BOSR
Body of State Regulators

July Meeting

Chair: Gabriel Aguilera
Chair, New Mexico Public Regulation Commission

Vice Chair: John Hammond
Commissioner, Public Utilities Commission of Idaho

July 10, 2026

Agenda

- Announcements
  - BOSR Chair Gabriel Aguilera, Commissioner, New Mexico Public Regulation Commission
- Market Performance Update
  - Guillermo Bautista Alderete, Director, Market Performance and Advanced Analytics, California Independent System Operator
- West-Wide Governance Pathways Initiative – ROWE Update
  - Kathleen Staks, Executive Director, Western Freedom and Interim President of the ROWE Formation Board
- ROWE Board Nominating Committee Update
  - BOSR Vice-Chair John Hammond, Commissioner, Idaho Public Utilities Commission

BOSR Workstreams

Commissioner Aguilera

BOSR Chair

Body of State Regulators

BOSR Workstreams

CAISO

- WEM Governing Body Nominating Committee
- WEM Governing Body Reports
- CAISO Initiatives
    - Congestion Revenue Allocation (CRA)
    - Policy Initiative Catalog and Roadmap
    - Storage Design and Modeling
    - Price Formation Enhancements

ROWE

- ROWE Board Nominating Committee
- Formation Committee
    - BOSR Liaisons
- ROWE Board Briefing Book
- ROWE Work Groups
    - Market Oversight
    - Regulatory Structure
    - Stakeholder Process
- EDAM Resource Adequacy Work Group

EDAM market performance update

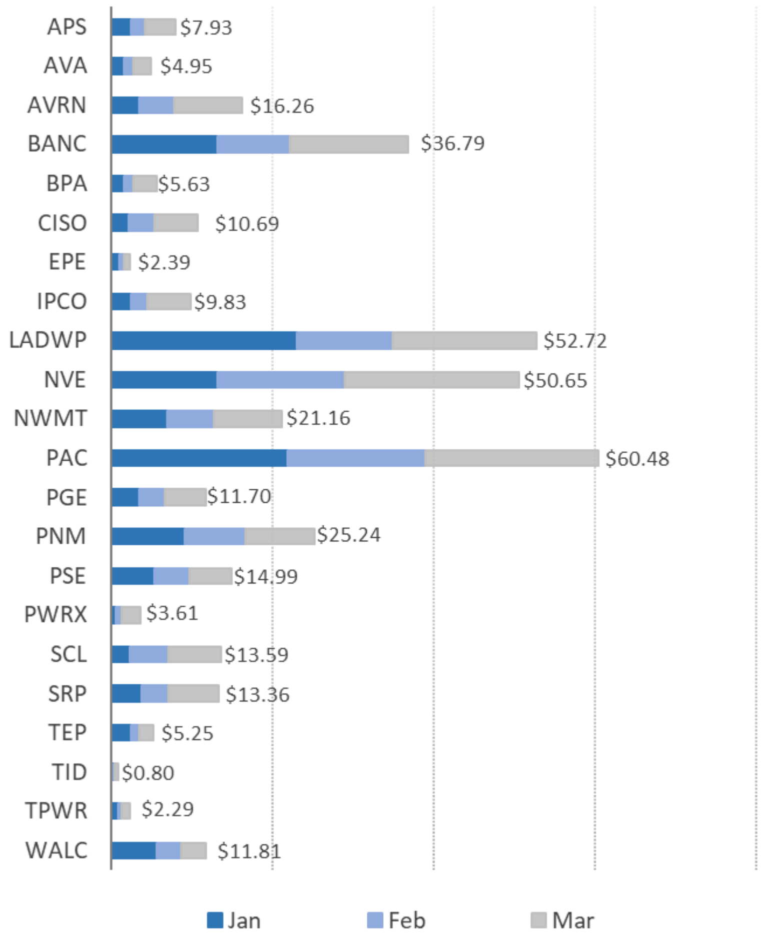
Guillermo Bautista Alderete
Director, Market Performance and Advanced Analytics

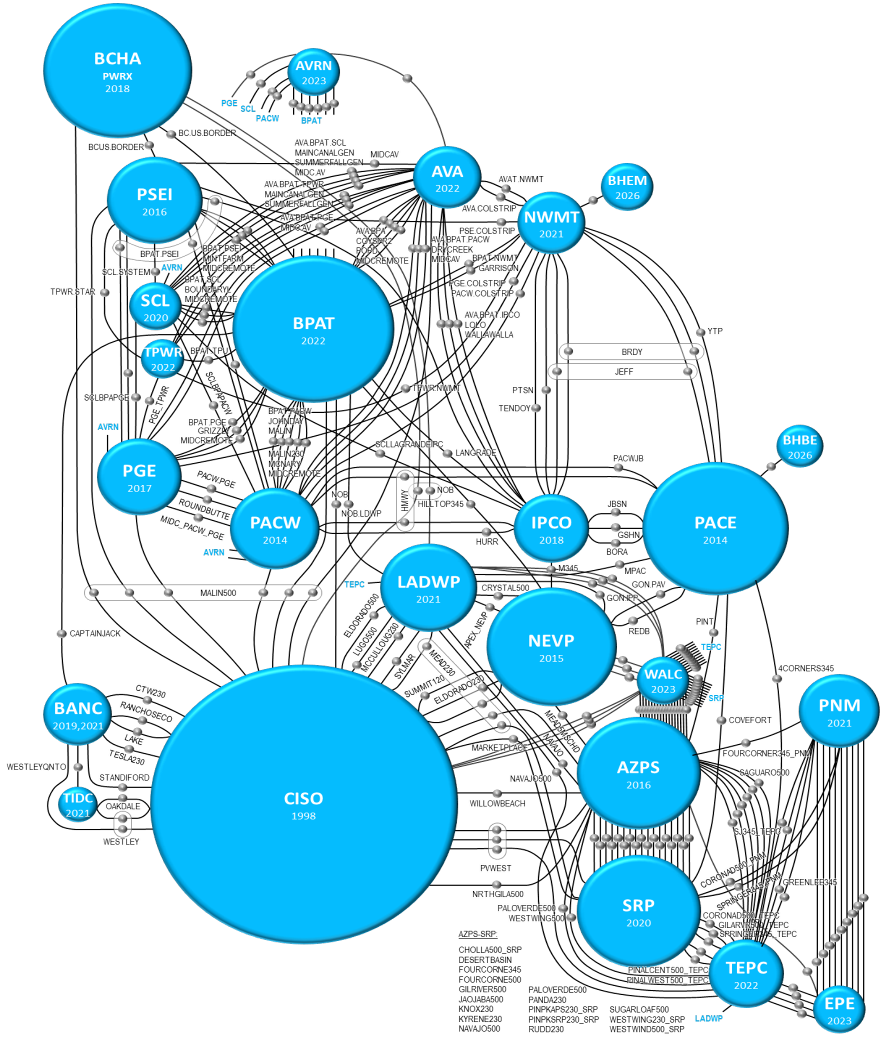
Western Energy Markets Body of State Regulators
July 10, 2026

Agenda

- Q1 2026 economic benefits of the Western Energy Imbalance market
- Extended day-ahead market performance update

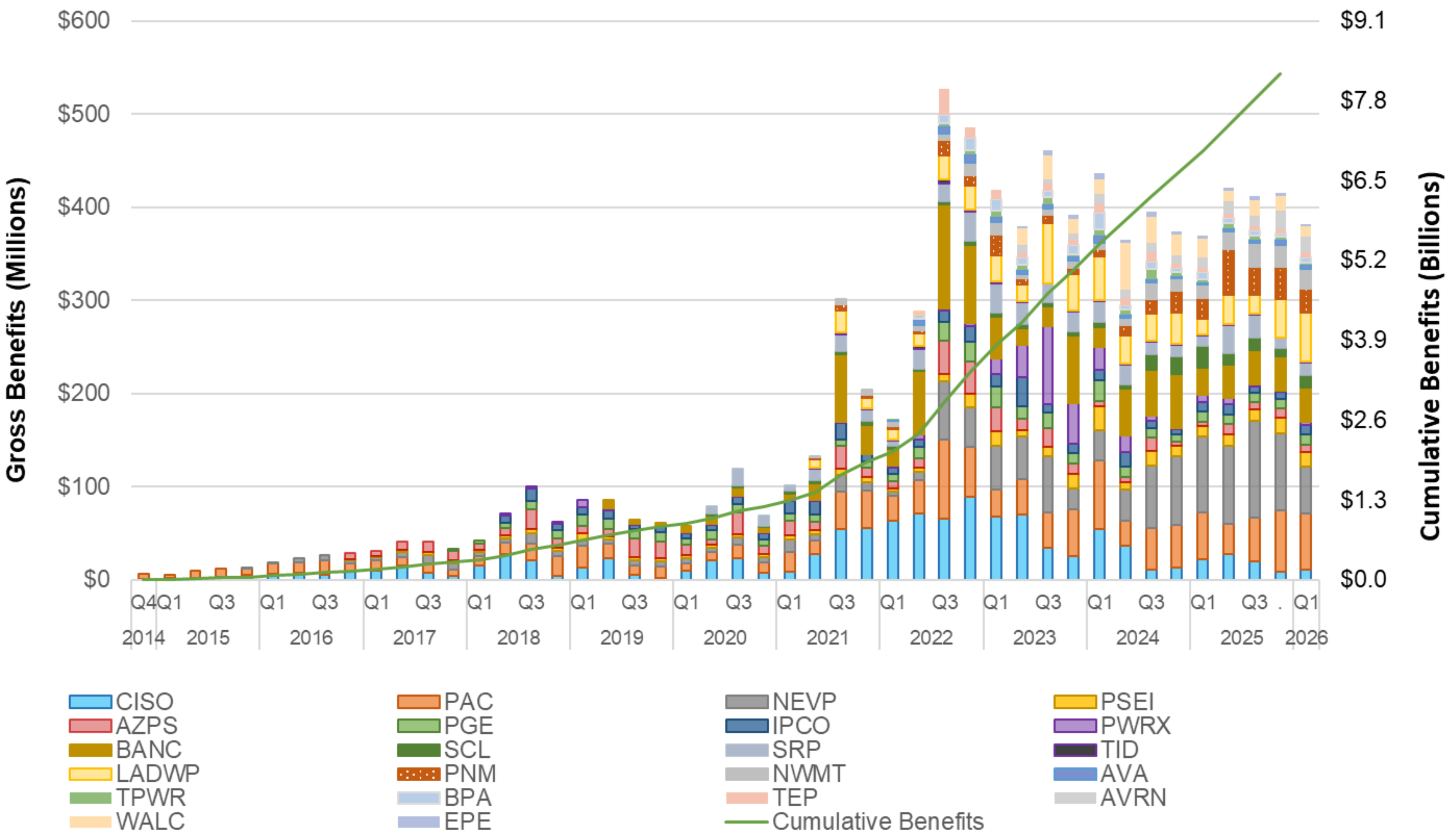
Economic benefits total $382.12 million in Q1 2026



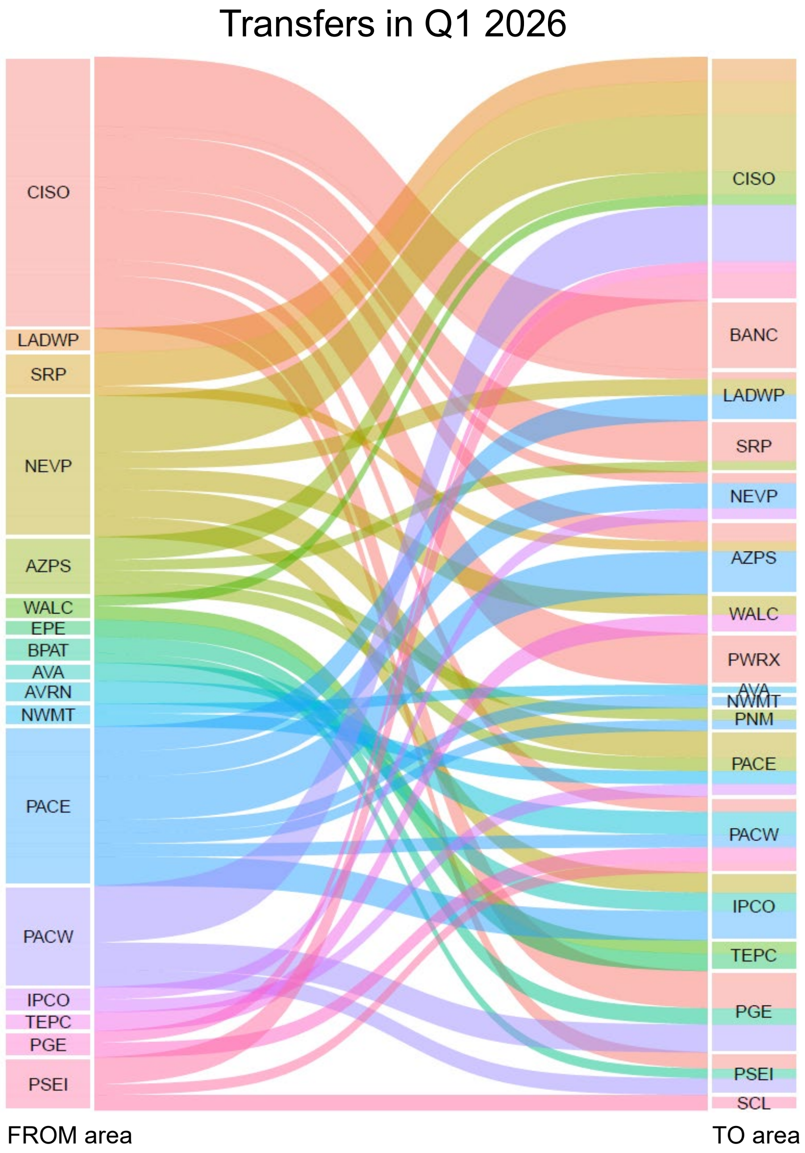


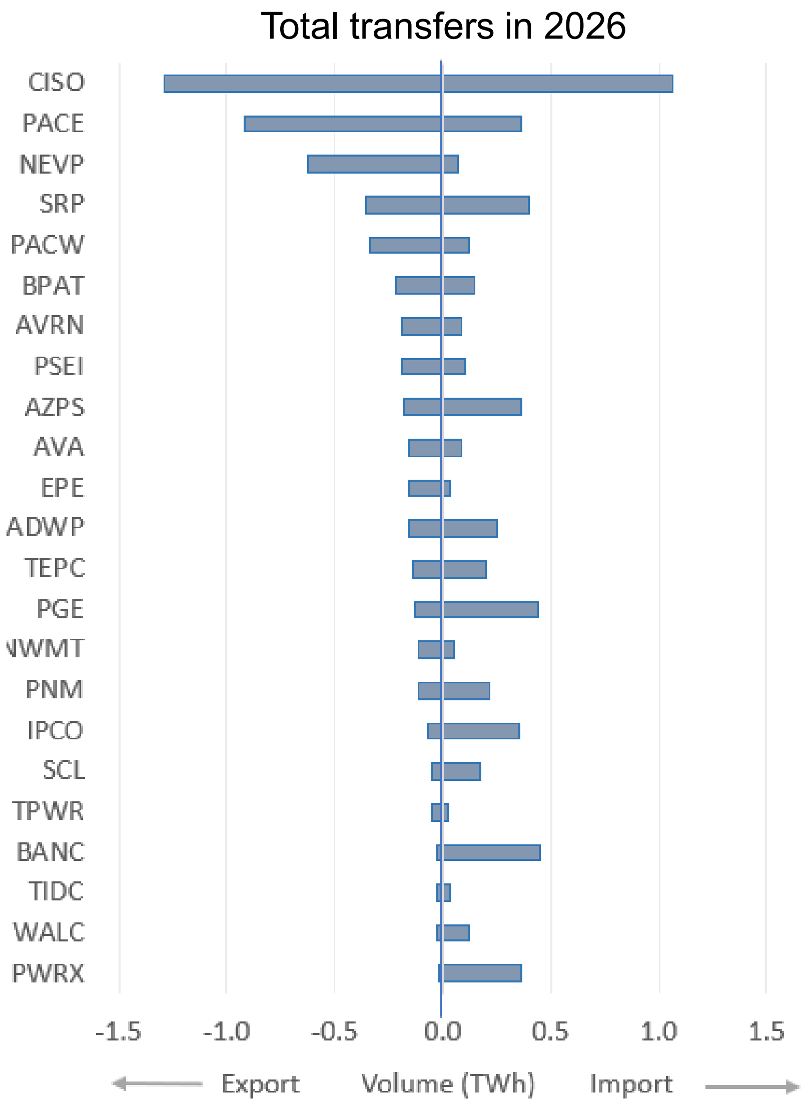
Gross economic benefits driven by:
Wide footprint consisting of 23 balancing areas
Economic transfers among areas
Energy prices and economic displacement of high-value energy

WEIM reached $8.62 billion of total benefits



Transfer volumes remained high in Q1 2026





The extended day-ahead market was successfully launched on May 1, 2026

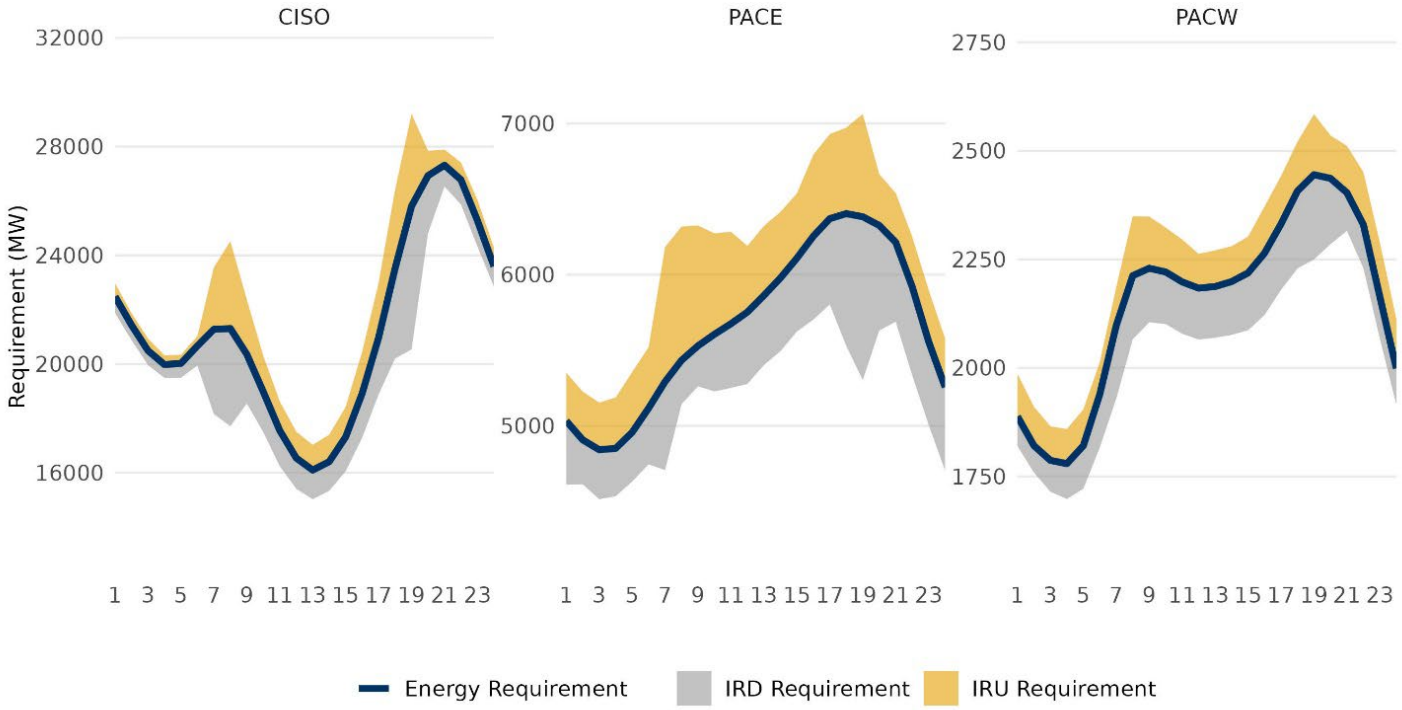
- The extended market footprint consists of the California ISO, PacifiCorp East and PacifiCorp West balancing authority areas.

- The market includes new products:
  - imbalance reserves,
  - and reliability capacity,
  - energy transfers for greenhouse gas emissions.

- The imbalance reserve product allows the market to procure flexible capacity to meet day-ahead to real-time uncertainty.

- Procuring these products through the market ensures that flexibility is procured at the least cost and is explicitly priced.

All participating areas in the extended day-ahead market had sufficient capacity to meet their own needs



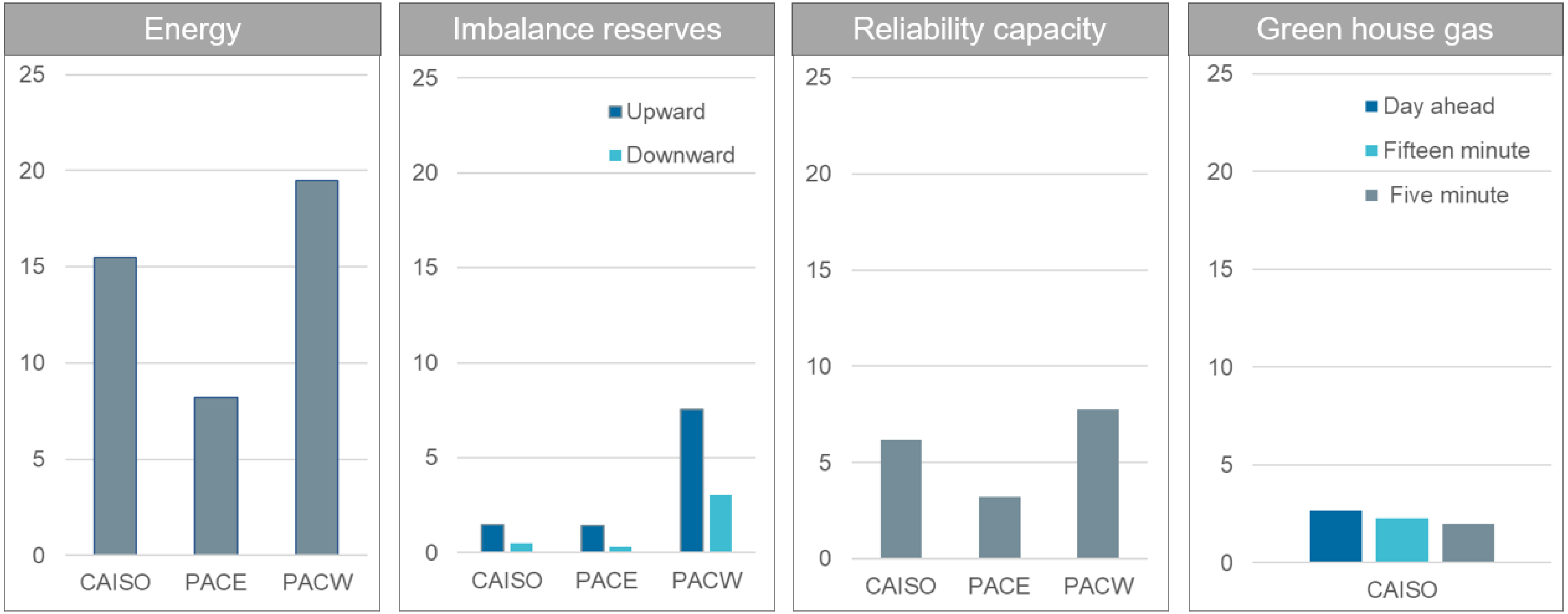
The extended day-ahead market includes a resource sufficiency evaluation

Area	Pass rate
CAISO	100.0%
PACE	100.0%
PACW	99.4%

- This test ensures each participating area makes sufficient capacity available in the day-ahead market to meets its own needs.
- This test is applied in both upward and downward directions to meet needs for both energy and flexibility.

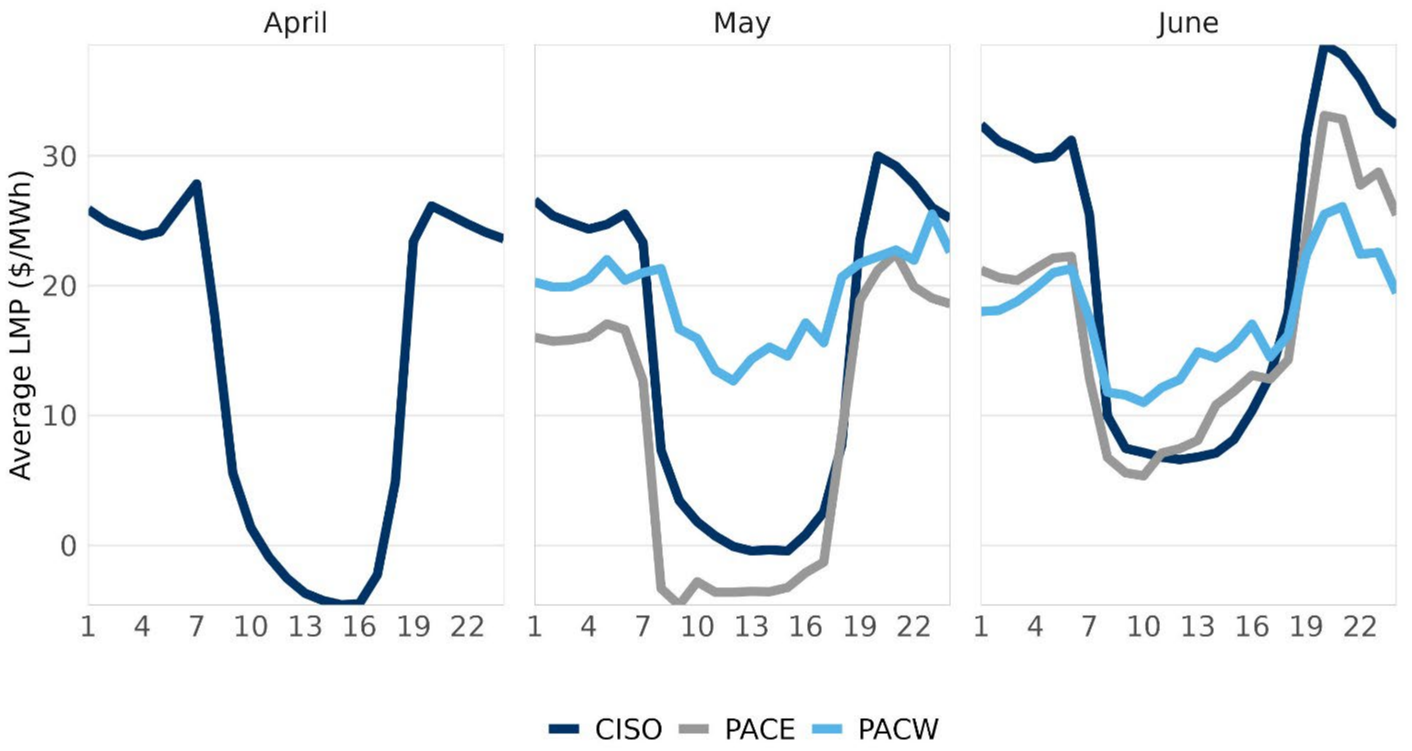
Prices for all commodities are within expected economic ranges, reflecting market fundamentals in the wider day-ahead market footprint

Monthly average prices in dollar per megawatt-hour observed in May 2026 for the various market products



The extended day-ahead market prices explicitly show the economic value of flexibility, reliability reserves and greenhouse gas.

Day-ahead energy prices remain moderate, consistent with typical daily load patterns during the shoulder season



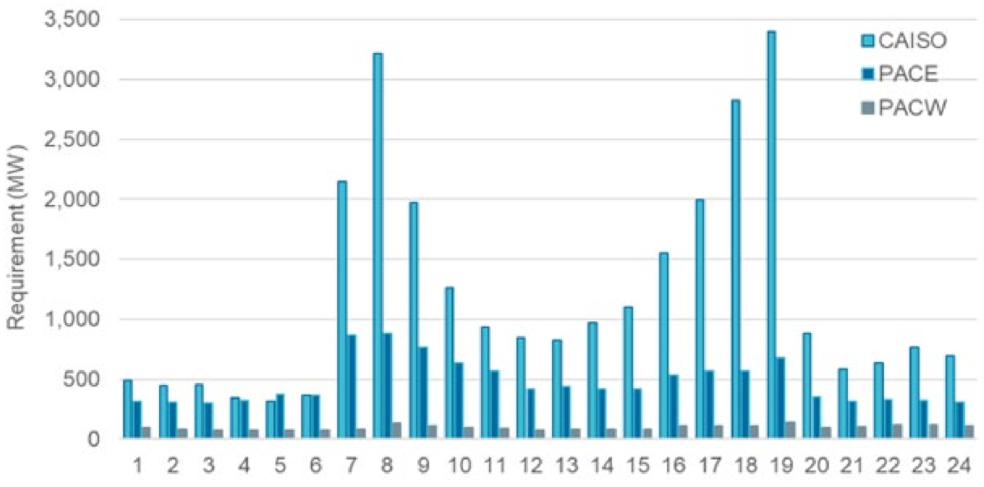
Regional price separation fell in June, with prices converging across areas.

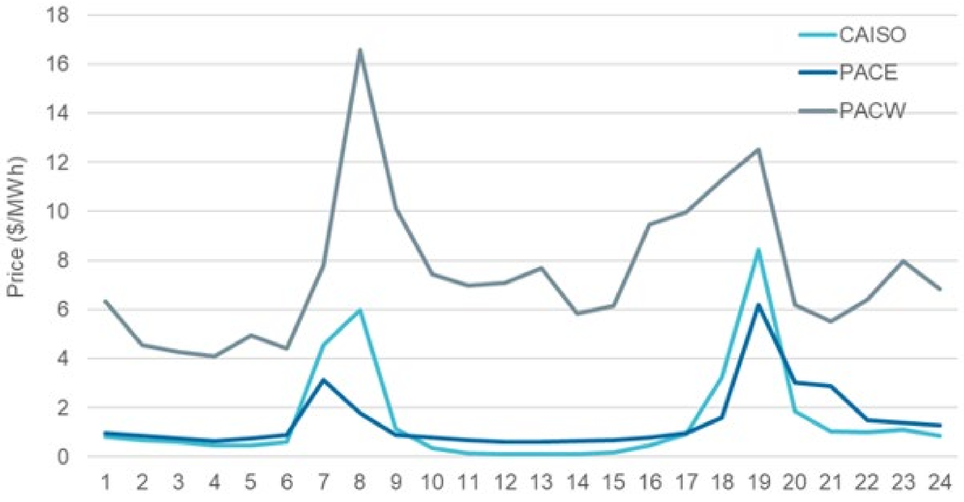
The ISO area exhibited higher prices during peak hours.

Shoulder months tend to feature low prices in midday and high prices in morning and evening peaks due to the availability of renewable supply.

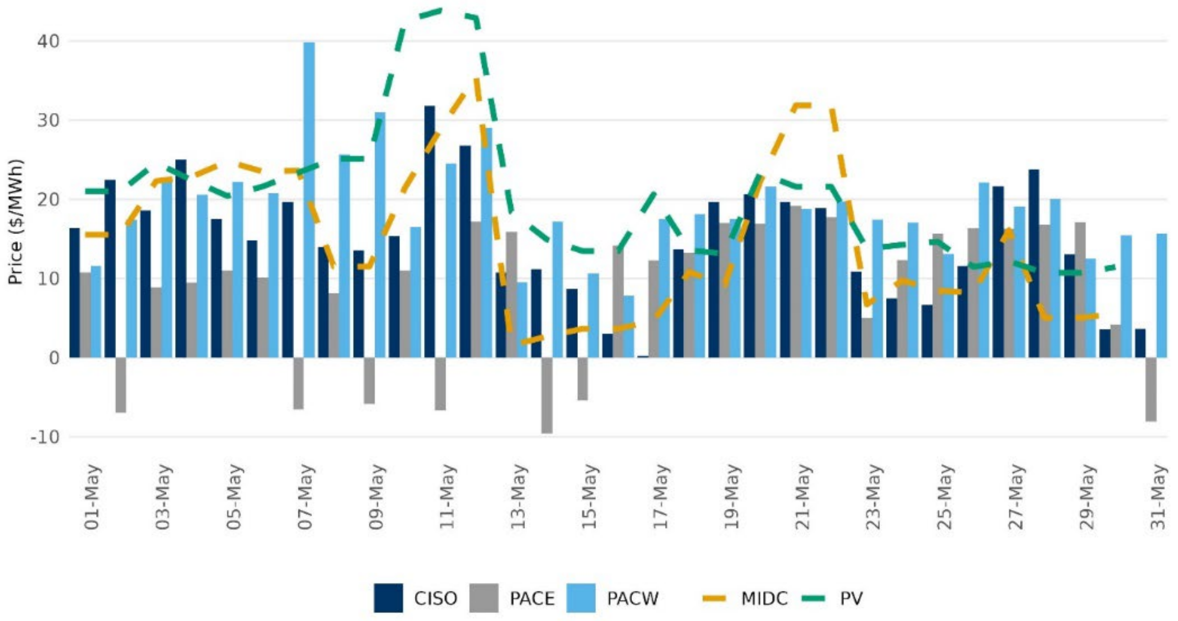
Imbalance reserve requirements and prices have been moderate

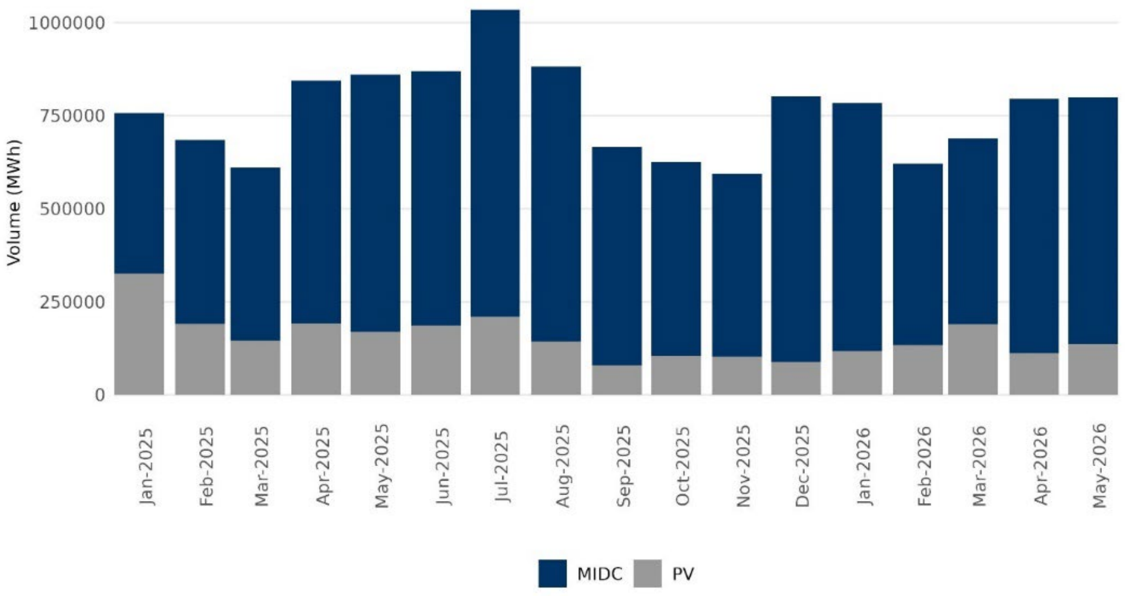
- Requirement levels vary according to the balancing authority area size.
- Prices follow the pattern of higher requirements in the morning and evening peaks.
- Prices show clear regional differences, reflecting the economics of each area.





External bilateral indices appear unaffected by EDAM implementation





- Bilateral prices generally tracked the day-ahead market prices
- Closer tracking of bilateral prices to CAISO area prices
- Daily volume and monthly volume of power traded in bilateral markets did not have any material changes in May, both for on-peak or off-peak

The ISO is releasing data and reports to provide transparency on market performance

- Daily performance reports are publicly available.
- Four dedicated stakeholder meetings held in May to discuss relevant market dynamics and answer questions from stakeholders.
- Discussions on price corrections applied to the extended day-ahead market in May.
- Monthly performance reports followed by a public stakeholder call during the first six months of operation. May performance report was posted and discussed publicly on June 25.
- This effort will be used for ongoing assessment of the configurable parameters.

West-Wide Governance Pathways Initiative

BOSR Meeting
July 10, 2026

ROWE Board Briefing Book - Outline

I. Background

II. Corporate Organization and Governance

- a. Corporate Docs
- b. Policies
- c. Board Governance
- d. Principal Place of Business

III. Regulatory Structure and Oversight

- a. Scope of FERC Regulation
- b. Tariff
- c. ROWE-CAISO Agreement
- d. Market Oversight

IV. Finance

- a. Global Impact support
- b. Debt Financing
- c. 2027-2028 Draft Budgets
- d. ROWE Budget Process
- e. Cost Recovery Mechanism

V. Staffing and External Resources

- a. ROWE Staff
- b. Consulting and Legal
- c. Stakeholder/Volunteer Support
- d. CAISO Support

VI. Communications and Outreach

- a. Public Affairs
- b. Office of Public Participation
- c. External Coordination (CAO, BOSR, Tribal Engagement)

VII. Stakeholder Process

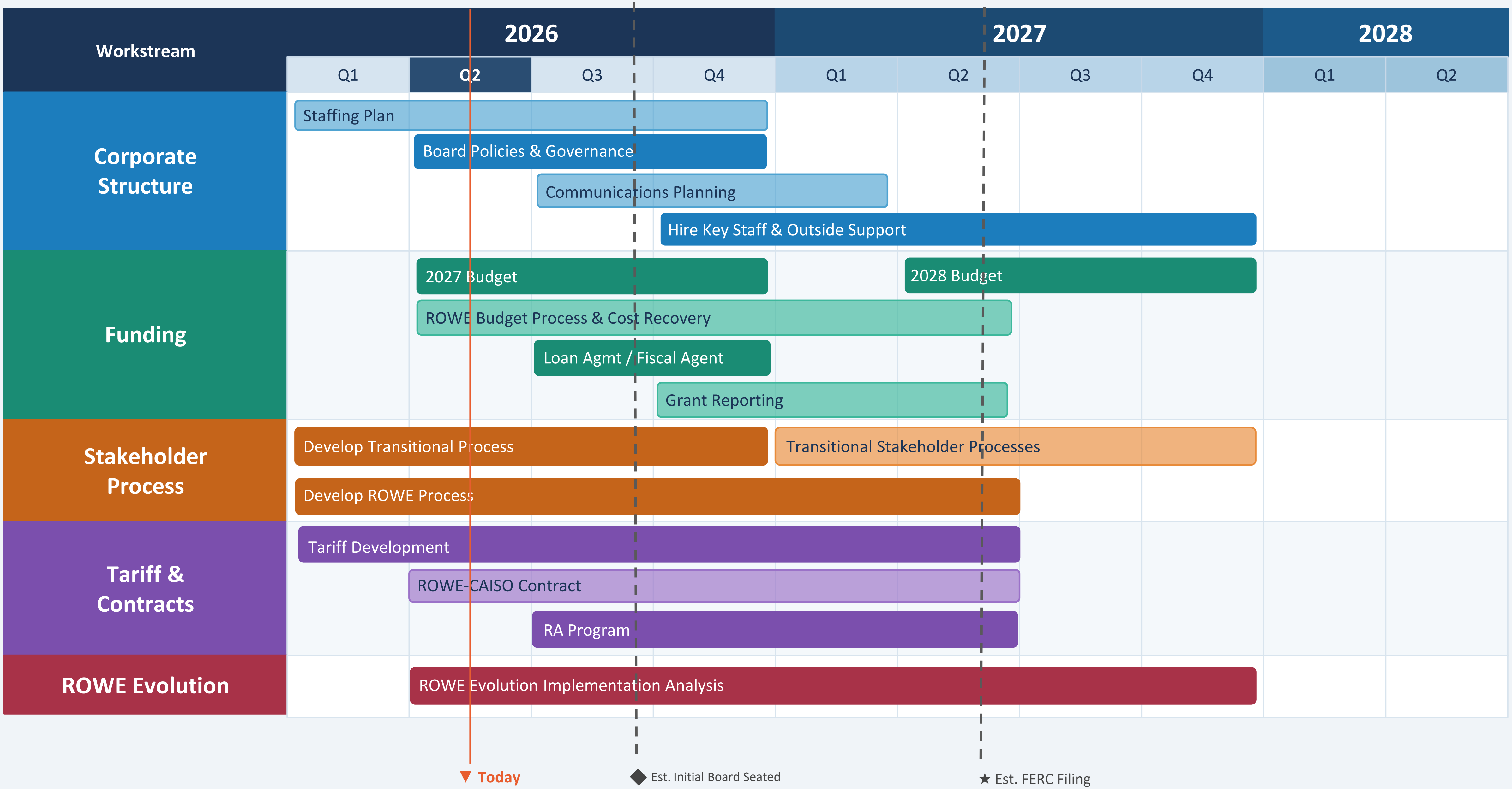
- a. Transitional Process
- b. Final Process

VIII. ~~RA Program~~

IX. ROWE Evolution

ROWE Implementation Swimlanes

Parallel workstreams · Q1 2026 – Q2 2028



Work Group Updates

- Finance
- Market Oversight and Data Access
- Tribal Engagement
- Stakeholder Process
- Regulatory Structure

Finance

Scope: debt financing, developing draft budgets for 2027-2028, ROWE budget process, and the cost recovery mechanism.

Seeking funding for ROWE start-up costs of $~8-9 million using the following options:

- Stakeholder contributions
    - Phase III Pledge Form: https://www.westernenergyboard.org/wp-content/uploads/WWGPI-Phases-III-Pledge-Form.pdf
- Grants
- Debt financing

Working on: ROWE Budget process, cost recovery, and draft 2027-2028 budgets.

Market Oversight and Data Access

Scope: Implementation of the recommendations in the Final Proposal and related AB 825 provisions.

Goal: Collectively, these market oversight functions (DMM, MSC, Market Expert) need to be able to analyze how customer interests, including affordability and reliability, are safeguarded in non-discriminatory market design and operations.

- Developing proposals related to DMM, DMM Oversight Committee, MSC, and Market Expert.
- Data/Information Sharing: exploring how to enable robust information sharing that preserves confidentiality.

Tribal Engagement

Scope: Partner with Tribal representatives across the West to better understand the range of current market engagement and unique challenges, how these may change and evolve over time, working collaboratively on recommendations for how the ROWE can best support their collective needs.

- Status: working with Tribal representatives to develop a proposal for the ROWE Board that will include ongoing work as the ROWE develops.

Stakeholder Process Overview and Update

- Principles
- Elements
- Stakeholder Representatives Committee
- Process
- Significant Opposition and the Remand Process
- Classification: Compliance with State and Local Public Policy

Comments due July 10.

Principles of the Stakeholder Process

- Openness – participation open to all persons;
- Transparency – transparent to the public;
- Consensus building – build and document consensus;
- Fair balance of interests – not dominated by a small number of sectors, and respect for minority positions;
- Due process – reasonable notice and opportunity to participate and to have views considered; and
- Timeliness – getting things done, not bogged down in stalemates
- Efficiency
- Cost minimization

Elements of the Stakeholder Process

The stakeholder process is the primary function through which the ROWE will exercise its sole authority over market rules.

- Stakeholder Representatives Committee (SRC)
- Classification of Stakeholder Initiatives
  - Compliance/Non-Discretionary
  - Compliance with State and Local Public Policy
  - Discretionary
- Board Public Policy Committee
- Indicative voting and public comment to inform the Board

Stakeholder Process Phases

- **Issue Identification and Prioritization:**
  - Catalog
    - Proposal Submission
    - Classification
  - Roadmap
    - SRC Roundtable
    - Prioritization
  - Board Consideration
- **Stakeholder Initiative Phase**
  - Issue Evaluation: Refinement of the Problem Statement
  - Policy Development: Identification of Solutions
    - Straw Proposal Development
    - Draft Final Proposal Development
    - Final Proposal Development
  - Board Consideration

Pathways Initiative
Stepwise Process

Step 1

Elevate WEIM/EDAM Governing Body authority in the governance of existing CAISO energy markets

Step 2

Transfer governance authority over existing energy markets from CAISO to a new Regional Organization

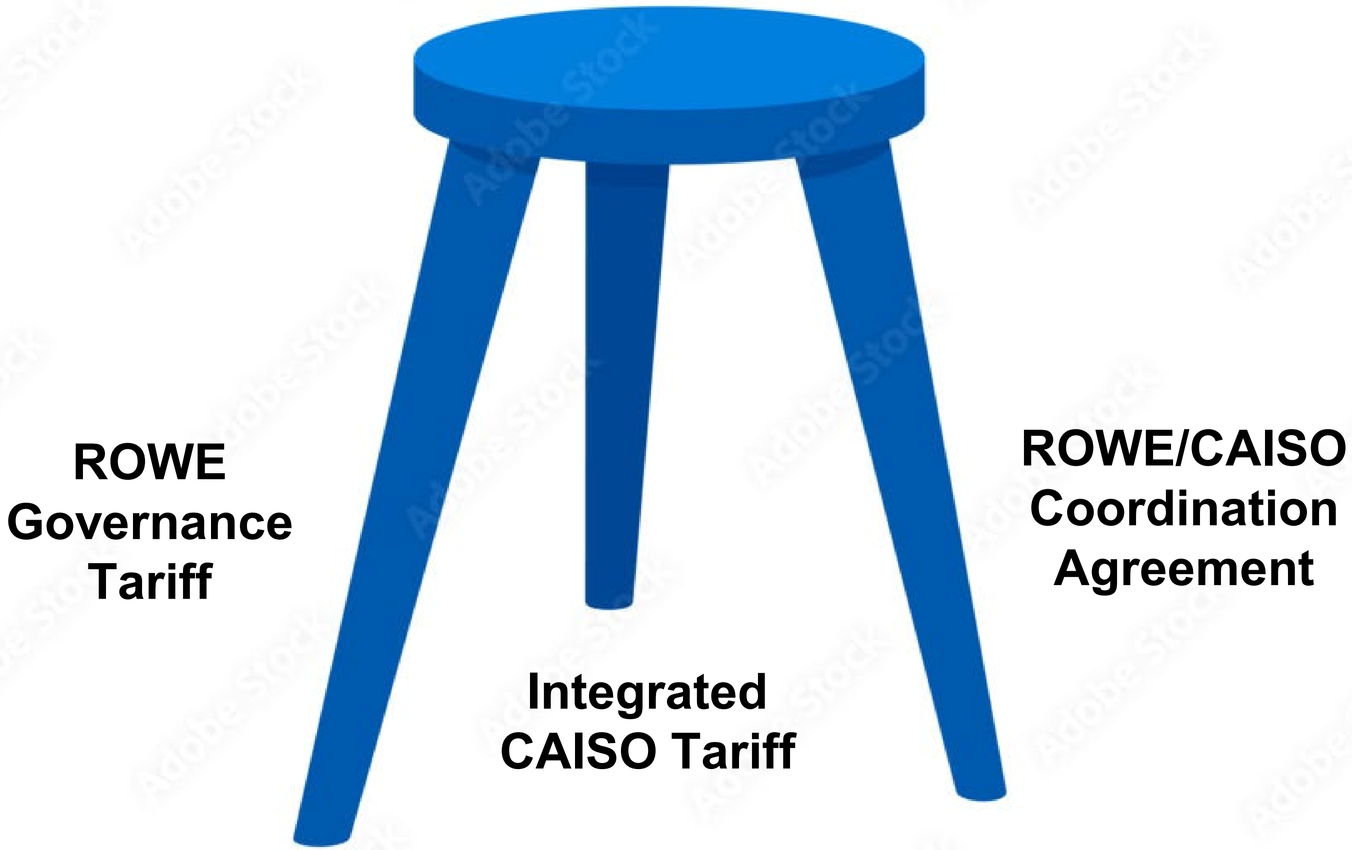
Step 3

Continue expanding the scope of regionalized functions and services offered by the Regional Organization

Regulatory Structure Objectives

- To secure the **independence** of ROWE governance of the day-ahead and real-time energy markets
- To ensure **accountability and transparency** in the ROWE's exercise of its obligations subject to FERC oversight and public scrutiny
- To preserve **CAISO's corporate structure and health** by clearly defining the respective roles and responsibilities of the two entities
- To establish a **flexible platform for expansion** of ROWE services and responsibilities over time
- To enable **timely implementation**

Three-Part Regulatory Structure



Three-Part Regulatory Structure

1. The Integrated CAISO Tariff

- Integrated tariff comprises rules subject to the sole authority of the ROWE, joint authority of the ROWE and CAISO, and CAISO sole authority
- ROWE has sole authority to establish and modify *market rules* and to direct related 205 filings
- ROWE and CAISO maintain joint authority over rules governing *business and legal relationship* with market participants (e.g., creditworthiness)
- CAISO continues to administer the integrated tariff and make 205 filings
- CAISO continues to serve as market operator
- CAISO administers the mechanism to recover the ROWE's costs
- CAISO remains the counterparty to market participant agreements

Three-Part Regulatory Structure

2. The ROWE Governance Tariff

- ROWE has sole authority over these tariff provisions, administers the tariff, and makes 205 filings for any changes consistent with ROWE-CAISO coordination agreement
- Encompasses ROWE's core functions/ structure and the process for exercising sole authority over market rules, such as
    - Board composition
    - Inclusive stakeholder committees and processes
    - ROWE budget development and cost recovery through CAISO
    - Support and funding for the Body of State Regulators, Office of Consumer Advocate, and Office of Public Participation, and
    - Joint oversight of the Department of Market Monitoring
- Similar to the Markets+ Appendix O and portions of the WRAP Tariff
- Supports and interacts with other ROWE governance documents
- Establishes a platform for future service expansion

Three-Part Regulatory Structure

3. The CAISO-ROWE Coordination Agreement

- Framework for the CAISO-ROWE relationship, establishing rights and responsibilities of each party, establishing, for example:
  - ROWE authority to direct filings to modify market rules in CAISO tariff
  - Roles in the filing of Tariff changes and FERC litigation
  - Coordination between the parties to implement ROWE funding
  - Roles in hiring/oversight of regional markets VP and Director of Market Monitoring
  - Procedures for data sharing and confidentiality, and
  - Audit rights, dispute resolution, indemnification
  - Framework for evolution of the relationship
- Both CAISO and the ROWE will be public utilities by virtue of their respective roles and jurisdictional documents on file

Other CAISO Roles Remain Intact

- CAISO retains sole authority over balancing authority functions and related tariff provisions
- CAISO retains sole authority over transmission operation and related tariff provisions
- CAISO continues in role as Reliability Coordinator and related tariff provisions

Evolution and Future State

As the ROWE develops over time, it will *potentially*:

- Assume standalone section 205 authority (no longer delegated by CAISO) and tariff administration
- Take broader financial responsibility
- Become the counterparty to Market Participant Agreements
- Offer additional voluntary services as requested by market participants, (e.g., Reliability Coordinator, Ancillary Services market, voluntary EDAM Resource Adequacy program)

Upcoming Opportunities for Engagement

- Next monthly stakeholder meeting will be held
  - Friday, August 14, 2026
  - 10:00-12:00PT/11:00-1:00MT/12:00-2:00CT
- The last stakeholder meeting before the Board is seated will be on
  - Friday, September 25, 2026
  - 10:00-12:00PT/11:00-1:00MT/12:00-2:00CT

Comments on Stakeholder Process due July 10.

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Body of State Regulators

ROWE Nominating Committee Update

Vice-Chair John Hammond

BOSR Representative to the ROWE Nominating Committee

ROWE Nominating Committee Update

ROWE Board Selection Process Schedule

Key Dates 2026	Step in Search Process
June 30	Deadline for Candidate Submission
July 15	Submittal of Qualified Candidate List to Nominating Committee
August 5	Shortlist determination. You will be notified by Lyceum after this date whether you have been selected or not for 1st Round Interviews.
August 25, 27, 28, and 31	**1st Round Candidate interviews** with Nominating Committee. These will be 60- to 75-minute virtual interviews. **All potential candidates should tentatively hold at least 2 of these dates.** You will be notified by Lyceum after the last interview date whether you have been selected or not for Final Round Interviews.
September 14 and 15	**Final Round Candidate interviews** with Nominating Committee. These will be 60- to 75-minute in-person interviews. Location TBD. **All potential candidates should tentatively hold both of these dates.** You will be notified by Lyceum after the last interview date whether you have been selected or not for the Final Slate of Candidates.
By September 25	Nominating Committee recommends Final Slate of Candidates to Formation Board
By September 30	Formation Board appoints new Board of Directors

Source: West-Wide Governance Pathways Initiative

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Important Dates

BOSR
- **ROWE Board Candidate Discussion (Closed Session): July 27, 12:00–1:00 p.m. MT (Virtual)**
- Monthly Meeting: August 14, 2026 (Virtual)
- EDAM Market Training: September 22–23, 2026 (Folsom, CA)

CAISO
- WEM Governing Body Meeting: July 14 (Folsom, CA)
- EDAM Congestion Revenue Allocation Stakeholder Meeting: July 28, 2026, 10:00-1:00pm MT (virtual)
- Market Seams Workshop Series
  - July 31, 9:00 a.m.–12:00 p.m. (Seattle, WA)
  - August 18, 9:00 a.m.–2:30 p.m. (Salt Lake City, UT)
- 2026 CAISO Symposium: October 5–6, 2026 (Sacramento, CA)

EDAM Resource Adequacy
- EDAM Resource Adequacy Workshops (Virtual | Zoom links available here)
  - Workshop #7: July 9, 10:00 a.m.–12:00 p.m. MT *(recording to be posted)*
  - Workshop #8: July 16, 10:00 a.m.–12:00 p.m. MT
  - Workshop #9: July 23, 10:00 a.m.–12:00 p.m. MT
  - Workshop #10: August 6, 10:00 a.m.–12:00 p.m. MT

Other
- Joint CREPC–WIRAB Fall Meeting: October 13–15, 2026 (Missoula, MT)