

## **BPA gains valuable insight from supplemental cost study**

*Low prices suggest Markets+ is still a viable option*

**Portland, Ore.** – Results of a supplemental study examining potential costs and benefits of joining a day-ahead energy market have not shifted the Bonneville Power Administration’s staff recommendation to join the Southwest Power Pool’s Markets+.

BPA shared its initial Western Markets Exploratory Group (WMEG) study results in the fall of 2023. Following those results, BPA independently contracted with Energy + Environmental Economics (E3) for supplemental production cost modeling analysis and sensitivities of cost benefit results regarding BPA’s potential participation in the California Independent System Operator’s Extended Day Ahead Market or SPP’s Markets+. The supplemental analysis incorporates the latest information regarding utility market declarations, governance and business principles. It explores updated study sensitivities and scenarios and responds to comments from BPA customers and constituents.

Observations from the analysis show a wide range of outcomes, with results pointing to Markets+ providing lower load costs and EDAM providing greater generation revenue potential driven by higher prices. Results showed EDAM having greater volatility in benefits than Markets+, although most scenarios still pointed to EDAM having the greatest generation revenue potential. The results also show market benefits declining for both markets in future timeframes, with EDAM depicting a greater decline in benefits, but still maintaining more net benefits than Markets+.

“Bonneville understands the gravity of our day-ahead markets decision and remains committed to an open and transparent evaluation of market options,” said Rachel Dibble, vice president of bulk marketing. “We continue to believe Markets+ is a superior market design for Bonneville and our customers, which includes a truly independent governance model. Right now, the economic analysis from production cost model studies leans toward EDAM and the additional analysis from E3 provides more context and nuance that will be factored into our final decision.”

The results provide BPA with another data point in its day-ahead market decision and will be shared at a Nov. 4 workshop. Other factors the agency is evaluating include governance, attribution of greenhouse gas emissions to the federal system, statutes and reliability.

As one of the largest wholesale power and transmission providers in the Pacific Northwest, BPA’s decision regarding day-ahead markets will play a critical role in the energy and capacity market landscape for the region and will directly impact many entities’ decisions regarding market participation. BPA’s public process began in 2023 and will culminate with a final decision in May 2025.

The BPA supplemental study and other day-ahead market public process materials are available on BPA’s Day-Ahead Market [webpage](#).



**About BPA** *The Bonneville Power Administration is a federal non-profit power marketing administration that delivers reliable, low-cost and carbon-free hydropower produced in the Columbia River Basin to communities across the Northwest. BPA also owns and operates more than 15,000 circuit miles of high-voltage transmission lines and administers one of the largest, most comprehensive fish and wildlife conservation programs in the United States. A leader in promoting energy efficiency, BPA has saved more than 2,500 average megawatts of energy since 1980. More information about these and other activities is available on our [Media Relations page](#).*

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