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NIPPC Comments on BPA's Day-Ahead Market Readiness -- Public Workshop 2

NIPPC offers the following comments in response to BPA staff's presentation at the workshop on March 12, 2026.

NIPPC has submitted separate comments on BPA's proposed decision to join Markets+ in October 2028. In short, those comments suggest BPA should delay issuing a final decision in order to evaluate changed facts and circumstances since the Policy Decision about Markets+ last year. While in these comments NIPPC addresses implementation issues on the assumption that BPA will proceed to join Markets+, nothing contained here should be considered to contradict NIPPC comments into the draft decision to join Markets+. NIPPC continues to take the position that the record before BPA does not, without an actual evaluation of those changed facts and circumstances, support the draft decision to join Markets+.

Summary of Requests for Topics to Be Addressed in Future Workshops

As more fully discussed in the body of these comments, NIPPC hopes that BPA will address the following concerns and questions in future workshops on BPA's implementation of a day ahead market.

- What contingency plans will BPA have in place in the event delays in implementing either customer-facing or internal processes (or both) require BPA to delay its participation in Markets+? Please address this topic specifically with regard to the timing of BPA's decision to withdraw from the Western Energy Imbalance Market;
- To what extent will BPA as the balancing area deploy reserves for reliability versus the market operator's (re)dispatch of offered resources in the real time balancing market? This information will be relevant in a future rate case to establish BPA's revised balancing reserve requirements under Markets+;
- To what extent will BPA and SPP manage congestion on BPA's grid. In the context of TC-27, staff has proposed creating additional managed paths and other operational changes to potentially enable additional awards of conditional firm service. Please provide a detailed delineation of the respective roles and responsibilities of BPA as the balancing area and SPP as the market operator in managing congestion within BPA's BA and/or curtailing export schedules from BPA's system.

Concerns Regarding BPA's Ability to Meet Timelines.

BPA has laid out an aggressive implementation timeline for BPA staff. BPA has identified a large number of unique and complex workstreams that must be completed before BPA can join Markets+. Some of

these workstreams are internal to BPA (staff training and system upgrades), while others are customer facing (tariff revisions and rate development). NIPPC is not confident that BPA can deliver on these timelines. NIPPC's concerns about BPA's ability to meet the proposed timelines are based on recent experience of BPA's challenges in delivering core services to customers.

As an example of delays in BPA's internal workstreams, NIPPC notes BPA's need to upgrade its automatic generation control system ("AGC"). BPA's vendor ceased supporting BPA's AGC system in 2020. Apparently, BPA staff recognized that an upgrade of this system was necessary for BPA to enable EIM participation for all non-Federal generation connected to BPA's balancing area, but, as NIPPC understands it, BPA simply did not include this project within the Grid Modernization projects and did not even begin to undertake this work until customers began asking BPA to enable them to become EIM participating resources in 2023. In June of 2024, BPA announced that it faced a severe reliability issue associated with its AGC system which precluded BPA from performing any work to allow non-Federal generation to become participating resources in the EIM. At the time of that announcement, BPA estimated it would need at least two years to complete the AGC upgrade. Now, BPA anticipates that it will need until April 2028 to complete this upgrade. Considering that it will take BPA eight years to update a software system that is not only critical to reliability of its system but also integral to market participation by non-Federal resources (and that BPA was unable or unwilling to provide customers with an updated project timeline for over 18 months), NIPPC does not have confidence that BPA can deliver all of the necessary internal workstreams in time to go live with Markets+ in October of 2028.

With regard to customer-facing processes, NIPPC also lacks confidence in BPA's ability to meet its timeline. Among the customer facing processes BPA must undertake are a tariff revision process and a rate case. In February 2025, BPA announced that it was suspending the 2025 TSEP study and "pausing" processing of most transmission service requests (though because of the timing of the 2025 TSEP, the pause had actually begun in August of 2024). Since February 2025, customers have been working with BPA to develop a revised planning process that will enable BPA to resume processing transmission service requests (though it appears some discussions related to forecast load growth for Network Service customers began in June of 2023). After over one year of workshops and comments (even longer with respect to the issue of forecasting load growth for Network customers) BPA staff shared its staff leaning on policy questions in April 2026. NIPPC understands the customer feedback and legal analysis that led BPA to follow the current deliberative process, but nonetheless it is worth being open-eyed about the gears of change being slow. BPA has advised that even if customers agree to settle on the proposed tariff revisions, BPA could not implement them until fall of 2027. If a full tariff revision process is required, the timeline to resume processing transmission service requests slips to autumn 2028. Considering the length of time BPA has need to resume one of the core responsibilities of a transmission provider – processing customer's transmission service requests and planning for Network load growth – NIPPC is not confident that BPA will be able to successfully conduct the public processes needed to implement a tariff revision and new rate structures within the proposed timeline to join a day-ahead market in October of 2028.

Concerns Regarding Exit from Energy Imbalance Market

BPA's proposed timeline has BPA exiting the Western Energy Imbalance Market ("WEIM") in October 2027 – a full year before its targeted entry date for Markets+. For that year (or longer if any of BPA's implementation workstreams are delayed, see above), BPA's customers will not have any of the benefits of market participation. Among the benefits of WEIM participation (even to the limited extent BPA has been able to implement it, see above) are reduced costs for imbalance energy, improved congestion management, and reduced curtailments. Exiting the WEIM before absolutely necessary will result in BPA's transmission customers facing higher costs for imbalance energy and increased curtailment of their transmission schedules. NIPPC encourages BPA to delay its WEIM exit until BPA actually begins parallel operations with Markets+. In future workshops, please explain what contingencies BPA will have in place to ensure that BPA does not withdraw from the WEIM on schedule, but then delay the start of its participation in Markets+.

Operational Questions once BPA joins Markets+

As the market operator of Markets+, SPP will be responsible for operating the Real Time Balancing Market which dispatches resources on the system every five minutes to maintain load and resource balance. As the balancing authority, BPA will be responsible for maintaining load-interchange-generation balance and supporting interconnection frequency in real time. NIPPC is concerned about the potential for conflicts and inconsistencies in operational decisions between BPA as the balancing authority and SPP as the market operator. In a future workshop, please provide a detailed delineation of the respective roles and responsibilities SPP and BPA in managing resource balance and congestion in real time. A clear understanding of this delineation of responsibilities will be important in several customer facing processes that must be completed before BPA joins Markets+. Of particular interest to NIPPC are the following:

- To what extent will the balancing area deploy reserves for reliability versus the market operator's (re)dispatch of offered resources in the real time balancing market. This information will be relevant in a future rate case to establish BPA's revised balancing reserve requirements under Markets+;
- To what extent will BPA and SPP manage congestion on BPA's grid. In the context of TC-27, staff has proposed creating additional managed paths and other operational changes to potentially enable additional awards of conditional firm service. Please provide a detailed delineation of the respective roles and responsibilities of BPA as the balancing area and SPP as the market operator in managing congestion within BPA's BA and/or curtailing export schedules from BPA's system

Thank you for your consideration of these comments.