

EDAM Resource Adequacy Workshop #8

July 16, 2026

Agenda

- Foundational Principles
- Value Proposition
- Program Evolution and Flow Diagram
- Data

Foundational Principles: themes from comments with suggested additions

- Resource accreditation
 - “Accommodate the full range of resource types by adopting accreditation and qualification frameworks that reflect the operational characteristics of how those resources are actually dispatched.”
 - “Allow all technically capable resources to compete on a level playing field subject to technology-neutral rules where their qualifying capacity is based on resource-specific accreditation for their ability to support reliability needs.”
- Adopt technology-neutral performance obligations, penalties, and incentive mechanisms across RA suppliers
- Preserve competitive bilateral markets
- Commit to staff performing transparent practices with opportunity for stakeholder input
- Reduce transmission barriers within the integrated footprint

Foundational Principles: themes from comments with suggested additions

- Recognize the role of RA sellers and buyers
- Interoperability and anti-double-counting rules
- Protect confidentiality and market integrity
- Factor in reasonable transition periods and commercial feasibility when approaching compliance
- Promote efficient entry and exit through efficient and meaningful forward procurement signals

RA Work Group Initial Feedback

- RA Work Group appreciates the thoughtful comments from stakeholders and have revised the Foundational Principles to incorporate feedback
- Many suggestions are quite detailed- this nuance is appreciated. This specificity may be better incorporated into the program design elements and refined through ongoing feedback with stakeholders.
- Incorporating technology neutral language may be challenging due to inherent differences and the Work Group will work with stakeholders to ensure differences are accurately accounted for and understood
- The role of RA sellers and buyers will be further defined in the design
- Interoperability and anti-double-counting rules
 - Principle #4 has been revised to better address this issue, and the RA Work Group acknowledges this is an important area that requires more dialogue and continued collaboration through design

Revisions to Foundational Principles

1. Establish a common, transparent capacity counting standard, with mechanisms to incentivize adherence to the standard

Revised: Establish a common, transparent **and objective** capacity **accreditation** standard, **reflecting operational characteristics and dispatchability of all resource types**, with mechanisms to incentivize adherence to the standard

2. Enhance reliability by ensuring that participating entities procure adequate, deliverable capacity capable of supporting both local and system needs

3. Support efficient EDAM market operations by clarifying forward obligations, performance expectations, and the relationship between RA capacity and day-ahead scheduling, utilizing market dispatch for delivery

Revised: Support efficient EDAM market operations by clarifying forward obligations **and** performance expectations **while preserving flexibility in how entities own, build or procure capacity, including through bilateral markets. Leverage** the relationship between RA **capacity, day-ahead** scheduling, **and real-time** market dispatch **to translate forward capacity obligations into reliable** delivery.

Revisions to Foundational Principles

4. Does not infringe upon or impede other regional RA programs

Revised: Operates alongside other regional RA programs attempting to minimize direct impacts and avoid double counting

5. Leverage transmission connectivity of the EDAM/WEIM to enable capacity savings for RA program participants and their customers

6. Minimize administrative burden and costs for participants without sacrificing reliability

7. Operate as a voluntary program

Revisions to Foundational Principles

8. Ensure non-discriminatory, comparable treatment across similarly situated program participants

9. Align incentives, penalties and any backstop mechanisms with cost causation and waivers that address commercial feasibility

Revised: Align incentives, penalties and any backstop mechanisms with cost causation **and establish cure opportunities** and waivers that **consider** commercial feasibility.

New:

10. Balance the need for transparent reporting and data availability with confidentiality and preservation of market integrity

11. Adhere to transparent practices with opportunities for meaningful stakeholder input by all entities impacted by the program, while respecting the unique responsibilities of entities with compliance obligations

Value Proposition

The primary benefits of a Regional RA Program are meeting **regional reliability** needs while **reducing upward rate pressure** and providing more data to better inform decision making

Value Proposition

- A regional capacity requirement should be lower than the aggregate of standalone system requirements for any interconnected group of LSEs
- Load and resource diversification across an interconnected WEM footprint, supported by a market engine that effectively optimizes the transmission system connecting participants, will provide benefits at both the individual and regional levels.
- While the program will need time to mature and become operational, a future benefit of a regional RA program should be an ultimate reduction in the need for additional resource builds

Value Proposition

- A regional framework recognizes that reliability risk is not perfectly coincident across the West
- Differences in load shapes, weather patterns, renewable generation profiles, fuel types, outage timing, and time zones create diversity benefits that can be shared across participants
- The objective is neither simply cost reduction, nor reliability at any cost but to improve the efficiency of achieving regional reliability by reducing unnecessary duplicative procurement while maintaining strong resource adequacy outcomes and operational resilience
- The regional program would produce and make available data to confirm that outcomes are consistent with these fundamental objectives

Value Proposition

Program supports **regional reliability** by:

- Applying a uniform standard to every participant, identifying where resource shortfalls should be addressed ahead of the operational timeframe
- Incentivizing participants to cure RA deficiencies via a compliance framework
- Better aligns procurement obligations with measured regional reliability risk
- Enables load and resource diversity to be realized by creating fungible capacity products which can be traded alongside traditional procurement activities, while avoiding double counting

Value Proposition

Program supports **reduction of upward rate pressure** by:

- Reducing the cost of complying with the EDAM Resource Sufficiency Evaluation (RSE) requirements by expanding the pool of resources, identifying and enabling transactions for specific time periods, and allowing more targeted procurement to occur
- More efficient RA transactions should result in lower net power costs for participants' customers, enhancing the additional lower power costs realized through organized market participation
- Aligning RA compliance with organized market participation should allow existing market participation data and processes to be leveraged to demonstrate RA compliance, reducing the administrative costs associated with RA program participation

Value Proposition

Program supports **reduction of upward rate pressure** by:

- Providing more accurate and better-informed information to support resource planning decisions and Integrated Resource Planning (IRP) processes
- A regional RA framework enables the ability to leverage resource diversity, as the dispatchability of the regional generation mix is changing
- Improves ability for participants to meet their operational reliability obligations including the EDAM's daily RSE
- Increases the resources available to the EDAM by making the resources procured for RA available to the EDAM market

Expanded Program Scope

- As noted by stakeholders in comments, to fully realize the value proposition the RA Program needs a way to operationalize the forward showing requirements
- Based in part on stakeholder feedback, the Work Group is recommending expanding the Program to include:
 - a must-offer capacity requirement
 - and to test participating entities collectively for purposes of the RSE (“pooled RSE”)
- Because this additional scope will add complexity to the Program, the Work Group is recommending a step-wise, phased approach to implementation

Phased Implementation Approach

Phase 1
Initial Proposal
Development

Phase 2
Additional Development

Phase 3
Reporting & Ops
Development

Phase 4
Market-Integrated Binding
Operations

Phase #1

Phase 1 Initial Proposal Development

Phase 1 builds toward an Initial Proposal to the ROWE Board.

This phase includes workshops and comment periods allowing stakeholders to provide input and shape the Initial Proposal.

The RA Sponsors and Work Group conducts this work until the Initial Proposal is ready for presentation to the ROWE Board.

Phase 1 concludes when the Initial Proposal is presented to the ROWE Board.

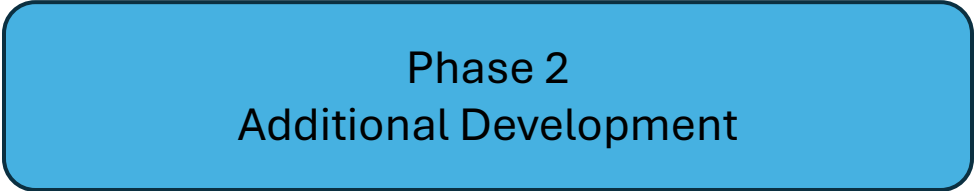
Phase #1 Activities

Phase 1 Initial Proposal Development

- Initial stakeholder process (pre-ROWE)
- Drafting Initial Proposal
- Presentation of Initial Proposal to ROWE Board
- Define initial modeling parameters

Build toward an Initial Program Proposal

Phase #2



Phase 2 Additional Development

Phase 2 builds on the Initial Proposal, continuing program development to establish initial program policy, including both governance and technical policy.

Phase 2 concludes when sufficient policy exists to enable participants to compile and submit RA compliance filings.

Phase #2 Activities

Phase 2 Additional Development

- Begin ROWE stakeholder processes
- Further develop governance elements
- Further develop technical policy, including capacity counting and PRM development
- Review results of any initial modeling efforts
- Establish entities moving on to Phase 3
- Development of RA tariff and BPMs

Complete Program design to establish RA policy foundation enabling the compliance submittal process

Phase #3

Phase 3 Reporting & Ops Development

In phase 3, Program design is complete, the technical policy elements are known, and program participants can begin providing compliance submittals, thus delivering transparency while operationalization of RA requirements is under development.

Phase 3 allows participants and stakeholders the opportunity to build trust in the program and refine any technical policy, if needed.

During this phase, necessary EDAM tariff revisions needed to move to Phase 4 are developed and undergo a full stakeholder process.

Phase #3 Activities

Phase 3 Reporting & Ops Development

- Participants compile and provide compliance submittals in accordance with established policy
- Market tariff modifications that are needed to move to a must-offer construct are developed
- Must-offer tariff modifications undergo any necessary stakeholder processes

Delivering data transparency while building towards operationalization of RA requirements

Phase #4

Phase 4 Market-Integrated Binding Operations

Phase 4 imposes binding requirements on participants, as the necessary RA policy and governance structures are in place.

With market policy also modified, the RSE runs for the collective RA participant pool. Each RA participant is subject to a must-offer obligation.

Any financial risks associated with deficient compliance filings also apply.

The full value proposition is realized in Phase 4: Reliability is maintained with greater efficiency, with binding data and accountability provisions in place.

Phase #4 Activities

Phase 4 Market-Integrated Binding Operations

- Participants submit binding compliance filings
- Forward RA requirements are reported at the Balancing Authority Area (BAA) level
- Forward RA requirements are operationalized by the market
- Participants have a must-offer capacity requirement
- Participating entities are tested collectively by the EDAM RSE
- Ongoing stakeholder input and policy review processes iteratively shape the program over time

Program is operational and full value proposition realized: transparency, accountability and capacity savings

ROWE Data Access

- The Pathways Step 2 Final Proposal creates a floor for the type of data that will be made available to state commissioners and consumer advocates:
“the Launch Committee affirms its recommendation that state commissions and consumer advocates have access to at least the same amount of data and analysis as the California agencies and the California Public Advocates Office receive today. Thus, there should be no restrictions on the provision of information other than those imposed by FERC requirements.”
- The Formation Committee is working with CAISO to create a recommendation to the ROWE Board for how access can be provided to other states while maintaining appropriate protections for confidential market participant information

Data Implications for RA

- Under the ROWE, the RA Program will need to adhere to its adopted data access provisions
- These are in the process of being developed and yet to be established
- The RA Sponsors and Work Group plan to concurrently work collaboratively with States and Consumer Advocates to:
 1. Identify what types of data is needed to meet their regulatory obligations
 2. Explore options to meet these needs, balancing confidentiality requirements to preserve market integrity
- It is anticipated that these conversations will be ongoing and evolve through RA Program design and continue through the ROWE's stakeholder process

Timeline: 2026

To allow for more collaboration with the goal of developing an Initial Proposal with broad support, the following schedule is proposed:



Timeline: 2027

Dates are approximate; feedback from Initial ROWE Board may result in changes to timeline



Summer/Fall Workshops

July

- Workshop #9, July 23: Transmission and Compliance

***Comments on July workshops due 8/6**

August

- Workshop #10, August 11: Technical Design
- Workshop #11, August 20: Transmission and Governance

***Comments on August workshops due 9/3**

September

- Workshop #12, September 10: Technical Design
- Workshop #13, September 17: Updates on Governance, Technical Design, Transmission, Compliance, and Data

***Comments on September workshops due 10/1**

The issue of how to address data will be included in workshops but the Work Group is still determining timing and where to best incorporate these discussions

Where to find materials



All workshop dates, **zoom links**, and materials are located at:

<https://rowesternenergy.org/regional-resource-adequacy/>



Reach out with questions or comments by emailing:

resourceadequacy@rowesternenergy.org

The ROWE is not a sponsor of the initiative or the initial stakeholder process, but is lending the use of its website for hosting materials.

Open Forum for Discussion



- Please raise your hand to be unmuted
- Announce your affiliation/entity you represent