



February 20, 2026

***Submitted via Web Portal***

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**RE: Ecology Requested Feedback on Centralized Electricity Markets & Electricity Imports**

On February 5, 2026, the Washington Department of Ecology (Ecology) published draft materials relating to centralized electricity markets (CEMs) and electricity imports for public review and feedback under its ongoing Cap-and-Invest Program Updates and Linkage Rulemaking. The Public Generating Pool (PGP) is a trade association representing eight consumer-owned utilities in Washington and one in Oregon that own and operate their own generating resources. PGP respectfully offers the following comments on select areas of requested feedback outlined in the February 5, 2026, draft materials.

**“Electricity Wheeled Through the State”**

PGP does not have specific comments on Ecology’s initial proposal to refine implementation of “electricity wheeled through the state” at this time. However, PGP does believe that it would be beneficial, both for Ecology and for electric power entities (EPE), if Ecology facilitated a process outside of rulemaking for establishing an agreed-to topology of the transmission system in order to identify which points of receipt (POR) and points of delivery (POD) are considered internal versus external to Washington. The development of such a topology would improve consistency in EPE reporting and facilitate implementation of “electricity wheeled through the state.”

**Federal Power Marketing Agency (FPMA) Backstop: CEMs**

In PGP’s comments to Ecology dated July 30, 2025,<sup>1</sup> PGP recommended that Ecology’s draft rule provisions for identifying the appropriate “electricity importer” in situations where a federal power marketing administration (FPMA) participates in a CEM but has not opted-in to the Cap-and-Invest Program include reference to both Washington “retail providers” and “retail end users.” The

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<sup>1</sup> Public Generating Pool. July 30, 2025. Retrieved from: [https://scs-public.s3-us-gov-west-1.amazonaws.com/env\\_production/oid100/did200118/pid\\_210619/assets/merged/zv01ibye60i\\_document.pdf?v=20277](https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid100/did200118/pid_210619/assets/merged/zv01ibye60i_document.pdf?v=20277).

rationale behind this recommendation was to recognize a potential future where entities other than retail providers participate in a CEM such that they are responsible for load in Washington—for example, large industrial customers that serve their own load. To that end, PGP appreciates and supports Ecology’s inclusion of this recommendation in the February 5, 2026, draft materials. However, PGP reiterates our previous comment that there will have to be an additional mechanism to sub-attribute imports from a CEM to individual customers of an FPMA or individual entities within the FPMA’s balancing authority area, whether those entities are retail providers or retail end users. PGP welcomes further discussion among Ecology, market operators, and stakeholders on how such a sub-attribution mechanism could be implemented.

### **Unspecified Imports from CEMs: Point-of Regulation**

PGP supports Ecology’s proposal to revise the definition of “electricity importer” so that the electricity importer for unspecified imports attributed to the WA GHG Zone within a CEM would be associated with load within the GHG Zone. PGP also supports Ecology’s proposal to develop guidance on how Ecology will calculate the pro rata attribution, and recommends that Ecology develop such guidance in consultation with market operators and market participants. In terms of Options (a) and (b) for the basis of a pro rata attribution, PGP supports Option (b) – Based on a retail provider’s “net purchases” from the market as potentially calculated via a post-market accounting and reporting approach.

### **Surplus and Emissions Leakage**

PGP appreciates Ecology’s continued consideration of how to account for and mitigate the risk of emissions leakage associated with CEMs. As expressed in previous comments, most recently our comments dated July 30, 2025, PGP continues to recommend that Ecology defer adopting specific rules relating to leakage risk associated with CEMs until both day-ahead markets are operational. However, PGP reiterates our suggestion that Ecology begin to establish leakage criteria or principles in advance of specific rulemaking, either in the form of guidance or a policy statement. Such guidance or policy statement on leakage minimization could articulate Cap-and-Invest Program goals in the context of CEMs and provide guidance to market operators on how to balance the achievement of those goals with preserving the benefits of CEMs for WA customers and avoiding unintended consequences. To inform this guidance or policy statement, Ecology should consider developing a public process for: (1) Assessing the data needs to appropriately evaluate leakage or the potential for leakage; (2) compiling and analyzing that data; and (3) using that data to inform whether, to what extent, and by what means leakage should be addressed.

### **Specified Source Registration**

PGP supports Ecology’s initial proposal to simplify specified source registration provisions in this rulemaking.

## **Energy Storage Systems, Aggregated Zero-Emissions Generation Sources, & “Dynamic Tag” Definition**

Given that the California Air Resources Board’s (CARB) proposed changes to its Mandatory Reporting Regulation relating to energy storage systems, aggregated zero-emissions generation sources, and “dynamically tagged power” will not be adopted until after CARB’s public hearing on May 28, 2026, and may still be revised during CARB’s rulemaking process, PGP believes it would be premature for Ecology to adopt rules mirroring or adopting CARB’s proposed rules by reference at this time, unless doing so is a necessary precondition to linkage. PGP believes that stakeholders would benefit from additional discussion of whether and how CARB’s proposed changes are applicable to the Washington context before Ecology adopts similar provisions in rule.

### **Conclusion**

PGP appreciates the opportunity to offer feedback on Ecology’s draft materials relating to CEMs and electricity imports under the Cap-and-Invest Program Updates and Linkage Rulemaking. We look forward to continuing to engage with Ecology on these issues through future public workshops and the rulemaking process.

Sincerely,

*/s/ Mary Wiencke*

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Public Generating Pool