



November 20, 2023

RE: Portland General Electric Company's Comments on Bonneville Power Administration's Day-Ahead Market Participation Workshop on October 23, 2023

Portland General Electric Company ("PGE" or "the Company") appreciates the opportunity to comment on Bonneville Power Administration's ("BPA's") third workshop in their public engagement process to establish a policy direction on potential day-ahead market ("DAM") participation. PGE is a BPA transmission customer and a Western Energy Imbalance Market ("WEIM") participant. PGE supports and shares BPA's interest in participating in a DAM as the Company is currently evaluating its own DAM participation.

At the October 23, 2023, workshop, BPA's opening remarks framed the discussion around the Western Exploratory Markets Group ("WMEG") study performed by E3. As a participant in the WMEG study, PGE agrees that one of the key findings in that study is the impact of various market footprints. If BPA plans to utilize the WMEG study as its quantitative analysis that will be part of its record of decision to support joining a DAM (i.e., CAISO's Extended Day-Ahead Market or SPP's Markets+), PGE has the following questions for BPA's consideration:

- BPA states that it will "utilize WMEG results where appropriate to provide quantitative values"¹ by omitting wheeling revenue and then provides explanation on how it was calculated and the reasoning to why BPA is choosing to omit². It may also be helpful for BPA to similarly explain why it is not omitting any other cost or benefit items (i.e., confidence in load cost, generation cost, reserve cost, generation revenue, reserve revenue, congestion revenue, and greenhouse gas revenue). BPA should provide any metrics used for evaluating the confidence in each cost and benefit item.
- PGE echoes the concerns expressed by Seattle City Light in its October 15, 2023, comments around implications of BPA leaving the WEIM and upfront costs related to DAM system implementation. BPA recently joined the WEIM in 2022. PGE requests that BPA articulate what BPA's WEIM implementation costs were and how they were allocated between customer types, specifically between power supply and transmission?
- E3 confirmed during the workshop that system implementation costs were not modeled as part of costs for a DAM; therefore, how is BPA evaluating both the benefits and the costs as part of a decision to identify the overall least cost DAM option?

¹ Bonneville Power Administration. (2023, October 23). *Bonneville's Public Engagement for Establishing a Policy Direction on Potential Day Ahead Market Participation Workshop 3* [slide 12].

<https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/102323-dam-workshop-presentation.pdf>

² Id [slides 19 and 20].



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- BPA states that the “WMEG Study results will be one consideration in BPA’s process for determining its policy direction or subsequent decisions regarding DAM participation”.³ BPA notes that governance structure is one of those considerations, but that “the West has yet to agree on a governance model that works for the entire region, which has been a barrier to the development of a single West-wide market.” If RTO participation is not part of the current process,⁴ PGE seeks clarification on what governance structure BPA is utilizing in its decision on governance? Does BPA prefer Southwest Power Pool’s existing RTO governance structure, SPP’s Markets+, CAISO’s WEIM, or the changes approved by the Governance Review Committee for CAISO’s EDAM?
- BPA has indicated that there are other considerations outside of a quantitative analysis that will be evaluated and governance seems to be a primary consideration. How will BPA ascribe a financial value to a non-monetary decision criteria? How will BPA weight these criteria consistent with BPA’s statutory obligations?

PGE appreciates the opportunity to provide feedback on BPA’s DAM decision process. PGE looks forward to continued discussion on BPA’s DAM participation considerations as its decisions have impacts to its preference customers, transmission customers, and WEIM participants.

³ Id [slide 5].

⁴ Id [slide 33].