TACOMA POWER
TACOMA PUBLIC UTILITIES

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TACOMA PUBLIC UTILITIES

October 6, 2026

Bonneville Power Administration
905 NE 11th Ave
Portland, OR 97232

Via email: TECHFORUM@BPA.GOV

**Re: Comments from Tacoma Power ("Tacoma") to Bonneville Power Administration ("Bonneville") on the September 22, 2026 Day-Ahead Market Workshop**

Tacoma appreciates Bonneville's consideration of these comments on Bonneville's September 22, 2026 Day-Ahead Market Workshop. We are concerned because Bonneville did not publish comment submission deadlines to solicit feedback on this workshop; we trust this was an oversight. Additionally, Tacoma fully supports the comments on this workshop submitted by the Public Power Council (PPC), and we look forward to the procedural clarifications from Bonneville that those comments reasonably request.

We comment separately to address two issues that were discussed at the workshop: the value of market designs within Markets+ that favor Bonneville's hydroelectric fleet, and the value of the Western Resource Adequacy Program.

Market design and price formation matter for Bonneville and for Bonneville's customers because market design generates economic benefits. Workshop participants pointed out that day-ahead Mid-C bilateral prices and real-time WEIM prices are not perfect comparisons. Fair enough. But PPC responsibly chose those data points to compare real-world results rather than hypothetical scenarios. The result was a reasonable range of economic impacts from specific market design features in Markets+ that benefit Bonneville's resources. The criticisms of that methodology did not present a reasonable alternative other than an assumption that market design simply will not impact prices during most hours.

Market design will impact the benefits Bonneville and its customers will receive from market participation and market design is driven by governance. Administrator Kavulla's letter to the Regional Organization for Western Energy requests governance changes that Bonneville and others have been requesting of CAISO-operated markets for years. The Markets+ structures for fast start pricing, scarcity pricing, mitigation methodology, GHG attribution, congestion revenue allocation,

and other structures reflect a Markets+ governance structure that has listened to Bonneville and other stakeholders since day one and has acted on their feedback.

There is no promise the ROWE Board can make over the next few months that can compare with the actions taken by Markets+ that prove fair and representative governance. Committing to a market based on promises of future governance changes ignores the history of the two day-ahead market options and leaves no alternative for Bonneville when future governance decisions in CAISO continue to favor California load and generation similar to what previous market decisions have historically done.

Additionally, the Western Resource Adequacy Program (WRAP) brings meaningful benefits to a day-ahead market. PPC and others noted the 2021 state-led market study showed that diversity benefits of a resource adequacy program ultimately lower the need for reliability investments at levels that can significantly outweigh other economic benefits of day-ahead market participation. No workshop participant disputed that premise, and WRAP has been designed by diverse Western stakeholders for years to achieve those diversity benefits.

A resource adequacy program must include meaningful standards and incentives to provide diversity benefits to its participants. Financial consequences related to non-compliance cannot simply be a cost of doing business; they must be sufficient to incentivize all participants to invest in adequate resources to realize diversity benefits. Standards for energy and transmission contracts must be rigorous enough to ensure those resources can be counted on during times of scarcity.

WRAP was designed to meet those objectives while benefiting from a governance structure that continues to allow flexibility as WRAP participants address each other's specific needs. WRAP participants continue to demonstrate their good faith through actions, not just words, as the program evolves and progresses toward binding operations next year.

Nothing is preventing EDAM from adopting WRAP as its mandatory resource adequacy program. Doing so would demonstrate EDAM's commitment to participants outside California. Instead, resource adequacy in EDAM will remain an enigma for some time. Separate resource adequacy programs for California and non-California EDAM participants seem unavoidable. And while there is still not a formal proposal for a program for the non-California EDAM participants, preliminary discussions indicate the program may not provide the vigorous and reliable diversity benefits WRAP is designed to ensure.

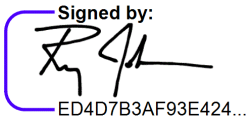
We hope the EDAM resource adequacy program evolves to be meaningful and drive benefits. But preliminary discussions have avoided decisions on financial consequences for noncompliance, a crucial issue that demonstrates whether

participants want to check a box or create real diversity value. Making a resource adequacy demonstration only 60 days ahead of the operational timeframe is a step forward from EDAM's resource sufficiency evaluation, but an inadequate one. And accepting curtailable energy and transmission contracts risks creating a program with only the illusion of resource diversity benefits.

WRAP's firm transmission requirement benefits Bonneville's transmission revenue. WRAP recognizes that only deliverable energy can be relied on. Additionally, WRAP recognizes real-world challenges by requiring a 75% firm transmission showing seven months in advance of the operational timeframe. While EDAM's non-California resource adequacy program is still in development, the most recent published materials indicate an intention to permit non-firm transmission in some instances when firm or conditional firm transmission is not available. In addition to the obvious problems that structure creates for the ability of participants to rely on the program, it also threatens to de-value Bonneville's firm OATT offerings.

In sum, Markets+ offers Bonneville a bird-in-hand that has proven through actions, not just words, that its governance structure listens to Bonneville and other stakeholders and makes decisions respecting those interests. The Markets+ stakeholder process has provided leverage to Bonneville since day one, leverage that has shown no risk of evaporating. A pivot to EDAM or a delay in a market decision would be a surrender by Bonneville of the market leverage it has developed over years for itself and its customers. Bonneville should reaffirm its commitment to Markets+ and maintain the influence and market design benefits Bonneville has achieved.

Sincerely,

Signed by:

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Ray Johnson
Deputy General Manager
Power Management