

## Denelle Peacey

TransAlta Energy Marketing (U.S.) Inc. (TEMUS) appreciates the opportunity to submit comments in response to the Washington Department of Ecology's (Ecology) proposal issued on June 26, 2023 to update rules for the Climate Commitment Act (CCA) regarding carbon obligations arising from centralized electricity market imports.

TransAlta owns and operates over 700 MW of generation capacity in Washington and transacts physical and financial wholesale power across multiple hubs including AESO, CAISO, Mid-C, DSW, SPP, PJM, MISO, ISO-NE, ERCOT, and NYISO, as well as trading in environmental markets across Canada and the US.

TEMUS agrees that clarity around the carbon obligation and reporting for EIM imports into Washington is urgently needed to ensure compliance with the CCA rules and to minimize market inefficiencies. However, TEMUS is concerned that because the design for western electricity markets is still evolving, it is unlikely that one set of -1-generic-1- rules can be developed and applied today that will address all or even most of the issues for all market designs. The CAISO's Extended Day-Ahead Market (EDAM) is very different from SPP's Markets, or even from CAISO's Energy Imbalance Market (EIM).

Instead of attempting a one-size-fits-all rulemaking, TEMUS recommends Ecology take two actions. First, focus the current rulemaking only on imports from the EIM while the EDAM and Markets design frameworks continue to evolve.

Second, form an industry stakeholder advisory group to help clarify the carbon obligations and reporting arising from imports from future centralized electricity markets, and more generally, resolve other issues as they arise. TEMUS has observed that complicated electricity markets benefit from stakeholder advisory groups, particularly in the western U.S. where seams between markets and balancing authority can create unintended consequences.

TEMUS looks forward to collaborating with the Ecology and stakeholders on the important work to implement the CCA.



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## **RE: Rulemaking - Informal Public Comment Period for Electricity Markets Rule (Chapters 173-441 and 173-446 WAC)**

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TEMUS agrees that clarity around the carbon obligation and reporting for EIM imports into Washington is urgently needed to ensure compliance with the CCA rules and to minimize market inefficiencies. However, TEMUS is concerned that because the design for western electricity markets is still evolving, it is unlikely that one set of "generic" rules can be developed and applied today that will address all or even most of the issues for all market designs – the CAISO's Extended Day-Ahead Market (EDAM) is very different from SPP's Markets+, or even from CAISO's Energy Imbalance Market (EIM).

Instead of attempting a one-size-fits-all rulemaking, TEMUS recommends Ecology take two actions. First, focus the current rulemaking only on imports from the EIM while the EDAM and Markets+ design frameworks continue to evolve.

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Yours truly,

**TransAlta Energy Marketing (U.S.) Inc.**

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