

PacifiCorp's Comments on BPA's Day-Ahead Market Readiness – Public Workshop 2

PacifiCorp appreciates the opportunity to submit brief comments to the Bonneville Power Administration (BPA) regarding its draft decision to join Markets+ and Day-Ahead Market Readiness workshops. In short, PacifiCorp's comments reflect concern with the haste of BPA's decisions to join Markets+ and leave the Western Energy Imbalance Market (WEIM) before BPA hires a new administrator. PacifiCorp's comments also reflect wariness as a transmission customer about the lack of details on how BPA's transmission business will be changing and whether those changes will increase costs on transmission customers. Finally, PacifiCorp's comments reflect PacifiCorp's willingness to engage in discussions related to the operational impacts of BPA's decisions.

BPA's decision to join Markets+ and leave the WEIM has implications, known and unknown, for all electricity customers across the Pacific Northwest, and likely across the entire Western Interconnection. It is therefore concerning to PacifiCorp that these decisions are being made by BPA when it is actively searching for a new administrator. While BPA has laid out its reasoning in the Record of Decision for leaning towards Markets+, it's not clear why BPA needs to finalize its decision now. Similarly, PacifiCorp acknowledges the potential challenges of implementing Markets+ while continuing to participate in the WEIM, but BPA's notice to exit the WEIM does not need to be finalized until April 2027. In PacifiCorp's opinion, the decisions should be postponed until BPA has a new administrator. This does not imply that BPA needs to slow down the work it is doing to prepare for day-ahead market participation, but rather that the new administrator should have the opportunity to review and approve decisions that will have lasting impacts on customers in the Western Interconnection.

In BPA's workshops leading to the 2025 Record of Decision, most of the discussion was focused on BPA's preference customers and the impacts of joining a day-ahead market. While there were questions from many commentors related to transmission rights, BPA indicated, for many of the questions, that BPA would need to work with transmission customers to provide more detail. After multiple years of following BPA's day-ahead market decision process and more recent workshops on day-ahead market implementation, it is still not clear when or where transmission-related impacts are going to be discussed. For example, there is still ambiguity around how transmission customers with rights on BPA's system, but who do not participate in Markets+, will be able to use their rights. Furthermore, PacifiCorp and other transmission customers have repeatedly asked for assurances that costs will not rise due to BPA's participation in Markets+. Economic studies have shown the potential for increased costs once BPA joins Markets+ rather than staying in the WEIM. PacifiCorp strongly believes that transmission customers should not be paying more to meet any loss in market benefits that BPA incurs due to their decision to join Markets+. As such, PacifiCorp requests that BPA clearly articulate when and where BPA will address the numerous issues and concerns raised by transmission customers in BPA's previous workshops and Record of Decision. If BPA has already planned these conversations for future



workshops, it would be helpful to know which workshops so that PacifiCorp can have the relevant staff involved in the conversations.

On BPA's decisions to leave the WEIM in October 2027, change reliability coordinators, and join Markets+, while PacifiCorp acknowledges the factors leading to the decisions, there will be numerous operational and market impacts for Pacific Northwest entities that interact with BPA. PacifiCorp has previously stated its concerns with negative economic impacts of breaking up the WEIM and fracturing of day-ahead markets. PacifiCorp is also concerned about the operational seams, particularly related to unscheduled flows, that may occur after BPA exits the WEIM and changes reliability coordinators. While it is likely that market-related seams discussions will ultimately be facilitated by the market operators, PacifiCorp's understanding is that BPA will address these seams in the RC Transition workstream. If this is not the case, PacifiCorp requests that BPA clarify where any operations-related conversations are taking place so that PacifiCorp can have the appropriate staff involved in the conversations. As always, PacifiCorp is committed to working with BPA and other partners in the Pacific Northwest to minimize the harm of seams on customers.

PacifiCorp appreciates BPA holding workshops so that its customers can better understand the implications of BPA's decisions. PacifiCorp believes many of the decisions are premature but understands BPA's desire to begin work to implement Markets+. As other transmission customers have expressed in previous comments to BPA, PacifiCorp has transmission-related questions that pertain to how BPA will interact with its transmission customers in the future. It is not clear from the workshops when and where these questions may be addressed in the workstreams BPA is proposing. PacifiCorp requests that BPA provide more clarity on this so that PacifiCorp can actively engage in the discussions. Generally, it would be a benefit to all if BPA gives its customers advance notice of the topics of conversations that will be occurring in future meetings so that customers can ensure the appropriate staff is at the meetings.