

**EWEB COMMENTS TO BPA ON THE NOVEMBER 4, 2024 DAY AHEAD MARKET  
STAKEHOLDER MEETING  
12/6/24**

EWEB would like to express our sincere thanks for the productive and transparent day ahead market stakeholder meeting held on November 4, 2024. We greatly appreciate the materials provided and the opportunity to engage with BPA.

EWEB is supportive of organized markets, recognizing the efficiencies gained through security constrained dispatch over a broad footprint with transmission connectivity. That said, BPA must be thoughtful and thorough in making such a critical decision as choosing between various market options.

BPA's decision on a day ahead organized market will have a large impact on its customers. Since 95% of electricity transactions and sales are based on the next day's forecasted load, a day ahead market will significantly impact all BPA customers' operations, settlements, and market liquidity.

BPA's market decision will also directly impact the costs and benefits EWEB's customers would realize. EWEB is a utility in BPA's balancing authority with generating resources, so BPA's decision is also a decision for EWEB. We are working to finalize the required changes to our systems, processes, and staffing that resulted from BPA joining the Western Energy Imbalance Market (EIM) in May 2022. Any pivot away from the California-based EIM will impact EWEB's work.

EWEB appreciates BPA's focus on independent governance. We agree independent governance is an important factor for BPA to consider when determining which day ahead market to join, but it isn't the only factor. We believe transmission connectivity and footprint need to be considered as well.

In April this year, BPA staff provided the administrator with a leaning to SPP Markets + recommendation. In August, BPA received the initial results of a study conducted by E3 and determined which outstanding issues required additional analysis. At that time, BPA postponed a decision until May 2025. EWEB appreciates BPA's willingness to pause and conduct additional analysis.

This additional analysis, provided at the Nov. 4 BPA stakeholder meeting, favors the California Independent System Operator's (CAISO) Extended Day Ahead Market (EDAM) over the Southwest Power Pool's (SPP) Markets+. The analytics reveal that EDAM financially benefits BPA to the tune of \$69 to \$221 million per year, compared to Markets+. These financial results have not swayed BPA's leaning to join Markets+. E3's analysis also showed that remaining in the WEIM and declining to join a day-ahead market at this time produced higher benefits for BPA's customers than joining Markets+, to the tune of \$79-\$129 million per year.

BPA has publicly committed to funding SPP M+ Phase 2 by the end of 2024. However, given these analytical results, EWEB sees no reason for BPA to make a decision in May 2025 on which day

ahead market to join. Instead, we believe BPA should continue to evaluate market options as they are evolving, and not make commitments that restrict future choices once the options are fully developed and the impacts and opportunities are analyzed.

The key point is that BPA doesn't need to join a market right now. BPA has time to continue to improve the governance of EDAM so that all market participants, not just California, have a meaningful voice.