



February 28, 2025

RE: Portland General Electric Company's Comments on Bonneville Power Administration's Day-Ahead Market Participation Workshop on January 29th and 30th, 2025

Portland General Electric ("PGE" or "the Company") appreciates the opportunity to comment on the Bonneville Power Administration's ("BPA's" or "the Agency's") tenth workshop in their public engagement process to establish a policy direction on day-ahead market participation. PGE is a BPA transmission customer and a Western Energy Imbalance Market ("WEIM") participant. PGE shares the BPA's interest in participating in a day-ahead market and committed in March 2024 to join the California Independent System Operator's ("CAISO's") Extended Day-Ahead Market ("EDAM").¹

The BPA's January 29th and 30th workshop follows FERC's approval of the Markets+ market design in January 2025. This approval follows the April 2024 BPA Staff letter recommending that (1) the BPA join a day-ahead market, and (2) that the market be Markets+.² This recommendation also called for the BPA to continue their evaluation as regional footprint and market design considerations evolved. Since BPA Staff's April 2024 recommendation, there has been significant evolution in (1) the emerging EDAM footprint³ and (2) in the progress made towards governance changes⁴ to ensure a future regional operator has an independent governance structure.

Because the BPA's day-ahead market participation decision will have a significant impact on the region, and in accordance with the BPA Staff recommendations outlining the need for a continued evaluation of market choice, PGE observes the following:

- As stated in PGE's comments submitted on November 20, 2023, July 3, 2024, and December 6, 2024, PGE continues to be concerned with cost allocation of BPA's funding of Phase II development of Markets+. BPA has not provided a clear explanation as for how these costs will be allocated and the potential impacts to non-Markets+ BPA customers. The Agency has not yet provided a sufficient outline of these costs despite repeated requests from the stakeholder community:
 - Funding for Markets+ Phase II development

¹ Portland General Electric (March 26, 2024). *PGE Announces Intent to Join Regional Energy Market to Access New Resources and Provide Cost Savings for Customers*. <https://portlandgeneral.com/news/2024-03-pge-announces-intent-to-join-regional-energy-market>

² Bonneville Power Administration (April 4, 2024). *Staff Recommendation on Day-Ahead Market Participation*. <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2024/02-day-ahead-market-attachment-1-staff-recommendation.pdf>

³ California Independent System Operator. *Extended Day-Ahead Market*. <https://www.westerneim.com/Pages/ExtendedDayAheadMarket.aspx>

⁴ RTO Insider (February 23, 2025). *Pathways 'Step 2' Bill Sets Conditions for EDAM Governance*. <https://www.rtoinsider.com/98915-pathways-step-2-bill-language-edam/>



- Lost revenue and increased operational costs for energy imbalance during parallel operations
- Transfer of network models between systems
- Staff training costs
- Maintenance of settlement systems and support of dual settlements systems through the full WEIM settlement cycle
- Software integration costs

PGE strongly opposes the allocation of these costs to BPA Transmission customers and requests that the Agency provide clarity on a plan for fair cost allocation. PGE notes that energy imbalance is a service that transmission customers can purchase from the transmission provider under the transmission providers' Transmission Tariff. A day ahead market is focused on power cost savings, rather than transmission service. The costs of exiting the WEIM and standing up the untested Markets+ platform should be allocated 100% to BPA's power costs. Any other cost allocation methodology would significantly deviate from cost causation principles.

PGE requests that BPA respond to PGE's longstanding request from November 20, 2023, July 3, 2024, and December 6, 2024, and confirm that the aforementioned costs will be assigned to power cost.