



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

February 20, 2026

Filed via web portal: <https://ecology.commentinput.com?id=3EcWra5QH>

ATTN: Camille Sultana, Senior Environmental Planner
Climate Pollution Reduction Program
Washington Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Re: Comments in Response to Ecology's Feedback requested on centralized electricity markets and electricity imports

The Bonneville Power Administration (BPA) appreciates the opportunity to comment on the Washington Department of Ecology's (Ecology) feedback request related to treatment for centralized electricity markets and electricity imports under the Washington cap-and-invest program. BPA has made every effort to respond as thoroughly as possible given the allotted timeframe.

1) Electricity Wheeled through the State

- **Ecology Question:** Is there a difference between the ACS or MJRP selling unspecified power versus selling "system" power? In other words, can an ACS or MJRP sell unspecified power that is distinct from the ACS or MJRP "system" power?
- **BPA Response:** BPA, as an ACS, can - and needs the ability to - sell both unspecified source power and specified source system power, just like any other power marketer. A buyer can purchase specified source system power by contracting with BPA to buy from the federal system. BPA also markets unspecified source power on anonymous platforms like the Intercontinental Exchange. Buyers and sellers entering into contracts for the standard products marketed on these platforms do not know the source of the power at the time of entering into the transaction. Importantly, when BPA markets unspecified source power it is not conveying any environmental attributes (e.g., emissions, RECs) to the buyer of that power.

As it relates to Ecology’s definition of “electricity wheeled through the state”, there are times that BPA both buys and sells unspecified source power in the same hour, just like any other power marketer. As BPA has stated in its previous comments to Ecology on this subject, it is only requesting that Ecology provide comparable accounting treatment across the ACS emission calculation as would be provided to fully in-state entities under the “common point” concept. See BPA’s November 8, 2024 letter, December 20, 2024, and July 30, 2025 comments to Ecology.

- **Ecology Question:** How should “wheel-throughs” that are exported to a linked jurisdiction be treated? Ecology staff requests interested parties consider that WA (“imported electricity” definition, WAC 173-441-124(2)) and potential linkage partner rules specify imports from a linked jurisdiction will not incur a compliance obligation, consistent with the first jurisdictional approach.
- **BPA Response:** It is unclear to BPA specifically what Ecology is asking. Electricity that is truly wheeled through the state would not incur a compliance obligation under Washington’s program in the first case because the electricity does not sink in Washington. If Ecology is referring to the “common point concept” provided for in Ecology’s definition of “electricity wheeled through the state” then BPA agrees this concept raises questions that need to be discussed with CARB. As BPA previously pointed out in comments, the definition raises questions about linkage. See BPA’s November 8, 2024 letter and December 20, 2024 comments to Ecology

2) Federal Power Marketing Agency (FPMA) backstop: centralized electricity markets (CEMs)

- **Ecology Question:** Are there concerns with the proposed approach described above?
- **BPA Response:** BPA believes the proposed approach is a rational way to allocate the compliance obligation and agrees that the specific mechanics of the calculation would be better suited for guidance. However, BPA believes that certain aspects of the calculation may require market participants in Washington to report certain information to Ecology to then support Ecology doing a pro rata allocation at a retail load level. For example, information on federal system power assigned to a Market Participant through Markets+ GHG tracking protocols as well as net market transfers. BPA also anticipates the specific calculation may differ for the WEIM versus Markets+ due to differences in available information to support the calculation.

3) “Electricity Importer” definition: non-CEMs

- **Ecology’s Request:** Are there concerns with updating the “electricity importer” definition as described above?
 - **BPA Response:** BPA has reviewed these additions. Regarding WAC 173-441-124(2)(f)(viii), BPA has not identified a scenario where the proposed additional language adds value or clarification. However, BPA is questioning how this relates to the composite source generation sources concept and would need additional time to more fully explore this.
- **Ecology’s Request:** Regarding WAC 173-441-124(2)(f)(v), when do interested parties believe this provision would apply: “or if no additional purchasing-selling entity over which Washington state has jurisdiction, then the electricity importer is the electric utility that operates the Washington state transmission or distribution system, or the generation balancing authority”?
 - **BPA Response:** There are some instances where power is scheduled from BPA’s BAA to a Washington retail utility’s load in another BAA. In these situations, BPA is listed as a purchasing-selling entity on the e-tag, but there is not always another purchasing-selling entity listed on the e-tag, only the sink, for example, the Washington retail utility.
- **Ecology’s Request:** It is Ecology staff understanding that WAC 173-441-124(2)(f)(vi) captures instances when FPMA power is provided to Washington load within the FPMA multi-state BAA, and an e-tag is not generated. Instead of the update proposed above, should Ecology update WAC 173-441-124(2)(f)(vi) to indicate it should only be applied in instances when an e-tag is not generated?
 - **BPA Response:** BPA has reviewed these additions and does not believe further change is necessary. BPA believes the language already indicates that WAC 173-441-124(2)(f)(vi) and (vii) apply to situations where power is not scheduled on individual e-tags to individual BPA customers and WAC 173-441-124(2)(f)(viii) and (ix) apply to situations where power is scheduled on e-tags.

4) Unspecified imports from CEMs: Point-of-regulation

- **Ecology Question:** Are there concerns with the proposed approach described above?

- **BPA Response:** BPA believes the proposed approach is a rational way to allocate the compliance obligation and believes the mechanics of the calculation may be very similar to the mechanics for the BPA backstop calculation described above.

5) “Deemed Market Importer” definition

- **Ecology Question:** Do interested parties support maintaining the current definition of “deemed market importer” or should Ecology consider modifying the definition as suggested?
- **BPA Response:** In BPA’s July 30, 2025 comments to Ecology, BPA requested that Ecology reconsider the definition of “Deemed Market Importer” in light of BPA’s anticipated participation structure in a day-ahead market. Specifically at issue is that BPA expects it will be the Market Participant on behalf of some of BPA’s load following customers’ resources (referred to hereafter as non-federal resources). There are instances where BPA’s Washington customers have non-federal resources that are located outside of Washington but are dedicated to the customer’s load, meaning per federal statute the resource is available to serve the customer’s load and under the power sales contract with BPA the customer must use the resource to serve its load.

As a federal Power Marketing Administration, it would be inappropriate for BPA and thus Northwest ratepayers to pay state compliance costs for non-federal resources, which are owned and operated by private entities. Rather, BPA suggests Ecology include language stating that if a federal Power Marketing Administration is the Market Participant on behalf of non-federal resources, then the resource owner or operator is the deemed market importer. The term asset owner is also acceptable insofar as it refers to the resource owner or operator and not a specific role described for a market. This is because under the Markets+ tariff “Asset Owner” is a defined term for the Markets+ participation model and BPA could also be the “Asset Owner” for some non-federal resources.

- **Ecology Question:** Would moving the point of regulation to the “asset owner” be consistent with the first jurisdictional deliverer approach and the framework already established for identifying the electricity importer for imports scheduled on an e-tag?
- **BPA Response:** While BPA understands the logic behind identifying the Market Participant/Scheduling Coordinator as the FJD, BPA also believes that

moving the compliance upstream and closer to the source itself is also consistent with the FJD framework.

- **Ecology's Request:** Under existing market processes, would “asset owners” receive the information necessary to report attributed resources and MWh to Washington state?
 - **BPA Response:** BPA expects to provide information on attribution of non-federal resources that participate under BPA’s Market Participant umbrella to customers and/or other appropriate parties. Where the customer is also the non-federal resource’s Asset Owner for Markets+, BPA understands the Asset Owner will also have the ability to view Markets+ settlement information, such as attribution.

6) Specified source registration

- **Ecology's Request:** Should Ecology prioritize simplifying “specified source registration” in this rulemaking? If so, should Ecology simplify as proposed above?
 - **BPA Response:** BPA has no concerns with the proposed simplification.

7) Surplus and emissions leakage

BPA Response: Though Ecology does not ask a specific question related to surplus and emissions leakage, BPA directs Ecology to its July 30, 2025 comment on this issue.

BPA appreciates Ecology’s continued efforts to encourage dialogue on these topics. Please contact me if you have questions about these comments.

Thank you,



Alisa Kaseweter
 Climate Change Specialist
 Intergovernmental Affairs
 Bonneville Power Administration
 alkaseweter@bpa.gov
 503.230.4358