



BPA's Public Engagement for Establishing a Policy Direction on Potential Day-Ahead Market (DAM) Participation - Workshop 11

March 19th, 2025



Webex Instructions

- BPA has adjusted its public stakeholder virtual engagement approach.
- The Webex format is moving to a “webinar” style.
 - Webex attendees can no longer mute/unmute themselves or enable their webcam.
- The all-chat feature is disabled. Attendees can only message panelists.
 - To participate, attendees must raise their hand (BPA will unmute you to enable your participation) or send a question to panelists in the chat.
- If you are Webex by phone only: press *3 to request to be unmuted.
- Moderators will continue to address raised hands in the order received.
 - Please continue to state your name and affiliation.
- As necessary, BPA may evolve these procedures and take other measures at its discretion to prevent future disruptions.

Purpose

- On March 6th, 2025 BPA posted the day-ahead market draft policy proposing to join Markets+.
- This session is to provide an opportunity to ask **clarifying questions** on the day-ahead market draft policy.
- Please limit your questions to the respective section being discussed; this will enable us to efficiently address all questions as needed.
 - We will allow for additional opportunity to revisit sections at the end of the presentation.

Purpose

- Please submit your comments to www.bpa.gov/comments for a formal review and response from BPA.
- Comments received via the public open comment process will be considered as part of the record of decision.
 - The open comment period will remain open through 10am on April 7, 2025.

Section 2: Introduction

- 2.1 Description of the Bonneville System
- 2.2 Development of Day-Ahead Markets in the West
- 2.3 Why is BPA considering joining a DAM?
- 2.4 Day-Ahead Market Framework

Section 3: Stakeholder Process

- **Workshop 1: July 14, 2023**
 - Why are we exploring DAM participation?
 - Overview of public engagement for establishing a BPA policy direction on potential DAM participation
 - Discussion on Drafting BPA DAM Evaluation Principles
 - Overview of Day Ahead Markets
- **Workshop 2: September 11, 2023**
 - Update on DAM Development & Update on developing GHG accounting in a DAM
 - BPA will continue to supply electric power to customers in a DAM
 - Draft DAM evaluation principles
 - Review of Comments received
 - 5b rights/DAM Compatibility
 - Tabletop scenario work with PPC
- **Workshop 3: October 23, 2023**
 - E3 Overview of Western Market Exploratory Group (WMEG) Cost Benefit Study
 - Initial takeaways from WMEG Result
 - Considerations for BPA's DAM Business Case Analysis
- **Workshop 4: November 29, 2023**
 - Discussion on 5b obligations/DAM compatibility
 - Review of BPA's policy direction public process
 - Considerations for BPA's DAM business case
 - GHG Update and consideration of GHG business case
- **Workshop 5: February 1, 2024**
 - Update on BPA's decision process and timeline for CY 2024
 - Review of BPA's DAM evaluation and decision criteria
 - Update on BPA's DAM public comment tracking
 - Responses to public comments at this workshop
- **Workshop "5.5": May 3, 2024**
 - Tabletop Scenario Refresh (From Workshop 2)
 - Workshop 6 Scenarios
- **Workshop 6: May 8, 2024**
 - Review of BPA's Staff Recommendation on DAM Participation; update on decision process and timeline for CY 2024
 - Baseline process and scenario discussions
- **Workshop 7: June 3, 2024**
 - Review of BPA's comments on West-Wide Governance Pathways Initiative (Pathways Initiative) April 10 proposal and legal analysis
 - High-level congestion rent scenario
 - Congestion rent design
 - Congestion revenue scenario with congestion rights
- **Workshop 8: July 18, 2024**
 - Update on the Pathways Initiative
 - DAM from the Transmission Perspective
- **Workshop 9: November 4, 2024**
 - Timeline update and key dates for CY 25
 - Update on Markets+ FERC filing and EDAM engagement
 - Transmission Update
 - BPA's Continued Decision Process
 - BPA's Supplemental Production-Cost Analysis/Result Interpretation
 - Evaluation of Market Governance Developments
- **Workshop 10: January 29-30, 2025**
 - A review of BPA's day-ahead market decision process
 - E3 Case Result – Hydro Operational Limitations Scenario
 - Expected transmission revenue impacts
 - Day-ahead market participation and implementation fees
 - Day-ahead market seams, reliability and operational impacts

Section 4: Day-Ahead Market Evaluation Process

- Statutes – Bonneville meets its statutory, regulatory, and contractual obligations.
- Reliability – Bonneville maintains efficient, economical and reliable delivery of power and transmission service to its customers.
- Reliability – Market design includes resource sufficiency and/or resource adequacy frameworks that ensure reliability.
- Business – Bonneville’s participation is supported by a sound business rationale.
- Strategy – Bonneville’s participation is consistent with Bonneville’s 2024-2028 Strategic Plan.
- Governance – The market has durable, effective, and independent governance structure which provides fair representation to all market participants and stakeholders. Decision-making and stakeholder engagement occurs in a transparent and inclusive manner.
- Customers – Bonneville’s evaluation of DAM participation includes transparent consideration of the commercial and operational impacts on its products and services.
- Greenhouse Gas – Bonneville will evaluate how participation will impact greenhouse gas emissions attributed to the federal system and customers’ ability to comply with state carbon programs. Participation must maintain the value of the low-carbon nature of the federal system to the extent possible.

Section 5: Day-Ahead Market Participation Evaluation

- 5.1 Economic Costs/Benefits Analyses
 - 5.1.1 Production Cost Modeling
 - 5.1.2 Participation and Implementation Cost Estimates
- 5.2 Market Design Considerations
 - 5.2.1 Governance
 - Include Appendix B: West-Wide Governance Pathways Initiative
 - 5.2.2 Resource Adequacy and Resource Sufficiency
 - 5.2.3 Price Formation and Market Power Mitigation
 - 5.2.4 Congestion Modeling and Congestion Rent
 - Include Appendix E: Congestion Impacts
 - 5.2.5 Greenhouse Gas Accounting

Section 6: Preliminary Implementation and Participation Considerations for Markets+

- 6.1 Generation Resource Participation in Markets+
 - 6.1.1 Federal Generation
- 6.2 Ensuring Adequate Supply in Markets+
- 6.3 Ancillary and Control Area Services
- 6.4 Operational and Commercial Seams
 - Include Appendix D Seams Assessment
- 6.5 Operational Tools
- 6.6 Markets+ Settlements
- 6.7 Bonneville Power Services Customer Participation
- 6.8 Bonneville Transmission Services Customer Participation

Next Steps

- BPA is seeking comments on the day-ahead market draft policy to pursue Markets+ participation.
 - Open comment period from March 6th to April 7th (10 am)
 - Comments should be submitted online at <http://www.bpa.gov/comments>
 - Please note that the Public Engagement Customer Comment tracker will not reflect comments made throughout the remainder of this process.
- BPA will make a final decision in May 2025 after reviewing and responding to customer comments.



Questions?



Appendix F: Implementation Feasibility Assessment

- 12 projects were determined to close the identified capability gaps:
 - Bidding and self-scheduling
 - Data integration
 - Settlements
 - Price and dispatch
 - Load and renewable forecast
 - Metering
 - Outage management
 - Transmission scheduling and operations technology
 - AGC modification
 - RC Switch (if applicable)
 - End-to-end billing process
 - Post go-live technical support