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February 20, 2026

RE: Feedback on Centralized Electricity and Electricity Imports

TransAlta Energy Marketing (U.S.) Inc. (TEMUS) appreciates the opportunity to submit feedback in response to the Washington Department of Ecology’s (Ecology) request on February 5, 2026 for comments to aid development of potential reporting rules and guidance for electricity imported into the state of Washington.

TransAlta owns and operates over 700 MW of generation capacity in Washington and transacts physical and financial wholesale power across multiple markets 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. Given its activities in Washington state and in connected electricity markets across the western United States, TransAlta has a vested interest in understanding the proposed impacts and requirements of linkage with the California electricity market.

Summary

TEMUS appreciates the challenge of rulemaking amid significant market changes with the implementation of new Day-ahead Markets (DAMs). In response to Ecology’s most recent feedback request TEMUS offers the following recommendations:

- Consider the equity and financial burden implications of the current definition for deemed importer;
- Allow for hourly netting of wheel-throughs;
- Limit current rulemaking to stand-alone storage;
- Recognize program registration in linked jurisdictions;
- Publish a mapping directory of scheduling points before each compliance period;
- Provide clarification regarding the application of the threshold amounts;
- Provide clarification regarding the classification of Federal Power Market Agency power.

Comments

Deemed Importer

TEMUS appreciates the difficulty in creating rules that not only recognize the complexity of electricity transactions as they happen today but also capture future transactions across multiple market seams: non-Western Energy Imbalance Market (EIM)/EIM, EIM-only/Extended Day-ahead Market (EDAM), non-EIM/EDAM, EIM-only/Markets+, EDAM/Markets+, non-EIM/Markets+.¹ These seams could make it very unclear as to who the “deemed” importer is.

Under EIM, even if a Balancing Area Authority (BAA) chooses to join, individual generation facilities and Load-serving Entities (LSEs) located within that Balancing Area (BA) can choose whether to join (or not). However, if a BAA chooses to join either EDAM or Markets+, all generation and LSEs within that BA are then conscripted into that Day-ahead Market (DAM).

These conscripted entities then interact with the Market Operator (MO) directly or indirectly through a third party approved by the MO. Direct interaction requires registration as a Scheduling Coordinator (SC) in EDAM² or as a Market Participant (MP) in Markets+.^{3,4} In either case, the SC/MP could be acting on behalf of a single owned asset (i.e., the generation facility is also the SC/MP), aggregated assets (i.e., owned by the SC/MP or contracted for services), assets owned by others, or unspecified “system energy” – which begs the question, who holds the emission obligation – the SC/MP interacting with the MO or the emitting asset? While TEMUS does not currently act as a SC/MP on behalf of other entities, should it do so at a later date the current rules imply it would then legally carry the financial obligation should the covered entity fail to do so.

Wheel-throughs

The design of DAMs as well as the fragmented market geographic footprints will also make it much more difficult to “wheel” energy through Washington state – and to identify and track these transactions via e-Tags.

As TEMUS has progressed through EDAM implementation, it has become very clear that the self-schedule option so heavily used in EIM will be much more restricted in DAMs and the centralized optimization of flows means that a specified import could

¹ See <https://www.aiso.com/Documents/extended-day-ahead-market-edam-fact-sheet.pdf> and <https://www.marketsplus.org/current-participants/phase-two-participants>

² See <https://www.aiso.com/documents/edam-scheduling-coordinator-decision-matrix.pdf>

³ See <https://www.spp.org/stakeholder-center/join-marketsplus/>

⁴ Note that the term “Market Participant” has a very different meaning and role in the CAISO-controlled markets than in the SPP-controlled markets.

be cut or reduced and need to be replaced by an unspecified export, such as spot energy purchased at MIDC.

During the July 2025 stakeholder meeting, Ecology voiced concerns that the netting of wheel-throughs could allow for the “gaming” of emissions with higher-emitting exports than imports. This scenario may have been possible in the past bi-lateral market with excess transmission capacity. However, adjusting for modified schedules is increasingly the norm as the scarcity of transmission capacity increases⁵ and is expected to increase further with the implementation of DAMs and market fragmentation. TEMUS, like most other market participants, employs a team of schedulers who react to and optimize awarded schedules in real-time.

Therefore, TEMUS recommends that all hourly wheel throughs, whether specified or unspecified, be netted for simplicity because of this lack of direct control by market participants, as recommended in the industry white paper submitted in 2023 to Ecology. This approach would also reduce the complexity of compliance tracking and verification, which is already becoming very complicated. The use of a composite accounting framework for trading hubs like MIDC would be very helpful to calculate the emission obligation for these transactions, assuming that the emission factor calculation is transparent and communicated well in advance of the compliance period.

Storage

TEMUS appreciates Ecology’s initiative to align its rules with the California Air Resources Board’s (CARB) on Energy Storage Systems (ESS). TEMUS recommends that new provisions for ESS imports be restricted to only stand-alone facilities to allow for more consideration of hybrid and co-located ESSs should be treated. While stand-alone ESSs can more easily fit into rules designed for generation resources, co-located and hybrid resources can be much more complex, especially if paired with large load micro-grids and demand response. Regulators and utilities in Washington and elsewhere are still grappling with the challenge of how to adjust tariffs and other frameworks to incorporate these scenarios.⁶

Registration Requirements

The revisions proposed to WAC-446-130 in July 2025 to clarify and align with similar requirements under CARB’s program are appreciated and will help to simplify registration and ease administrative burden for companies like TEMUS.

⁵ See <https://www.bpa.gov/energy-and-services/transmission/grid-access-transformation-project>

⁶ See <https://www.dor.wa.gov/sites/default/files/2025-12/2025DataCntrWrkgrpPrelimReport.pdf>

However, TEMUS continues to recommend that the requirements are further streamlined to align with CARB under 95830(g)(4) so that registration in a linked jurisdiction is recognized and covered entities are not required to register separately in every linked jurisdiction.

Verification

Given the continued confusion and discussion regarding which scheduling points are located “in” or “out” of Washington state, it would significantly ease the process of verification and provide much needed certainty to covered entities if Ecology would publish a directory of OATI scheduling points mapped to the state for each compliance period.

Specified Imports Threshold

TEMUS continues to recommend that Ecology provide clarity in WAC 173-446-030(1)(c) regarding applicability of the threshold limits as it is unclear how the applicability threshold of 25,000 MT in subsection (i) is applied in conjunction with subsection (ii).

TransAlta recommends that WAC 173-446-030(1)(c) be rewritten to make it unambiguous that the coverage criteria is applied separately under each category (i.e., subsection (i) and (ii)) and is not combined. As Ecology is aware, the western electricity market is complex and transmission paths are often congested. While TEMUS makes best effort to import non-emitting energy, sometimes these day-ahead schedules are cut in real-time and TEMUS must source emitting energy as a substitute. These volumes are relatively small but the first interpretation of the draft rules would create compliance burden disproportionate to the amount emissions imported.

Qualifying Unspecified Imports from a Federal Power Marketing Administration

TEMUS recommends that Ecology provide clarity in WAC 173-446-030(1)(c)(i) regarding the classification of imported power from federal power marketing administrations (PMA).

The draft rules infer that Ecology will delineate electricity sourced from a PMA into specified or unspecified. Because this affects compliance obligations, it is important for Ecology to make very clear how this delineation process would occur, and when. While TEMUS appreciates that Ecology cannot anticipate all possible market situations, the worst outcome for a market participant is to have an import that they believed to be specified deemed as unspecified months after the transaction.



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

Yours truly,

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