



Alliance of Western Energy Consumers ♦ 818 SW 3rd Avenue, #266 ♦ Portland, OR 97204 ♦ 971-544-7169 ♦ awec.solutions

August 15, 2023

Via Electronic Submission

Re: BPA’s Public Engagement for Establishing a Policy Direction on Potential Day-Ahead Market Participation

The Alliance of Western Energy Consumers (“AWEC”) appreciates the opportunity to provide comments on Bonneville Power Administration’s (“BPA” or “Agency”) evaluation principles and public engagement for establishing a BPA policy direction on potential Day-Ahead Market (“DAM”) participation. AWEC’s members include large energy users in the Western United States and are among the largest employers in the region and are responsible for providing tens of thousands of highly paid, technical, family-wage jobs across a broad range of industry sectors such as agriculture, aeronautics, air products, metals, pulp and paper, and more. AWEC members have traditionally purchased a range of power and transmission services from the BPA and are also served by BPA’s utility Power and Transmission customers, often pursuant to contracts that pass BPA’s costs and the effects of its policies directly through to AWEC members. AWEC member loads constitute those with access to Tier 1 power including Contracted-For, Committed-To (“CFCT”) loads, as well as New Large Single Loads (“NLSLs”).

AWEC appreciates BPA taking a proactive and timely approach to consideration of participation in a DAM and utilizing a public process in reaching this decision. With the development of both CAISO’s Energy Day-Ahead Market (“EDAM”) and Southwest Power Pool’s Markets+ as well as robust utility interest in joining a DAM, AWEC agrees that these markets will have significant impacts on BPA’s business, regardless of whether BPA decides to participate or not. A public process to inform BPA’s policy direction on DAMs is necessary – and appreciated – in order to ensure that BPA is able to meet its obligations and evaluate DAM participation that can lead to benefits for its customers, and ultimately, AWEC’s members. AWEC is cautiously optimistic that the compact timeline for public engagement will allow for robust stakeholder participation and ample time for BPA to consider and respond to customer feedback, including the time to undertake additional analysis if requested by stakeholders.

More substantively, AWEC shares the same issues and questions raised by Public Power Counsel in its comments. In particular, that BPA’s participation in a DAM be consistent with all of its statutory obligations, including consistency with Northwest Power Act Section 5(b)(1) obligations. AWEC is interested in understanding how BPA will be able to ensure cost-based rates where costs are based on the costs of the Federal Power System, how BPA will ensure that preference customers maintain the first right of access to surplus, and how BPA will ensure that it continues to deliver valuable products to its customers, who ultimately pass on the costs to AWEC’s members. To that end, having BPA at the market development table will be important to making each market a success.

AWEC would also like to see comprehensive analysis of the anticipated rate impacts, broken down into costs and benefits, to BPA customers as part of BPA’s business case.



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For cost/benefit impacts, AWEC requests the business case also discuss potential known, but unquantifiable, costs and benefits associated both with BPA’s participation and in the event that BPA does not participate in a DAM. As importantly, AWEC requests BPA work with stakeholders to ensure that BPA’s decision on whether and how to participate in a DAM is based on a fully vetted understanding of how its customers will be impacted from an operational and contractual perspective. If specific implementation impacts are possible but not reasonably understood at this time, or could shift given the uncertainty of market design, those unknowns should also be called out as part of the business case. A clear indication and discussion of key assumptions is important, including indications of key assumptions that may shift over time. Similar to Umatilla Electric Cooperative, AWEC agrees that BPA’s analysis and discussion should include transmission impacts/encumbrances and interoperability with the Western Resource Adequacy Program, particularly in light of load growth, including NLSL growth.¹

Finally, given Washington’s passage of the Clean Energy Transformation Act and the Climate Commitment Act, as well as some members’ corporate goals, AWEC is interested both in each market’s accounting and tracking of greenhouse gas emissions as well as BPA’s anticipated approach to allocating emissions associated with its DAM participation.

AWEC looks forward to continuing engagement as BPA works through its public process for establishing a policy direction on potential DAM participation.

/s/ Bill Gaines

Executive Director

Alliance of Western Energy Consumers

¹ See generally DAM Evaluation comments submitted by Umatilla Electric Cooperative on July 20, 2023.