



**Department of Energy**  
Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621



March 12, 2026

In reply refer to: A-7

Subject: Bonneville's proposed decision to join the Southwest Power Pool's Markets+

To: Interested persons, customers, and stakeholders:

The Bonneville Power Administration is solidifying its path to joining a day-ahead market. The agency announced our intent to pursue participation in the Southwest Power Pool's Markets+ in May 2025 with the release of our Day-Ahead Market Policy and Record of Decision. We are pleased to share that we have advanced our planning for systems, processes, and market implementation because of the rapid progress in Markets+ development. This progress in market development has allowed the agency to advance implementation planning efforts and further evaluate readiness requirements. We are now positioned to move forward with implementation and propose joining Markets+ in October 2028.

Not only a day-ahead market, Markets+ will centralize day-ahead and real-time unit commitment and dispatch, which will foster reliability and generation integration. Markets+ thus offers an opportunity to ensure a reliable, affordable and abundant energy supply for consumers in the Northwest. With this decision, we can begin to make the necessary preparations for market entry, including continued work with our customers. Given the significant body of work associated with day-ahead market implementation – and the benefits we stand to achieve – it is in the best interest of our customers and the region for Bonneville to act now.

The attached document describes the critical and immediate steps Bonneville proposes to take to enable participation, as well as the processes we must initiate to ensure our long-term power sales contracts, transmission tariff, and power and transmission rates accurately represent Markets+ participation.

I greatly appreciate the input of those who engaged in the development of our policy direction and those who continue to engage in this robust, yearslong effort. We remain committed to working through the details of our day-ahead market implementation in a transparent public process.

We look forward to your continued engagement and welcome comments on this draft decision through 4:30 p.m. PDT on April 3, 2026. Please submit any comments on Bonneville's Open Public Comment Period page at [www.bpa.gov/comments](http://www.bpa.gov/comments). Should you have any questions, please reach out to [bpamarketinitiatives@bpa.gov](mailto:bpamarketinitiatives@bpa.gov).

Sincerely,

A handwritten signature in blue ink, reading "John L. Hairston".

John L. Hairston  
Administrator and Chief Executive Officer

*Proposed decision***Re: Bonneville’s proposed decision to join the Southwest Power Pool’s Markets+****1. Introduction**

In May 2025, the Bonneville Power Administration concluded an extensive multi-year assessment and public process that resulted in a policy direction toward participation in the Southwest Power Pool (SPP)’s Markets+ day-ahead market. As described in the Day-Ahead Market Policy (Policy) and corresponding Record of Decision (ROD), Bonneville determined that pursuing participation in Markets+ could provide customer benefits and system operational benefits.<sup>1</sup>

In the Policy, Bonneville compared the potential benefits of participating in the California Independent System Operator (CAISO)’s Extended Day-Ahead Market (EDAM), participating in SPP’s Markets+, or maintaining the status quo of no day-ahead market participation. Bonneville’s Policy determination was based upon economic analysis and superior market design features in Markets+, particularly governance and stakeholder process, resource adequacy and resource sufficiency, price formation and market power mitigation, transmission and congestion rent, and greenhouse gas accounting. The Policy and ROD explained Bonneville’s evidence, business rationale, and qualitative and quantitative reasoning to establish a direction towards Markets+ as the best day-ahead market option to advance Bonneville’s statutory mission.<sup>2</sup> Notably, Bonneville’s policy direction toward Markets+ received overwhelming support from its customers and support for Markets+ continues to grow.<sup>3</sup> Over 40 entities are contributing efforts towards continued Markets+ (Phase Two) development through the Market Participant Executive Committee, working groups, and task forces.<sup>4</sup>

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<sup>1</sup> Bonneville Power Administration, Day-Ahead Market Policy (May 9, 2025) (“Policy”), *available at* <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/20250509-dam-final-policy.pdf>; Bonneville Power Administration, Day-Ahead Market Policy Record of Decision (May 9, 2025) (“ROD”), *available at* <https://www.bpa.gov/-/media/Aep/about/publications/records-of-decision/2025-rod/rod-20250509-day-ahead-market-policy.pdf>.

<sup>2</sup> *See, e.g.*, Policy at 68-70; ROD at 6-114 (Section 5, Day-Ahead Market Participation Evaluation).

<sup>3</sup> *See, e.g.*, ROD at 8-9 (citing comments from Public Power Council, Northwest Requirements Utilities, and Western Public Agencies Group); Intervenor Brief of Public Power Council, Northwest Requirements Utilities, Pacific Northwest Generating Cooperative, and Alliance of Western Energy Consumers, *NWEC v. Bonneville Power Admin.*, No. 25-4278 (9th Cir. Jan. 23 2026) (filed in support of Bonneville’s Policy decision).

<sup>4</sup> Advanced Power Alliance, American Clean Power Association, Arizona Public Service, Basin Electric Power Cooperative, Black Hills Corporation, Brookfield Renewable Trading Marketing, Chelan County Public Utility District, Cheyenne Light Fuel & Power, Clatskanie Public Utility District, Clean Energy Buyers Association, Colorado Energy Office, Colorado Utility Consumer Advocate, CORE Electric, EDP Renewables, Eolian Energy, Grant County Public Utility District, Idaho Power, Interwest Energy Alliance, Invenergy Energy Management, LLC, Leeward Energy, Lewis Public Utility District, Natural Resources Defense Council, Northwest & Intermountain Power Producers Coalition, Northwest Requirements Utilities, NW Energy Coalition, Pattern Energy, Plus Power, Powerex Corp, Public Generating Pool, Public Power Council, Puget Sound Energy, Public Service Company of New Mexico, Renewable Northwest, Salt River Project, Shell, Snohomish County Public Utilities, Tacoma Power, Tenaska Power Services Co, The Energy Authority, Tri-State Generation and Transmission Association, Tucson Electric Power, Voltus, Western Energy Freedom Action, Western Power Trading Forum, Western Resource Advocates, and Xcel/Public Service Company of Colorado.

Bonneville's Policy identified future public processes and decision-making to enable participation and go-live in Markets+. As Bonneville explained in the Policy and ROD, the agency committed to additional decision-making processes before formally deciding to join Markets+. Bonneville's next step was to prepare implementation plans for projects related to market operations, considering changes in software, hardware, data integration, business processes, policies, and staffing.<sup>5</sup> Bonneville is pleased to share that, because of SPP's rapid progress in market development, the agency's productive coordination regarding roles and responsibilities for market participation, and proactive review of data and system integration needs, Bonneville is now positioned to make an affirmative decision to join Markets+.

When the Policy was published, Markets+ development was in initial stages, but now the market has developed further and numerous entities have expressed their plans to join Markets+ through SPP's onboarding process.<sup>6</sup> Herein, Bonneville proposes to join Markets+ with a target market go-live date of October 1, 2028. This proposed decision would allow for further implementation steps: modifying systems and processes for market integration, facilitating customer market integration, conducting rate and tariff proceedings to address market participation costs, terms and conditions, and amending Provider of Choice long-term power sales contracts to delineate roles and responsibilities. In this proposed decision, Bonneville is not revisiting the subject matter and rationale articulated in its May 2025 Policy and ROD, which included Bonneville's findings and conclusions that supported a direction toward Markets+. Therefore, the agency only solicits comment on this proposed decision to join and participate in Markets+ with a target go-live date of October 1, 2028.<sup>7</sup>

Bonneville believes that a proposed decision to join Markets+ on this schedule is necessary and appropriate. As explained in the Policy, this proposed decision is now necessary because the agency must adapt to the changing Western electricity landscape to best meet the needs of its power and transmission customers.<sup>8</sup> As discussed in section 2, the proposed decision to join Markets+ is now appropriate because Bonneville has the commercial, operational, and technical capabilities to move forward with market participation. Bonneville has considered its roles as a power marketing agency, Balancing Authority,<sup>9</sup> Transmission Operator,<sup>10</sup> Transmission Service Provider,<sup>11</sup> and Load Responsible Entity.<sup>12</sup> The agency

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<sup>5</sup> Policy, Appendix F, Implementation Feasibility Assessment at 94.

<sup>6</sup> SPP, More Pacific Northwest entities commit to join Markets+ (Feb. 27, 2026), *available at* <https://spp.org/news-list/more-pacific-northwest-entities-commit-to-join-marketsplus/>.

<sup>7</sup> Bonneville will provide notice if this target date changes.

<sup>8</sup> Policy at 4-8.

<sup>9</sup> SPP, Markets+ Tariff, Part I. Common Service Provisions, § 1, Definitions, at B (Apr. 11, 2025) (defining a Balancing Authority as “[t]he responsible entity that integrates resource plans ahead of time, maintains load interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.”), *available at* [https://www.spp.org/Documents/73635/Markets%20Plus%20Tariff\\_with%20compliance%20filing%20language\\_April%2018.pdf](https://www.spp.org/Documents/73635/Markets%20Plus%20Tariff_with%20compliance%20filing%20language_April%2018.pdf).

<sup>10</sup> SPP, Markets+ Tariff § I(1)(T)(defining Transmission Operator as “[t]he entity responsible for the reliability of its transmission system, and that operates or directs the operations of the transmission facilities.”).

<sup>11</sup> North American Electric Reliability Corporation, Glossary of Terms Used in NERC Reliability Standards at 55 (Feb. 27, 2026) (defining Transmission Service Provider as “The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable Transmission Service agreements.”). *available at* [https://www.nerc.com/globalassets/standards/reliability-standards/glossary\\_of\\_terms.pdf](https://www.nerc.com/globalassets/standards/reliability-standards/glossary_of_terms.pdf).

<sup>12</sup> *Id.* at 29 (defining a Load Serving Entity as an entity that “[s]ecures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers). The Western Resource Adequacy Program (WRAP) defines a Load Responsible Entity (LRE) as “an entity that (i) owns, controls, purchases and/or sells resource adequacy supply, or is a Federal Power Marketing

has determined that it can continue to perform these functions in Markets+ and participation will result in more efficient generation and transmission system dispatch. Bonneville’s proposed decision is a balancing authority-wide decision, so the agency must ensure its customers have access to the resources necessary to enable their participation in the market. This proposed decision is timely to advance the business implementation steps that will provide certainty to customers, sovereigns, and stakeholders throughout the region.

Bonneville would join Markets+ as a Balancing Authority, Market Participant, Transmission Service Provider, and Transmission Operator.<sup>13</sup> In the past year, Markets+ has transitioned from a conceptual phase into market infrastructure development and market participant preparation for market launch, including by refining models, developing software, and onboarding “Wave 1” participants. Markets+ “Wave 1” will launch the market on October 1, 2027, currently with five participating balancing authorities: Arizona Public Service, Salt River Project, Tucson Electric Power, Powerex, and Xcel Colorado.<sup>14</sup> SPP has established a timeline for Markets+ “Wave 2” participants that plan to join the market on October 1, 2028.<sup>15</sup> The Wave 2 participating entities currently include Chelan County Public Utility District, Grant County Public Utility District, Puget Sound Energy, and Tacoma Power. Bonneville proposes to also target participation in Wave 2.

In line with the Wave 2 timeline, Bonneville would go-live in the market on October 1, 2028. This effective date aligns with Bonneville’s BP-29 rates and the initial power deliveries under the Provider of Choice long-term power sales contracts. In the following sections, Bonneville discusses the rationale for this proposed decision, describes steps the agency will take to implement participation, and discusses related milestones necessary to facilitate participation in Markets+.

## 2. Bonneville’s Markets+ Participation Capability

Following publication of the Day-Ahead Market Policy, Bonneville began to analyze its capability to successfully participate in Markets+ and satisfy the obligations of a Markets+ Market Participant, Balancing Authority, Transmission Operator, and Transmission Service Provider. To participate in Markets+, the agency must have the capability to perform numerous tasks. The agency must identify loads, resources, and transmission in the balancing authority area; submit and maintain network model information; establish data connections with SPP acting as the Market Operator; define and communicate transmission and operational constraints that must be included in the market optimization; update power and transmission rates; revise open access transmission tariff terms and conditions; develop market-related business practices; and coordinate with embedded entities in its balancing authority area as they endeavor to become Market Participants.<sup>16</sup>

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Administration or an International Power Marketing Entity[.]” An LRE “may act as an agent of a load serving entity or multiple load serving entities” and is “responsible for meeting LRE obligations under WRAP. SPP’s Markets+ tariff defines LRE as “[a] Market Participant with registered load in Markets+.” SPP, Markets+ Tariff § I(1)(L).

<sup>13</sup> SPP, Markets+ Tariff § I(1)(T); SPP, Markets+ Tariff Att. E, L, M.

<sup>14</sup> See *supra* note 6.

<sup>15</sup> *Id.*

<sup>16</sup> See *e.g.*, Markets+ Tariff Att. L, Form of Agreement for Participating Balancing Authority Areas at 570-73; Markets+ Tariff Att. M, Form of Agreement for Participating Transmission Service Provider at 574-77.

To become a Market Participant, the agency must also submit commercial model information; develop procedures to submit bids, offers, and operational information; submit daily must offer obligation information (to demonstrate resource sufficiency); provide information about transmission service reservations eligible for congestion rent allocations; provide greenhouse gas accounting information; submit meter data; process settlements; and coordinate with customers regarding representation in the market.<sup>17</sup>

Pursuant to the Policy, Bonneville staff began an agency-wide review to assess its ability to perform these tasks and identify workstreams necessary to fill gaps. This section describes the commercial, operational, and technical scoping activities the agency has performed to date. Bonneville will continue to engage in proactive planning for both agency and customer Markets+ participation activities throughout this process. Bonneville's customer and stakeholder engagement will be ongoing, including through its day-ahead market workshop series, tariff proceedings, and rate case processes. Bonneville expects to complete these tasks before SPP's Wave 2 go-live on October 1, 2028.

### A. Commercial Readiness

After Bonneville adopted the Day-Ahead Market Policy in May 2025, it was critical to develop and consider construction of the commercial framework necessary for participation in Markets+. Bonneville is a large and complex entity with a multifaceted customer base, and commercial model load and resource details impact much of the subsequent work, so Bonneville began work on the preliminary commercial model immediately. An important component of the agency's preparatory activities has been the development of a commercial model that will provide the basis for market registration, operations, and settlements for Bonneville and its customers.

In its December 2025 workshop, Bonneville discussed the basic commercial model framework. The commercial model will provide a basis for Market Participants to provide bid and offer submissions, meter data, and relevant operational data. The commercial model will also determine how the Market Operator will communicate awards, develop dispatch instructions, allocate congestion rents, perform greenhouse gas accounting, and issue settlements. Bonneville used this basic framework to illustrate commercial model principles, like mapping system generation, load, and transmission, and to discuss potential approaches to market participation with customers and stakeholders. Following this proposed decision, the agency would be able to engage with customers in further development of the commercial model. The agency would determine issues such as whether Bonneville or a customer will act as the Market Participant for generation, load, and/or transmission in Markets+.

In its March 2026 workshop, Bonneville further discussed commercial model development. Staff described the hierarchy between Market Participants, loads and resources, settlement locations, aggregated pricing nodes, pricing nodes, and electrical nodes. They discussed the agency's commercial model proposal, including modeling for Bonneville load, generation, and transmission within the balancing authority area, modeling for Bonneville loads and generation outside of the balancing authority

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<sup>17</sup> See e.g., Markets+ Tariff Att. E, Market Participant Agreement at 443-49; *id.*, Att. A, § 6 Market Participant Obligations at 159-74.

area, management of non-federal resources of the agency's Load Following customers,<sup>18,19</sup> treatment of Washington and non-Washington load for greenhouse gas accounting purposes, and treatment of Block<sup>20</sup> and Slice<sup>21</sup> planned product customers as their own Market Participants.

The commercial model is an essential component of market implementation that sets the foundation for market activity within Bonneville's balancing authority area. While significant progress has been made, Bonneville will continue to work with customers and stakeholders to develop and validate the commercial model. Bonneville anticipates that it will refine Market Participant and Asset Owner roles and explain technical requirements necessary before go-live. Bonneville develop power and transmission customer-specific market participation options and requirements in workshops and in formal transmission tariff terms and conditions and power and transmission rate case proceedings.

## B. Operational Readiness

Bonneville also began to assess operational readiness for market participation by reviewing current business practices and agency capabilities. Bonneville developed a preliminary Markets+ "Day-in-the-Life" structure which documents each major role and task across the day-ahead market time horizon, with the goal of identifying capability gaps and necessary implementation projects. Importantly, as Bonneville considers operational impacts, it will continually assess policy options and design decisions to ensure that the agency continues to meet its congressionally authorized purposes and remains consistent with the analysis in the Columbia River System Operations Environmental Impact Statement Record of Decision, associated Endangered Species Act consultations and related documents, and all applicable laws. The agency's preliminary operational readiness review focused on process, staffing and technology impacts related to market participation. The agency identified necessary projects and estimated levels of effort for the projects for Bonneville to enter Markets+ by October 2028.

### i. Market Participant Dependencies on Markets+ decision

From a Market Participant perspective, Bonneville will need to represent federal generation, load of load following customers, and non-federal generation of load following customers in the commercial model. Bonneville's initial assessment for FCRPS resources has been informed by participation in CAISO's Western Energy Imbalance Market (WEIM) and involves additional considerations when layering a day-ahead hourly award framework on top of a real-time intra-hour market framework. To ensure transparent operations, Bonneville has identified implementation projects to develop procedures related to appropriate offer ranges and self-schedules based on operational constraints and considerations for federal generation. These will include pricing the offers and load bids to reflect desired operations; appropriately

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<sup>18</sup> Bonneville Power Admin., Definitions at 48 (1993) (defining "load following" as "generally refers to automatic changes in generation to follow changes in load on a second-by-second basis to maintain a continuous balance between loads and generation.").

<sup>19</sup> Bonneville Power Admin., Provider of Choice, Final Load Following Contract Template (Aug. 14, 2025), available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250814-poc-final-load-following-template.docx>.

<sup>20</sup> Bonneville Power Admin., Provider of Choice, Final Block Contract Template (Aug. 14, 2025), available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250814-poc-final-block-template.docx>.

<sup>21</sup> Bonneville Power Admin., Provider of Choice, Final Slice Contract Template (Aug. 14, 2025), available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250814-poc-final-slice-template.docx>.

identifying load obligations; identifying appropriate market tools and integrating their use into power operations; submitting outage information; reviewing and submitting metering information; and processing settlements.

For federal generation, Bonneville manages power marketing operations of both dispatchable resources with storage capability and output flexibility, and non-dispatchable resources with operational parameters that require fixed megawatt dispatch levels. In the Policy, the agency recognized aspects of the Markets+ framework for hydro operations that allow participants to preserve the value of hydropower and represent it operationally. For instance, the Markets+ framework allows Market Participants with generation resources to submit an offer range for market award and dispatch or to “self-schedule” resources at a fixed generation level, to communicate a daily energy maximum in addition to hourly minimums and maximums, and to aggregate resources that are operated in a coordinated way. Bonneville began exploring the details of these design aspects and other market tools and is developing market and non-market procedures to ensure Bonneville can participate in Markets+ while meeting multi-use hydropower project purposes, including flood control, navigation, fish and wildlife impact mitigation, irrigation, power generation, recreation, and public safety.

In the WEIM, Bonneville performed real-time bidding and received market awards from three aggregated resources: Upper Columbia resources, Lower Columbia resources, and Lower Snake resources. Bonneville has determined that aggregation will continue to provide flexibility among projects.<sup>22</sup> This capability will allow for operational coordination in the day-ahead and real-time operational horizons. Indeed, access to the broader array of resources available for market deployment was an operationally beneficial consideration in Bonneville’s Policy towards Markets+ participation.

The agency also reviewed available metering and scheduling data integration to ensure the anticipated commercial model can be appropriately represented. For example, the agency will need to separately represent the load of its load-following customers located in the state of Washington and those located outside the state of Washington for purposes of greenhouse gas pricing and attribution within the Markets+ design. For non-federal generation, Bonneville is also reviewing meter information to ensure appropriate representation in the model. Bonneville has also been considering the process and data flows for Load Following customer non-federal generation that may or may not be offered in the market.

As Bonneville continues its readiness efforts towards implementation of Markets+, the agency will proceed with operational readiness projects. Bonneville will also continue to consider load and non-federal generation when working with customers to refine the commercial model in preparation for market operations. Bonneville expects to discuss these topics in its continuing workshop series in 2026.

#### ii. Balancing Authority, Transmission Operator, and Transmission Service Provider Dependencies on Markets+ decision

In considering the operational readiness and preliminary Day-in-the-Life structure for Bonneville as a Balancing Authority, Transmission Operator, and Transmission Service Provider, the agency has identified multiple projects to develop or enhance system capabilities. These projects are similar to those Bonneville undertook during WEIM implementation. The agency is identifying how these real-time

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<sup>22</sup> Policy §§ 6.1.1, 6.1.1.2.

system capabilities can be applied towards Markets+ participation and what must be reconsidered within the Markets+ day-ahead market framework.

One such implementation project would focus on transmission service and operations. As described in Bonneville's policy direction, all transmission of a participating Transmission Service Provider becomes part of the market design by default. This is different than the real-time WEIM framework in which only identified incremental transmission is "donated" to the market for optimization. To manage the transition to a day-ahead market, staff would work with affected entities to determine appropriate transmission rights representation in the market.

In addition, Bonneville anticipates system changes related to changing Reliability Coordinator services.<sup>23</sup> As discussed in section 4.B, Bonneville anticipates leaving WEIM and moving from CAISO's Reliability Coordinator West services to SPP's Western Reliability Coordinator. A Reliability Coordinator has a wide-area view to ensure reliable electrical system operations among balancing authority areas. The agency has determined that efficiencies can be gained from employing SPP as both its market operator and reliability coordinator. The agency's Reliability Coordinator change will be a significant aspect of operational readiness. Bonneville has started a process to identify key areas of work required for this change including data sharing, transmission system operating limit methodology, and managing seams with neighboring balancing authority areas.

As with the Market Participant perspective, Bonneville is considering how to structure its commercial model for transmission operations. The agency is identifying requirements associated with independent Market Participant registration for entities within the balancing authority area that intend to participate in the market. The agency is also identifying processes for working with embedded entities that do not register. These topics, as well as others, will be discussed in various Bonneville processes such as tariff, rates and business practice processes. Bonneville's affirmative decision to join would enable the agency to begin working with customers on registration and participation options. The agency would continue to address roles and responsibilities for both participating and non-participating customers throughout the implementation process.

### C. Technical Readiness

As a Balancing Authority, Transmission Operator, Transmission Service Provider, and Market Participant, Bonneville must ensure that it has information and operational technology systems to enable market participation. Bonneville has experience upgrading its systems to enable participation in a market from its efforts leading up to its voluntary participation in the real-time WEIM. The systems necessary to implement day-ahead market participation will not only accommodate market dispatch but also will be critical for ensuring reliable operations. Bonneville is evaluating the information and operational technology systems that are necessary to enable participation in Markets+.

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<sup>23</sup> SPP, Markets+ Tariff § I(1)(R (defining "Reliability Coordinator" as "[t]he entity that is the highest level of authority who is responsible for the Reliable Operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.").

During its preliminary Day-in-the-Life analysis, Bonneville identified systems in need of upgrade associated with tasks such as load and resource forecasts, market participant bids and offers, real-time generation and transmission, metering and settlements. These systems include real-time operational tools such as automatic generation control and the energy management system, that are a dependency for Bonneville's decision to participate in Markets+. Along with these primary systems, Bonneville has identified supporting software and integration work that must be completed to enable the agency's participation in the market in each of its roles as a Balancing Authority, Transmission Operator, Transmission Service Provider, and Market Participant. Bonneville must make a number of system changes in order to facilitate the agency's full participation in Markets+.

For instance, in a public workshop in February 2026, Bonneville shared its updated plan for a major overhaul of the automatic generation control system. The agency explained that the upgrade would include elements that are necessary to enable participation in both the Markets+ day-ahead and real-time market for Bonneville and its customers. Bonneville expects a major overhaul during the upgrade, which will include enabling customer participation in Markets+ concurrent with Bonneville's go-live. Bonneville will continue to update customers and stakeholders on areas of impact on operational technology systems related to market participation that will impact their operations.

#### D. Participation Capability Dependencies

Bonneville has initially scoped implementation work associated with joining Markets+. There are no insurmountable commercial, operational, or technical barriers to participation. Bonneville is continually refining its workplan to meet its goal of entering Markets+ in October 2028. The projects set forth in the draft workplan focus on addressing process and technology impacts throughout the agency. The plan also addresses key supporting actions such as operational change management and training. The agency will continue to work with customers on implementation requirements for the day-ahead market to help ensure agency and customer readiness.

### 3. Bonneville's Proposed Decision to Join Markets+

After the period of scoping as described above, the agency now concludes that it can achieve commercial, operational, and technical readiness by October 2028. Joining Markets+ is a balancing authority area-wide endeavor that will require advance preparation and coordination for Bonneville's customers to have an opportunity to prepare for market participation. Bonneville will communicate with and provide assistance to customers and stakeholders, but some will interact directly with the Market Operator. For Bonneville's embedded entities to formalize their relationships with the Market Operator, Bonneville itself must first do so. Accordingly, the proposed decision to join Markets+ would provide certainty for customers and stakeholders as they invest in projects to ensure readiness.

Before becoming a Market Participant, Bonneville must meet the registration requirements of Section 6 of the Markets+ tariff and Section 9 of the Markets+ Protocols.<sup>24</sup> To take steps in this direction, the agency

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<sup>24</sup> SPP, Markets+ Tariff, Attachment A § 6 (Apr. 11, 2025), *available at* [https://www.spp.org/documents/73635/markets%20plus%20tariff\\_with%20compliance%20filing%20language\\_april%2018.pdf](https://www.spp.org/documents/73635/markets%20plus%20tariff_with%20compliance%20filing%20language_april%2018.pdf); SPP, Markets+ Protocols § 9 (Jan. 9, 2026), *available at* [https://www.spp.org/Documents/75682/MarketsPlus%20Protocols\\_Production.zip](https://www.spp.org/Documents/75682/MarketsPlus%20Protocols_Production.zip)

will need to make a Balancing Authority election to participate in Wave 2 of Markets+ with a target go-live date of October 1, 2028.<sup>25</sup>

The Balancing Authority election will trigger SPP's Markets+ onboarding process.<sup>26</sup> This process includes completing a survey and submitting workbook models to establish commercial and network models. Bonneville must submit workbooks pertaining to its roles as a Market Participant, Balancing Authority, Transmission Operator, and a Transmission Service Provider. The Balancing Authority election triggers access to specialized training and SPP experts, including the modeling team, which will assist the agency in refining and testing the commercial model and network model. Throughout the onboarding process, Bonneville and SPP will execute a series of agreements included in the Markets+ tariff to set forth the rights and responsibilities unique to each role: Market Participant, Balancing Authority, and Transmission Service Provider.<sup>27</sup> Bonneville and SPP will also execute a Telecommunications Services Agreement that will provide the agency with access to the SPP telecommunications network and facilitate data exchange testing. Critically, the Balancing Authority election also will provide a basis for SPP to work with embedded entities in Bonneville's balancing authority area.

In summary, Bonneville considered interrelated subjects that must be addressed to effectuate participation in Markets+ over the past year. In public workshops, the agency discussed processes that would flow from a decision to join the market. At this stage, the Balancing Authority election, coupled with the onboarding agreements, would ensure each party devotes sufficient resources to assist Bonneville and its stakeholders with further readiness activities. As Bonneville is a complex entity and many customers will be affected by power and transmission service changes, these important milestones will formalize Bonneville's decision to join.

## 4. Next steps

To join Markets+, Bonneville must prepare for several critical transitions necessary to effectuate market participation and market operations. These include exiting the WEIM, switching Reliability Coordinators, amending Provider of Choice contracts, and conducting necessary rate and tariff proceedings.

### A. WEIM Exit

As Markets+ contains not only a day-ahead but also a real-time market, Bonneville must conclude its voluntary participation in WEIM to participate in Markets+.<sup>28</sup> Simultaneous participation in both WEIM and Markets+ is not possible. Bonneville has determined it must conclude its participation in WEIM to allow for a transition period between WEIM exit and Markets+. Bonneville has determined that it expects to exit on or around October 1, 2027, to provide an opportunity for the agency to gain experience with

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<sup>25</sup>SPP, Onboarding Checklist for Markets+ available at <https://spp.org/documents/75596/onboarding%20check%20list%20for%20markets%20plus%20v3.1.docx>

<sup>26</sup> See SPP, Join Markets+ (accessed Mar. 11, 2026), available at <https://www.spp.org/stakeholder-center/join-marketsplus/>.

<sup>27</sup> Markets+ Tariff, Attachments E, L, and M.

<sup>28</sup> As part of Bonneville's original decision to participate in WEIM, WEIM included core terms and conditions to facilitate exit to preserve the voluntary nature of that market. Bonneville Power Administration, EIM Close-Out Letter at 9 (Sept. 27, 2021), available at <https://www.bpa.gov/-/media/Aep/projects/energy-imbalance-market/final-eim-close-out-letter.pdf>.

Markets+ mechanics and avoid complexity associated with competing market requirements. This timeframe will allow Bonneville to devote attention to testing and operational activities described above during the period of transition.

## B. Reliability Coordinator Change

A Reliability Coordinator has a wide-area view to ensure reliable electrical system operations among balancing authority areas. While Reliability Coordinator services can be secured by an entity other than the Market Operator, it is industry standard to have both roles served by the same entity. Bonneville has determined that it would realize efficiencies from aligning the two. Therefore, Bonneville anticipates transitioning from CAISO's Reliability Coordinator West services to SPP's Western Reliability Coordinator services prior to joining Markets+. This will allow less complex Reliability Coordinator oversight and allow for more easily leveraging the market if necessary to ensure reliable operations.

Bonneville expects to make the Reliability Coordinator transition no later than April 1, 2028, as provided for in the Wave 2 timeline. Bonneville is analyzing SPP's technical specifications to assess the transition work necessary to accomplish the change. Bonneville will address operational seams, data sharing requirements, and system operating limits associated with this change during its continued process.

## C. Provider of Choice Contract Amendment

In December 2025, Bonneville executed Provider of Choice long-term power sales contracts for delivery of power from October 1, 2028, through September 30, 2044.<sup>29</sup> The contracts resulted from regional negotiations, collaboration, and consideration of future agency and power customer needs. During negotiations, it became clear that the details of day-ahead market participation were too uncertain to fully memorialize in the contracts.<sup>30</sup> Therefore, the parties agreed to amend the contracts in a future public process to facilitate day-ahead market participation, should Bonneville elect to join a day-ahead market.

Section 23 of the contracts contemplates a future amendment for day-ahead market implementation and commits Bonneville to conducting a public process in the event it decides to join a day-ahead market. Bonneville committed to working with customers on (1) any necessary amendments to the Provider of Choice power sales agreements, including any necessary to align with an updated Transmission Services tariff and settlements under an organized market, and (2) the anticipated timeline for executing such amendments. Pursuant to this decision, Bonneville will give notice to Provider of Choice parties that it will exercise its contractual right to initiate a public process in early 2027. In this process, Bonneville will negotiate the contract terms affected by participation in Markets+ as the window for the amendment process nears. This process will ensure the Provider of Choice contracts can be updated to accurately

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<sup>29</sup> See Bonneville Power Administration, Provider of Choice Policy Record of Decision (Mar. 21, 2024), available at <https://www.bpa.gov/-/media/Aep/about/publications/records-of-decision/2024-rod/rod-20240321-bonneville-power-administration-provider-of-choice.pdf>; Bonneville Power Administration, Provider of Choice Contract Record of Decision (Aug. 14, 2025), available at <https://www.bpa.gov/-/media/Aep/about/publications/records-of-decision/2025-rod/rod-20250814-provider-of-choice-contract.pdf>.

<sup>30</sup> Provider of Choice Contract Record of Decision at 107-111; Provider of Choice Master Contract Template § 23 (June 18, 2025), available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250618-poc-final-master-template-external.docx> (“If BPA decides, or has decided, to join a day-ahead market to serve «Customer Name»’s load, then BPA shall conduct a public process to discuss implementation details of BPA’s decision . . .”).

reflect the realities of Markets+ operation and define the respective obligations of the parties to facilitate go-live concurrently with initial power deliveries.

In the December 2025 Day-Ahead Market workshop, Bonneville described how, during the Provider of Choice contract amendment process, the parties would determine participation options related to the commercial model, such as varying requirements or options for Load Following, Slice, and Block customers. Bonneville discussed an expected amendment process timeframe of four to six months. Bonneville received feedback from customers that they would like conversations to begin regarding options for customers to act as Market Participants, options for customers to be represented by the Bonneville Power Services Market Participant, and associated roles and responsibilities regarding the scheduling of resources and service to load. While Bonneville expects to issue the Notice of Intent in 2027 to initiate the contract amendment process, discussions with customers about roles and options have begun in commercial model framework topics in the Day-Ahead Markets workshop series.<sup>31</sup>

#### D. Rate and Tariff Proceedings

The readiness activities, Balancing Authority election and onboarding activities, exit from WEIM, reliability coordinator change, and Provider of Choice contract amendment process are critical and immediate steps as Bonneville implements the requirements for Markets+ participation on October 1, 2028. In addition, the agency must update power and transmission rates in a Northwest Power Act section 7(i) proceedings to allocate costs and benefits.<sup>32</sup> The agency must also modify the terms and conditions of its transmission tariff and related business practices to delineate roles and responsibilities. Bonneville is committed to working with customers and stakeholders in these future decision-making processes to ensure appropriate rates and tariff terms and conditions.

### 5. Environmental Next Steps

Consistent with the National Environmental Policy Act (NEPA), as amended, 42 U.S.C. § 4321 et seq., Bonneville is in the process of assessing the potential environmental effects that could result from the proposed participation in SPP's Markets+ day-ahead market. If Bonneville adopts this proposed decision, Bonneville will complete any associated environmental review as part of its final decision. Bonneville will consider all public comments concerning NEPA compliance and/or potential environmental effects of the proposal that Bonneville receives during the public comment period for this proposal.

### 6. Conclusion

As described herein, Bonneville has determined that the agency will join Markets+. Bonneville believes that the agency and its customers can transition to day-ahead market operations in Markets+ Wave 2 with a go-live date of October 1, 2028, concurrent with the BP-29 rate period and initial deliveries under the Provider of Choice contracts.

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<sup>31</sup> Bonneville Power Admin. Day-Ahead Market Workshop Meeting Presentation (Dec. 4, 2025), *available at* <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2025/dam-readiness-workshop-1-presentation-120425.pdf>; Bonneville Power Admin. Day-Ahead Market Workshop Meeting Presentation (Mar. 12, 2026), *available at* <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2026/20260312-dam-readiness-workshop-presentation.pdf>.

<sup>32</sup> 16 U.S.C. § 839e(i).