

March 1, 2024

Seattle City Light Comments re: DAM Participation Evaluation Workshop #5

Seattle City Light (City Light) appreciates the opportunity to comment on BPA's fifth workshop in the public engagement process for establishing a policy direction on potential Day Ahead Market (DAM) participation. As a BPA preference customer, a transmission customer, and an EIM participant, City Light supports and shares BPA's interest in DAM participation. City Light is evaluating its own DAM participation and actively monitoring CAISO's Extended Day Ahead Market (EDAM) Initiative and Phase 1 of SPP's Markets+ development.

In the workshop held February 1, BPA indicated that it is revising its DAM decision timeline due to changes in the schedules for both EDAM and Markets+ and in response to customer and constituent comments. City Light appreciates BPA's willingness to extend the process in response to customers and to the evolving DAM situation. We believe this is a useful development, particularly as there are many unanswered stakeholder questions in this process and because BPA has indicated its analyses will not be completed until Summer 2024.

With additional time now available to complete analysis and hold discussions, City Light believes it is premature for BPA staff to issue an indication about which DAM may be the best fit in the April Policy Letter. While issuing a "leaning" may have been necessary under the prior timeline due to potential funding commitments, that need no longer exists; neither the Markets+ nor the EDAM processes require such an indication at this time. Thus, City Light believes that the Policy Letter issued in April should be focused on the broader questions of whether BPA can or should join a DAM, the overall potential benefits of a DAM, and BPA's strategic vision. These are the necessary items to set the direction for the remainder of the process and stakeholder workshops.

If BPA does decide to indicate a leaning in the April Policy Letter, City Light asks that BPA provide a clear roadmap of how the remaining process will proceed and how BPA will incorporate new information and reassess its leaning as additional information about the DAM options and potential footprints emerge. There are substantial unknowns that may become clearer over the next few months and incorporating this new data into BPA's analysis will be critical. Additionally, it will be particularly important that BPA presents additional information about the DAM options in a neutral and evenhanded manner in order to avoid the perception of confirmation bias. Specifically, BPA should take care to utilize similar terminology and explanation for the two market options. It would also be helpful for BPA to indicate the areas where each market meets the baseline needs for a DAM. This approach will help stakeholders understand the underlying similarities and meaningful differences of the DAMs, as well as what is a necessary component of a DAM and what is a preference.

We appreciate this opportunity to comment and look forward to additional discussion.