



April 18, 2025

Submitted via Web Portal

Camille Sultana, Senior Environmental Planner
Department of Ecology
Climate Pollution Reduction Program
PO Box 47600, Olympia, WA 98504-7600

RE: Ecology Requested Feedback on Electricity Imports and Centralized Electricity Markets

On March 6, 2025, the Washington Department of Ecology (Ecology) hosted a Cap-and-Invest Electricity Forum on electricity imports and centralized electricity markets (CEMs) where agency staff posed a number of questions for feedback on the implementation of Washington's Climate Commitment Act (CCA) in the context of real-time and day-ahead markets. The following responses to Ecology's questions on understanding CEMs and interactions with the Bonneville Power Administration (BPA) are offered by the Public Generating Pool (PGP), a trade association representing eight consumer-owned utilities in Washington and one in Oregon that own and operate their own generating resources in addition to purchasing power from BPA.

In addition to the following responses, PGP co-signs the Joint Utility responses submitted in the present comment period alongside Avista, PacifiCorp, and Puget Sound Energy.

General Comments

PGP appreciates Ecology's continued due diligence in developing institutional knowledge on CEMs in the Western Interconnection through venues such as the Cap-and-Invest Electricity Forums, particularly in advance of the agency's next round of rulemaking to implement the CCA. PGP would like to take the opportunity to reiterate our recommendation that Ecology adopt "backstop" GHG reporting and Cap-and-Invest compliance provisions addressing a scenario where BPA participates in a CEM but does not voluntarily elect to comply with the CCA by registering as an opt-in entity. Because the current electricity importer "backstop" provisions included in WAC 173-441-124(2)(f) are specific to bilateral transactions and rely on e-tags in order to identify the next appropriate purchasing-selling entity, PGP continues to identify a need for rules tailored to the CEM context.

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?**

PGP defers to BPA on this question.

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?

PGP does not believe it is Ecology's role to determine what EF should be used in the GHG bid adder for any specified system energy or generation resource. Instead, it is up to the market participant to ensure that the GHG bid adder for CEM attribution to the WA GHG Zone sufficiently covers the cost of GHG associated with a given resource. Accordingly, PGP defers to BPA on this question.

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

BPA's Ecology-approved ACS emission factor should be used to determine Cap-and-Invest compliance obligations for BPA system energy or generation resources attributed to the WA GHG Zone, including in the case where BPA does not opt into coverage under the Cap-and-Invest Program and the compliance obligation for that electricity falls on a downstream entity, i.e. Washington retail providers.

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?

The answer to this question depends on whether or not BPA registers as an opt-in entity under the Cap-and-Invest Program. If BPA does not voluntarily elect to comply with the CCA, then the "electricity importer" and associated emissions for BPA system energy supplied to WA should be determined as follows:

- Where the imported electricity is contracted to a Washington retail provider, the electricity importer is that retail provider;
- Where the imported electricity is not contracted to a Washington retail provider, the electricity importer is the retail provider that receives a pro-rata attribution of electricity; and
- The imported electricity should be considered a specified source of electricity provided by BPA (i.e., should be assigned BPA's ACS EF).

a. Should BPA participation in a day-ahead or real-time only CEM impact the usefulness or calculation of the BPA ACS EF?

BPA's participation in a day-ahead or real-time only CEM should not impact the *usefulness* of its ACS EF, since bilateral transactions using the ACS EF are expected to continue in parallel with a day-ahead market. In general, however, PGP believes that the ACS concept as a whole may need more consideration and dedicated discussion as the market context evolves, especially as it pertains to BPA.

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?

For BPA's Washington customers that are in the same CEM as BPA, our understanding is that the answer to this question would be "Yes," CEM attribution of BPA generation to these customers should fully account for imports provided by BPA.

To the extent that some Washington customers of BPA are located in BAAs that are not participating in the same CEM as BPA, BPA system imports to those customers would not be accounted for through attribution by the CEM BPA is participating in.

c. Would BPA export energy from the CEM to WA customers outside the market footprint?

To the extent that BPA has WA customers that are not participating in the same CEM as BPA, we anticipate that BPA will export out of the CEM to bring power to those customers. PGP defers to BPA to confirm and provide additional details.

Conclusion

PGP appreciates the opportunity to respond to Ecology's questions for feedback relating to electricity imports and CEMs. We look forward to continuing to engage with Ecology on these issues through future Cap-and-Invest Electricity Forums and CCA rulemaking.

Sincerely,

/s/ Mary Wiencke

Mary Wiencke
Executive Director
Public Generating Pool