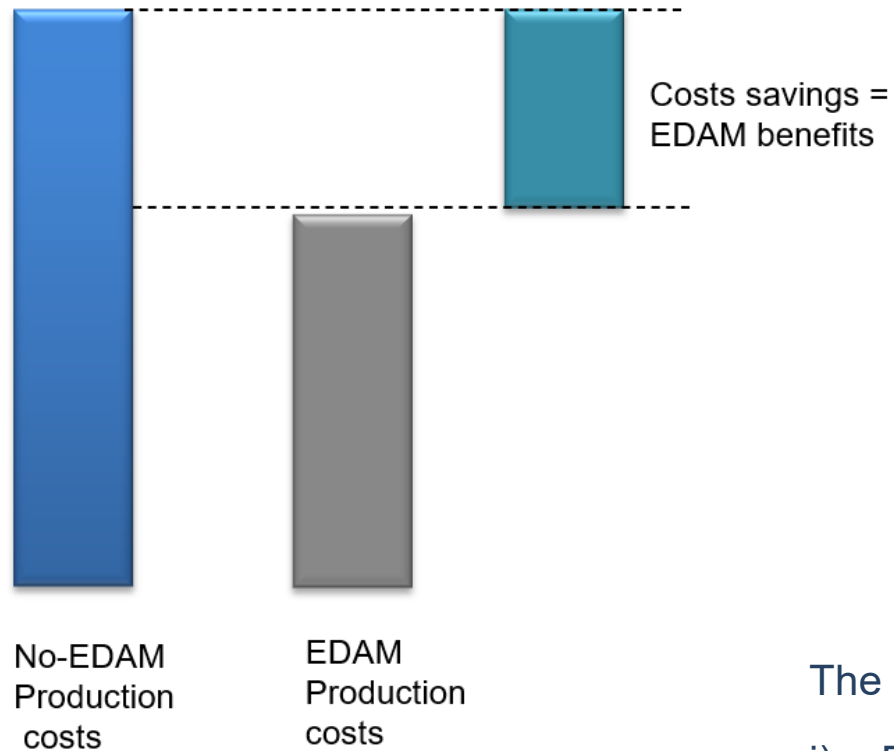
February 13, 2026

The ISO and future EDAM participating entities developed a draft methodology to estimate EDAM's gross economic benefits



The Extended Day-Ahead Market (EDAM) continues the real-time market imbalance evolution by enabling coordinated day-ahead resource optimization while preserving the autonomy of western utilities

The draft methodology estimates economic benefits based on production cost savings



The EDAM scenario is the actual market solution, which includes economic transfers among areas

The no-EDAM scenario is a counter-factual scenario of individual areas and no transfers

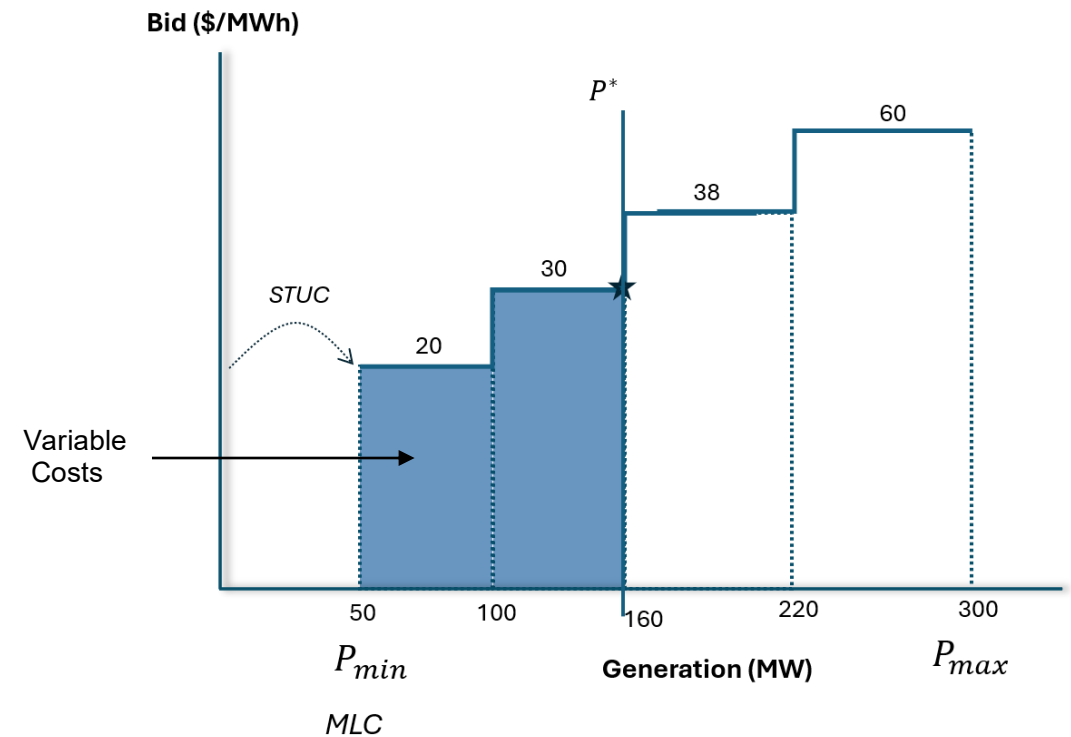
The production costs difference between EDAM and Counterfactual scenarios is the benefits

The EDAM benefits consists of three main components:

- i) Energy production costs savings
- ii) Imbalance reserve savings
- iii) Green-house gas inframarginal revenues

The draft methodology estimates economic benefits based on production costs

- Production costs for energy include:
 - Start-up costs
 - Minimum load costs
 - Transition costs
 - Variable costs
- Production costs are estimated based on the total supply scheduled to meet the day-ahead load forecast



EDAM production costs:

Energy costs of EDAM scheduled supply + costs of optimized transfers

Counterfactual costs:

Energy cost of Counterfactual scheduled supply

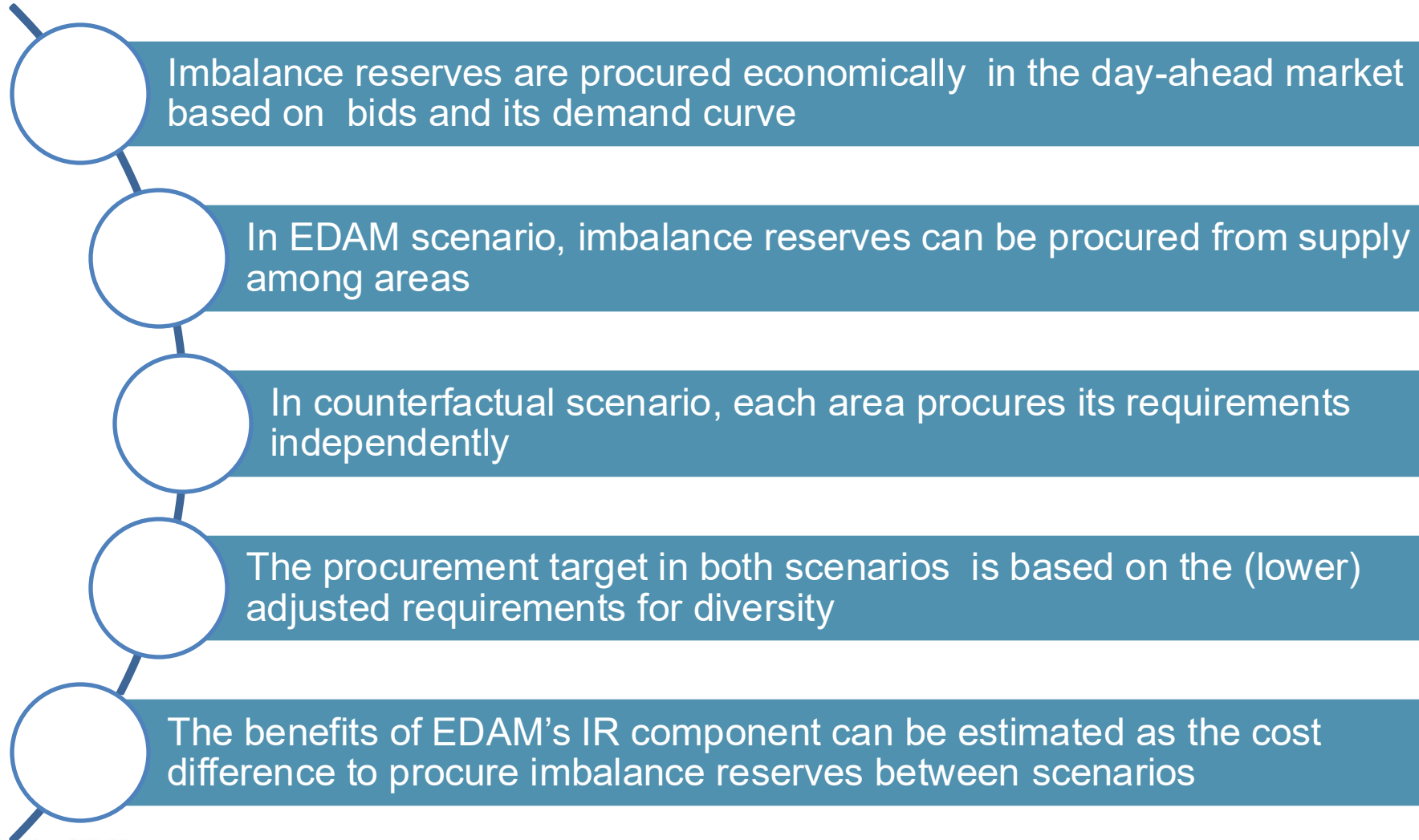
A key component of the methodology is the availability of a counterfactual scenario

- Consistent methodology across all participating balancing areas
- Data availability and uniformity among participating areas
- Administrative burden of producing daily counterfactual
- Robust technology solutions with adequate support and processes
- Reasonable approximations of current practices from participating areas
- Meets the minimum modeling sophistication to produce an optimal unit commitment including temporal constraints
- Inclusion of third-parties scheduling

The counterfactual scenario leverages the EDAM software solution with a dedicated setup and support



Imbalance Reserves is a new market product introduced to address net load uncertainty from day ahead to real time



Key considerations of the EDAM benefits calculation

- The benefits are based on estimates of production costs and do not use settlement data
- Due to the complexities of hydro resource management, benefits will be estimated using their default energy bids
- No adjustments to the production-cost methodology are needed to reflect any congestion revenue allocation methodology
- The Western energy imbalance market benefit calculation will be adjusted for EDAM entities to be estimated as the incremental benefits

Upcoming Meetings

March 3: WEM Governing Body Meeting

March 4: Joint ISO Board of Governors and WEM Governing Body Meeting

March 5: ISO Board of Governors Meeting

March 11-12: 1.5-day training in Bozeman, Montana that will cover Day-Ahead Markets hosted by WIEB, in partnership with Stanford University.

March 13: BOSR Monthly Meeting

March 16: Regional Issues Forum (RIF) Roundtable in Folsom, CA