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Bonneville Power Administration
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RE: Bonneville Power Administration's Day-Ahead Market Evaluation Process

We appreciate the opportunity to submit these comments as part of the Bonneville Power Administration's (Bonneville) ongoing process to evaluate the day-ahead market opportunities under development in the West. While the California ISO team stands ready to engage and address any questions that Bonneville may have about the Extended Day-Ahead Market (EDAM), we wanted to offer a few timely clarifications and high-level comments for consideration by Bonneville and its stakeholders.

- **Voluntary Participation Timeline:** The decision by a balancing authority to join a day-ahead market is a significant one, and we recognize the magnitude of these decisions for Western utilities. Participation in the EDAM is voluntary, allowing an entity participating in the Western Energy Imbalance Market (WEIM) to extend its participation to EDAM, to remain only in the WEIM, or to exit one or both markets for any reason. Through this voluntary and incremental participation principle, the ISO does not impose an obligation or deadline by which entities must commit to join (or not to join) EDAM. Entities may remain in the WEIM equally as other entities may choose to join EDAM.¹
- **WEIM as a Durable Stand-alone Market:** While participation in EDAM necessarily requires that an entity also participate in the WEIM, we remain fully committed to maintaining support for the WEIM indefinitely. Indeed, WEIM is the foundation for EDAM and together they provide both real-time and day-ahead market opportunities. We fully expect that some balancing authorities in the West will choose to remain in WEIM without joining EDAM. These entities would continue to submit base schedules in WEIM as they do today and would be optimized across the entire real-time market footprint, including both entities participating only in WEIM and those participating in EDAM after it launches.

A key element of the success of WEIM has been its incremental and evolutionary growth as entities across the West have gained experience in the market and learned from earlier adopters. The introduction of EDAM allows WEIM entities to similarly evaluate different market

¹ [DAME-EDAM Tariff Amendment Transmittal Letter](#) at 104-105.

participation models so their decisions may be informed by the experiences of others when considering whether or when participation in a day-ahead market may be appropriate for them. The ISO respects individual decisions by balancing authorities, and will transition entities from WEIM to EDAM based on the specific, incremental cost of onboarding the entities into EDAM.

- **Autonomy for Market Participants:** The ISO's western energy markets allow for the West to benefit – economically and through improved reliability – from the diversity of our region as has been evidenced over the last decade through the WEIM. It is partly because of this diversity that we have designed the markets to respect the autonomy of our partners in the West to make the decisions that work best for them and their customers. For example, just as we do not require entities to migrate from WEIM to EDAM, there is also no mandate for market participants to join a particular resource planning or resource adequacy program. Instead, the western energy markets have been specifically designed to accommodate the decisions of our partners that work best for their unique circumstances.

The ISO has been the market operator of the WEIM for the last decade, helping to deliver proven benefits that today span across twenty-two balancing areas in the West, including Bonneville. We want to ensure that Bonneville and its customers understand that we have together and in collaboration with Western stakeholders intentionally designed the western energy markets around the principles described in this letter. The ISO has also provided reliability coordination services as an independent service to the majority of the Western Interconnection, coordinating reliable grid operations in the West.

As Bonneville navigates its decision to determine the best path forward for its power and transmission customers, we want to provide assurances that we are here to support the agency's participation in any of the regional services offered by the ISO, including: reliability coordination, WEIM, EDAM, or other offerings that may develop in the future. As always, we appreciate the long-running and trusted partnership we have with Bonneville, we look forward to continuing to build upon that partnership, and we remain available to meet with Bonneville and its customers at any time.

Sincerely,



Elliot Mainzer
President and Chief Executive Officer