



July 3, 2024

RE: Portland General Electric Company's Comments on Bonneville Power Administration's Day-Ahead Market Participation Workshop on June 3, 2024

Portland General Electric ("PGE" or "the Company") appreciates the opportunity to comment on the Bonneville Power Administration's ("BPA's") seventh workshop in their public engagement process to establish a policy direction on potential day-ahead market participation. PGE is a BPA transmission customer and a Western Energy Imbalance Market ("WEIM") participant. PGE shares the BPA's interest in participating in a day-ahead market and committed in March 2024 to join the California Independent System Operator's ("CAISO's") Extended Day-Ahead Market ("EDAM").¹

The BPA's June 3, 2024 workshop is the second since the BPA's April 2024 Staff letter recommending that: (1) the BPA join a day-ahead market, (2) the BPA further pursue participation in Markets+,² and (3) BPA Staff continue this evaluation as regional footprint and market design considerations evolve. In the time since the BPA's Staff recommendation in April, significant developments have occurred among key regional stakeholders. Because the BPA's day-ahead market participation decision will have a significant impact on the region overall, PGE requests that the BPA consider the following:

- As noted in PGE's comments submitted on November 20, 2023, and on June 7, 2024, the BPA has not yet estimated implementation costs associated with joining Markets+. These costs are not only limited to future implementation efforts associated with Markets+, but also include costs incurred due to ceasing participation in the WEIM. The BPA notes in its comment tracker that this question will be resolved in the Letter to the Region, scheduled for publication in November 2024. However, because these implementation costs could be a key component of the BPA's cost-benefit analysis, PGE requests that the BPA address this question independent of the November letter. PGE recognizes that cost estimates might change in the intervening period, yet even initial estimates are relevant given the importance of the BPA's day-ahead market decision.
- PacifiCorp, Balancing Area of Northern California ("BANC"), Los Angeles Department of Water and Power ("LADWP"), Idaho Power, NV Energy, and PGE have signaled the intention or commitment to participate in the EDAM. PGE is concerned that this emerging EDAM footprint resembles the scenario with the fewest benefits to BPA customers, as

¹ Portland General Electric (March 26th, 2024). *PGE Announces Intent to Join Regional Energy Market to Access New Resources and Provide Cost Savings for Customers*. <https://portlandgeneral.com/news/2024-03-pge-announces-intent-to-join-regional-energy-market>

² Bonneville Power Administration (April 4th, 2024). *BPA staff recommends agency join SPP Markets+ day-ahead market*. <https://www.bpa.gov/about/newsroom/news-articles/20240404-bpa-staff-recommends-agency-join-spp-markets-day-ahead-market>



demonstrated in the E3 Western Market Exploratory Group (“WMEG”) cost-benefit analysis.³ This scenario - Alt Split 4⁴ - models a Markets+ footprint split across the Pacific Northwest and the Desert Southwest and is closely aligned with the current market leanings. Further, this footprint scenario does not reflect PGE's commitment to the EDAM. Therefore, PGE requests that the BPA further explore the WMEG scenarios or otherwise update the impact of regional decisions made since the initial study.

- Economic impact and governance structure seem to be central to the BPA’s decision making. What is BPA’s weighting between: (1) the net economic benefits of the eventual market footprint, and (2) the governance structure of the respective day-ahead markets? At what point might the economic benefits of an emerging market footprint override BPA’s preference for one governance design, and vice versa?
- PGE asks for clarification on the BPA’s engagement with the West-Wide Governing Pathways Initiative. Various regional stakeholders, including BPA, have noted the limitations of the WEIM’s current joint authority governance model.⁵ However, the BPA has also expressed concern that the proposed Primary Authority structure developed in the Pathways Initiative could create distance between the Governing Body and the CAISO Board of Governors to the extent that the Board could become less engaged with EDAM market decisions.⁶
 - PGE requests specific examples of how the Primary Authority model might cause indifference with regards to the EDAM from the CAISO Board. Given these dueling concerns, is there a hybrid approach that the BPA could support?
- PGE fully appreciates the intensive efforts by BPA Staff to engage publicly while remaining engaged in market development. PGE requests that the BPA Staff continue reviewing and responding to stakeholder feedback on a timely basis throughout the BPA’s stated decision timeline.

PGE appreciates the opportunity to provide feedback on the BPA's day-ahead market evaluation process given the numerous outstanding questions from regional stakeholders that warrant clarity before BPA's August draft letter to the region. PGE looks forward to continued discussions on the BPA's day-ahead market participation given the importance of the BPA's decision on preference customers, transmission customers, and WEIM participants.

³ Energy + Environmental Economics (“E3”). (2023, October 23). [WMEG Cost Benefit Study Presentation - BPA Day-Ahead Market Participation Workshop](#)

⁴ Bonneville Power Administration. (2023, October 23). *Bonneville’s Public Engagement for Establishing a Policy Direction on Potential Day Ahead Market Participation Workshop 3* [slide 29]

⁵ Bonneville Power Administration. (2023, July 14). *Bonneville’s Public Engagement for Establishing a Policy Direction on Potential Day Ahead Market Participation Workshop 4* [slide 23]

⁶ Bonneville Power Administration. (2024, June 3). *Bonneville’s Public Engagement for Establishing a Policy Direction on Potential Day Ahead Market Participation Workshop 7* [slide 7]