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BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE)) DOCKET NO. 20000-675-EA-24
APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY TO JOIN THE EXTENDED DAY-AHEAD MARKET) Record No. 17731))

SECOND AMENDED APPLICATION

Pursuant to the directive from the Wyoming Public Service Commission ("Commission") in the order issued February 7, 2025 ("Order"), ¹ and based on the Order Granting Motion, Staying Proceeding and Vacating Public Hearing issued on June 10, 2025, Rocky Mountain Power, a division of PacifiCorp, ("Rocky Mountain Power" or the "Company"), provides the Commission with this second amended application ("Application") regarding the Company's preparations to enter and participate in the California Independent System Operator's ("CAISO") Extended Day-Ahead Market ("EDAM").

In support of this Application, Rocky Mountain Power states as follows:

Process, Docket No. 90000-184-XO-24, Order (February 7, 2025).

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¹ In the Matter of the Commission's Consideration on its own Motion of Rocky Mountain Power's Expressed Intention to Join the California Independent System Operator's Extended Day Ahead Market and Any Required Approval

- 1. PacifiCorp d/b/a Rocky Mountain Power, an Oregon corporation, provides electric service to retail customers as Rocky Mountain Power in the states of Wyoming, Utah, and Idaho, and as Pacific Power in the states of Oregon, California, and Washington.
- 2. Rocky Mountain Power is a regulated public utility in the state of Wyoming and is subject to the jurisdiction of the Commission with regard to its rates and service to retail customers in Wyoming.
 - 3. Communications regarding this Application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

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Informal questions may be directed to Stacy Splittstoesser, Wyoming Regulatory Affairs Manager at (801) 534-5018.

- 4. PacifiCorp provides electric transmission service in nine Western states and owns or has interests in approximately 16,500 miles of transmission lines and 71 thermal, hydroelectric, wind-powered generating, and geothermal facilities. PacifiCorp operates two balancing authority areas ("BAAs"): PacifiCorp East ("PACE") and PacifiCorp West ("PACW").
- 5. As required by the Order, Rocky Mountain Power submits this Application seeking authority to join and participate in the EDAM.² As directed by the Order, the Company files information "supporting its decision to join EDAM and setting forth the costs and benefits for Wyoming ratepayers," and organizes the pertinent information consistent with the requirements of Chapter 3, Section 21(f)(i) of the Commission's rules.⁴
- 6. Chapter 3, Section 21(f)(i)(A) of the Commission's rules requires that the Application include studies of past, present and prospective use of the subject service. Because the EDAM is an extension of the Western Energy Imbalance Market ("WEIM"), the past and present use is described below:
 - a. The WEIM is a 15-minute and 5-minute real-time imbalance market that was developed by the CAISO. WEIM optimizes the real-time imbalances using available transmission and generation from participants. The Company has participated in the WEIM since its inception in November 2014, which has provided significant benefits to PacifiCorp and Wyoming customers. Since its inception, the WEIM participation has grown into a diverse footprint that

² Order at 3.

³ *Id.*, at 2-3.

⁴ *Id.*, at 3.

- currently includes approximately 80 percent of the Western Electricity Coordinating Council ("WECC") load.
- b. The WEIM has provided significant economic benefits and provides reliability benefits to its participants through automated dispatch that has shown to improve situational awareness and leads to increased coordination across the WECC region.
- c. The cumulative WEIM customer benefits are valued at \$6,246.27 million through the third quarter of 2024 and PacifiCorp has received approximately \$891.5 million of those benefits.⁵
- d. The WEIM has been successful in demonstrating the benefits to its customers and has laid the groundwork for the development of a day-ahead market. The CAISO has been working on the EDAM initiative since October 2019 and PacifiCorp has been an active participant throughout the entirety of the EDAM stakeholder process. As stated on the CAISO's website, "This initiative will develop an approach to extend participation in the day-ahead market to the Western Energy Imbalance Market (WEIM) entities in a framework similar to the existing WEIM approach for the real-time market, rather than requiring full integration into the California ISO balancing area. The extended day-ahead market (EDAM) will improve market efficiency by integrating renewable

⁵ WESTERN ENERGY IMBALANCE MARKET, *Benefits*, https://www.westerneim.com/Pages/About/QuarterlyBenefits.aspx (last accessed Nov. 14, 2024).

resources using day-ahead unit commitment and scheduling across a larger area."

- 7. Under Chapter 3, Section 21(f)(i)(A) of the Commission's rules, studies of prospective use of the subject service are required. A description of the studies conducted and the process for joining EDAM is described below:
 - a. The CAISO has developed the EDAM structure with important elements that promote benefits and support autonomy for participants that includes: a voluntary participation structure, a low cost to participate with no exit fees, daily resource sufficiency evaluations, maximization of transmission connectivity to support energy transfers, and supports compliance with varying greenhouse gas regulatory programs across the West.⁷
 - b. The day-ahead optimization will consider the entirety of a participant's resource fleet and provide the least-cost solution through its optimized dispatch solution effectively lowering costs for customers. The larger EDAM footprint will lead to a maximization in the value of existing generation, transmission, and future planned capital investments.
 - c. PacifiCorp signed an EDAM Entity Implementation Agreement with the CAISO in April 2024, memorializing its commitment to participate in the EDAM. PacifiCorp's decision to join the EDAM is based on the undeniable success of the WEIM. The direct testimony of Company witness Michael G.

⁶ CALIFORNIA ISO, *Extended Day-Ahead Market*, https://stakeholdercenter.caiso.com/StakeholderInitiatives/Extended-day-ahead-market (last accessed Nov. 14, 2024)

⁷ CALIFORNIA ISO, *Extended Day-Ahead Market Fact Sheet* (Nov. 2024), *available at* https://www.caiso.com/Documents/extended-day-ahead-market-edam-fact-sheet.pdf.

Wilding included with this filing as Exhibit 2.0 discusses the decision in greater detail.

- d. Resource bidding will remain under the discretion of the resource owner and the CAISO does not offer up or make resources available to the market on participants' behalf. The EDAM design does not require economic bids from all generating resources and each BAA will retain the ability to manage generation for reliability purposes. The individual BAAs remain responsible for the North American Electric Reliability Council ("NERC") reliability standard compliance.
- e. EDAM participation is voluntary. If a participant chooses to exit the market, a six-month exit notice will be required and the CAISO will not assess any costs to the exiting participant.
- The EDAM is a wholesale market under the exclusive jurisdiction of the Federal Energy Regulatory Commission ("FERC"). FERC approved the CAISO's EDAM tariff in December 2023, approving the basic parameters of the market design. PacifiCorp must similarly submit its wholesale market rules implementing the EDAM design to FERC for approval as a wholesale rate. PacifiCorp has commenced its FERC process to conform its Open Access Transmission Tariff to the FERC-approved market rules. From the second quarter of 2025 to the first quarter of 2026 PacifiCorp will conduct market onboarding and testing activities; in the first quarter of 2026 PacifiCorp will

⁸ See 16 U.S.C. § 824d(a).

⁹ California Independent System Operator, 185 FERC ¶ 61,210 at P. 2 (2024).

- conduct parallel operations; and by the second quarter of 2026 the Company expects the EDAM to be fully functional.
- g. The Company has provided presentations and studies to the Commission discussing the EDAM design and operation and describing the differences between the WEIM and EDAM at open meetings held on February 22, 2024 and October 10, 2024. The presentations are provided as Exhibit 1.1 and Exhibit 1.2, respectively with this Application.
- 8. Under Chapter 3, Section 21(f)(i)(B) of the Commission's rules, the Company provides the following description of the proposed action on other utilities. In 2022, the CAISO commissioned an EDAM Benefits Study from Energy Strategies, an independent energy consulting firm based in Salt Lake City. The study built on a prior study conducted by Energy Strategies and quantified the following benefits incremental to the WEIM:¹⁰
 - a. Total annual operational savings for the West would be up to \$543 million per year from reduced power production expenses a 4.5% decrease from the status quo;
 - b. A West-wide EDAM would reduce CO2 emissions an estimated 2.92 million metric tons a year, equal to removing more than 634,000 vehicles from the road;
 - c. Additional potential savings could accrue through lower and shared planning reserve requirements and harmonization in resource procurement programs, providing additional capacity savings up to \$557 million per year across the West in avoided investments; and

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¹⁰ CALIFORNIA ISO, *Extended Day-Ahead Market Fact Sheet* (Nov. 2024), *available at* https://www.caiso.com/Documents/extended-day-ahead-market-edam-fact-sheet.pdf.

- d. If the full suite of EDAM benefits is realized, the entire West could save as much as \$1.2 billion annually.
- Under Chapter 3, Section 21(f)(i)(C) of the Commission's rules, the Company 9. provides the following description of cost savings and benefits to customers. The Company expects there will be significant benefits to all PacifiCorp customers by participation in the EDAM in the form of the following:¹¹
 - a. Reliability benefits: By improving visibility and awareness of conditions across the footprint, including supply availability, a regional day-ahead market positions a diverse set of resources to cost-effectively meet the next day's conditions. A diverse and broad supply pool also allows the market to better respond to changes in conditions and extreme weather events, effectively reducing operational risk and the frequency and magnitude of emergency conditions.
 - b. Economic benefits: Operational benefits result from reduced production costs and optimized commitment of the least-cost resources to meet demand. Since demand peaks vary for individual balancing areas across the West, the dayahead market seeks to efficiently commit supply to meet peak needs of the whole footprint providing economic savings in serving load.
 - c. Environmental benefits: When excess renewable production occurs in one balancing area in the regional day-ahead market, the energy can be used to meet demand elsewhere, reducing the need for renewable resource curtailment.

¹¹ *Id*.

Exhibit 1.0

d. Separate from the CAISO, PacifiCorp has studied the potential benefits from

joining the EDAM and provides three studies produced by the Brattle Group.

The first is an April 2023 Brattle Group report on PacifiCorp's EDAM

participation that was presented to all PacifiCorp's state utility commissions.

The second is a December 2023 EDAM Benefits Study, which was prepared

for a group of potential EDAM participants including PacifiCorp. The third

study is a "refreshed" PacifiCorp-specific analysis that updated the benefits

analysis to reflect changes in PacifiCorp's generation portfolio as reflected in

its Integrated Resource Plan. These studies are included as supporting exhibits

within Mr. Wilding's direct testimony.

WHEREFORE, as directed by the Commission in its Order, Rocky Mountain Power

hereby files this Application requesting authority to join and participate in the EDAM. As required

by the Order, the Application contains the information required by Chapter 3, Section 21(f)(i) of

the Commission's Rules.

DATED: June 19, 2025

Respectfully submitted,

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Ajay Kumar

Attorney for Rocky Mountain Power

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