



April 18, 2025

Re: Seattle City Light Comments on March 6, 2025, Cap-and-Invest Electricity Forum #2

Seattle City Light appreciates the opportunity to comment on the Washington State Department of Ecology's (Ecology) request for feedback on electricity imports and centralized electricity markets following the March 6, 2025, Cap-and-Invest Electricity Forum (Electricity Forum) #2. City Light participates in the Western Energy Imbalance Market (WEIM) and is an active participant in the market design conversations for the California Independent System Operator (CAISO) Extended Day-Ahead Market (EDAM) and the Southwest Power Pool's Markets+. The interaction between carbon accounting and centralized electricity markets (CEM) is an important one, and we appreciate Ecology's detailed questions to better inform the record for these issues.

City Light provides the following limited comments focused under a selection of the questions posed under the heading "CEMs and BPA Interactions." The Public Generating Pool, Pacific Power, Puget Sound Energy, and Avista (Joint Utilities) provided an extensive set of comments on a broader set of issues; City Light reviewed a draft of those comments, and we are generally supportive of or agree with the responses provided therein.

Generally, City Light believes that all these topics merit additional discussion in future Electricity Forums to ensure stakeholders and Ecology develop a consistent understanding of the issues that captures the nuances of WEIM/EDAM as well as Markets+. We also believe it is likely that once these issues have been further discussed, additional opportunities to comment would be helpful to further shape the discussion. While our comments at this time are limited, we anticipate that City Light will want to provide additional feedback as the issues are further vetted. We believe it is important that these conversations occur in additional depth before drafting any rules related to these topics.

City Light appreciates Ecology's efforts to start dialog on these issues, and we look forward to working with other stakeholders, as well as the Market Operators and Ecology, to create a shared understanding that will inform the implementation of the CCA and the evolution of CEMs.

UNDERSTANDING CEMS AND BPA INTERACTIONS

- 1. How are BPA's system generation resources represented in a CEM model? Are distinct generation resources represented at distinct nodes and can be separately scheduled or awarded by a CEM?*
- 2. What EF should be used in the GHG bid adder for BPA system energy or generation resources for CEM attribution to the WA GHG Zone?*

Overall, as a BPA customer that purchases roughly 40% of the energy used to serve our load from BPA, we have a keen interest in how BPA's market participation impacts our CCA compliance obligation. However, we do not have detailed responses to provide to questions 1 and 2 above. City Light defers

to (a) BPA to provide detailed responses related to its operations and market participation, and (b) the market operators for insight into the technical aspects of the CEM model. However, we are interested in how this discussion will progress and may have comments to offer after further exploration through the Electricity Forum conversations.

3. *What EF should be used to determine Cap-and-Invest compliance obligations for BPA system energy or generation resources attributed to the WA GHG Zone?*

City Light believes it is appropriate to use BPA's Ecology-approved ACS EF to determine Cap-and-Invest compliance obligations associated with BPA system energy. It is City Light's understanding that the ACS EF is reflective of the resource mix we purchase from BPA under the current Regional Dialogue contract and will purchase under the future Provider of Choice contract.

4. *When attribution to the WA GHG Zone is enabled by CEMs, how should BPA system energy supplied to WA and associated emissions be accounted for within the Cap-and Invest Program?*
 - a. *Should BPA participation in a day-ahead or real-time only CEM impact the usefulness or calculation of the BPA ACS EF?*

City Light does not believe that BPA's participation in a CEM would impact the usefulness of its ACS EF. It is City Light's understanding that BPA's ACS EF reflects BPA's portfolio of resources, which currently includes CEM participation through the WEIM. We defer to BPA for more insight into the details of how it currently reports CEM participation for purposes of developing its ACS EF and how it may evolve.

- b. *If BPA participates in a day-ahead CEM, would all energy and emissions associated with BPA system imports to WA be accounted for by attribution of BPA generation to the WA GHG Zone?*
- c. *Would BPA export energy from the CEM to WA customers outside the market footprint?*

City Light defers to BPA for answers on items b and c above.