Comments of the Western Power Trading Forum to the Washington Department of Ecology on Request for Feedback on Electricity Import Issues

February 20, 2026

The Western Power Trading Forum (WPTF) appreciates the opportunity to provide input to the Washington Department of Ecology (Ecology) on its consideration of potential changes to reporting rules and guidance for electric power entities (EPEs) under the Climate Commitment Act (CCA). Our comments below are organized by the headings in Ecology's request for feedback document.

Timing

WPTF support Ecology's proposal that updates to the EPE reporting rules take effect January 1, 2027. We belief this timing is important to facilitate program linkage to California and Quebec for Washington's second compliance period.

Electricity Wheeled through the State

Definition of electricity wheeled through the state

In June 2025, Ecology proposed to add a definition of "electricity wheeled through the state" that matches the statutory language. Ecology further proposed to limit wheel through transaction to unspecified imports and unspecified exports. While WPTF supported this concept in our earlier comments, we now have a more nuanced view. Ecology's proposal to limit the wheel through is likely intended to ensure that an entity that reports wheel-through transactions isn't able to match a clean specified export against a higher emitting import. WPTF supports this objective, but believes that limiting wheel-throughs to unspecified imports and exports is too narrow.

Our concern arises from the fact that there are two conditions (plus direct delivery) that result in an import being considered specified: the importer must have a specified contract that meets seller warranty requirements or the importer is a generation providing entity (GPE). While the first condition will likely only be used for electricity imports from low or non-emitting resources, the latter condition could be met by any asset owner, i.e. GPE, who imports electricity into Washington. Given the use of the Mid-C hydro systems for 'hubbing, it is reasonable that a GPE could import specified power from a gas resource, and export unspecified power in the same hour. While the emission factor of gas resources differs by heat rate, we note that the unspecified emission factor is set at the level of an average combined cycle gas generator (an 8 MMBtu/MWh heat rate). Thus, allowing specified gas imports against unspecified exports is essentially matching gas to gas, thus preserving

environmental integrity. For this reason, we suggest that rather than limit wheel-throughs to unspecified power, that Ecology instead require that either both legs are unspecified or the import leg is specified gas, and the export leg is unspecified.

WPTF also recommends that Ecology clarify in the definition that "electricity wheeled through the state" is a bilateral trading concept that does not apply to the centralized electricity markets. We have considered the market design of both the CAISO markets and SPP's Markets+ and have not identified a scenario to which wheel-throughs would apply.

Definition of common point

Ecology also requests comment on whether the proposed definition of common point ("Common Point" means, for purposes of identifying electricity wheeled through the state, any PORs and PODs within the same balancing authority area located entirely in Washington.") should be extended to apply to the multistate balancing authority areas (BAAs). WPTF does not support making this change. While we agree that multijurisdictional retail providers (MJRPs) and Asset Controlling Suppliers (ACSs) should be allowed to 'net' imports and exports to their system, this outcome can be achieved by modifying the MJRP and ACS reporting calculations as discussed below. Further, we note that the 'composite source accounting' provides a mechanism to 'net out' electricity generated from sources located in Washington state, but within a multistate BAA, from imports from MJRPs that do not serve the entity's retail load.

Application of wheel-through concept to MJRPs and ACSs

Ecology requested feedback on several questions related to multistate BAAs. WPTF provides our response below.

- ***Do entities that are not the multi-state balancing authority themselves engage in wheel-throughs that sink/source from PORs/PODs that are "located fully within Washington but within a multi-state balancing authority"?***

  WPTF believes that other entities can and do engage in these transactions. However, we do not believe it is necessary to account for wheels for these other entities, since those entities do not calculate and use 'system' emission factors for reporting. The composite source accounting should be available for these other entities to 'net out' any electricity generated in Washington from import transactions back to Washington.

- ***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?***

  WPTF considers that the purpose of applying the wheel-through concept for an ACS or MJRP is to enable the calculation of an accurate system emission factor. By accounting for electricity wheeled through their system, these entities would be ensuring that the *volume* of unspecified electricity and associated emissions imported to their system, and thus used in the calculation of the system emission factor, is correct. Since it is the net unspecified imports that impacts each entity's system emission factor, Ecology only need worry about the volume of unspecified imports and exports, not whether the export is unspecified or system energy.

- ***For MJRP EF calculations, how should the "wheel-through" concept be consistently applied across the MJRP reporting tool, including the "Unspec Purchases" and "WA WSP Unspec Purch" tabs?***

  MJRP wheel-throughs should be factored into Ecology's calculation of the MJRP's system emission factor. To support this Ecology should add a tab to the MJRP reporting tool for Unspecified Sales. The information reported on this tab would not include any unspecified imports to Washington. Ecology should also provide a wheel through tab in which the MJRP would report for each hour MWs of unspecified purchases, MWs of unspecified sales and net MWs of unspecified purchases. Ecology would include the total positive net purchases in the calculation of the MJRP's system emission factor.

Wheel-throughs to linked jurisdictions

- ***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.***

  For electricity that is wheeled through Washington and into a linked jurisdiction, the entity that does the transaction should be subject to a carbon obligation for the leg into the linked jurisdiction. For wheels throughs that occur on a single tag, nothing is required to enable that to occur. However, for wheel throughs on separate tags, the linked jurisdiction will need a mechanism to identify any imports to their jurisdiction as

a transaction that was considered a wheel through Washington, because normally tags that originate from Washington would not be subject to a carbon obligation in the linked jurisdiction. Ecology could require that importers that report wheel throughs on separate tags to report any for which the export leg sinks to a linked jurisdiction, and share this information with the linked jurisdiction.

Energy storage systems

Ecology seeks feedback on whether to include provisions in the reporting rules to address energy storage systems, which would align with those proposed by the California Air Resources Board. This would entail:

- Defining "energy storage systems" as "a device, structure, or operation designed and used to store electric potential from electric power that discharges electric power as imports into Washington. All ESSs, unless registered with a resource-specific reported and verified emissions factor, would not be considered specified sources.
- Defining "primary generation source": Resource that generates electric power that is not an energy storage system.
- Adding provisions that allow an ESS to register as a specified source.
- Adding provisions to allow an unregistered ESS to store and claim specified source electricity from a primary generation source, provided that seller warranty requirements are met.
- Modifying provisions for calculating emissions from unspecified and specified imports to include an loss factor (ELF) of 3.0 for stored hydrogen produced by electrolysis, and 1.18 for other types of ESS.
- Requiring that electricity importers must report if any electricity imports originated from, were stored in, or passed through an ESS.
- Adding reporting and verification requirements for registered ESSs to determine emission factor and/or ELF

WPTF strongly supports inclusion of provisions to address ESS resources in this rulemaking. The growing demand for clean energy is driving rapid development of energy storage throughout the west. Failure to accurately account for these resources could inadvertently provide a disincentive for utility and corporate investment in storage as it could result in higher carbon costs for storage resources. Further, we do anticipate that ESSs will support imports into Washington in the next three years. The rapid growth in data centers operated by companies that wish to be non-emitting and the utility need to meet CETA targets make this highly likely.

With respect to the proposed approach, WPTF supports the general framework because we believe that it will accommodate hybrid, co-located and grid charged ESSs. However, we are concerned that requiring ESSs to use the default emission factor for grid charging could reduce the financial benefit of charging resources when energy prices and carbon emissions are low. For this reason, we encourage Ecology to leave room for ESSs, if they wish, to develop and use more granular and accurate emission factors for grid-charging, such as the residual emission factors that will be published under the GHG accounting frameworks that have been adopted by both EDAM and Markets+, or a BA specific emission factors.

Lastly, we suggest that Ecology provide additional clarify whether the definition of primary generation applies to pumped storage.

Aggregated zero-emissions generation sources

Ecology is considering whether to incorporate California's proposed updated reporting to enable "aggregated zero-emissions generation sources" to be claimed as a specified source. WPTF supports this incorporating this change into the reporting rules, as we believe it will reduce the reporting burden for entities that operate multiple non-emitting resources. Additionally, it is more consistent with the way that hydroelectric systems are operated and provide more flexibility for contracting these resources

Composite source generation sources

Ecology requests feedback on how to incorporate composite source accounting to preserve environmental integrity, and the applicability of specified source requirements.

WPTF recommends that Ecology develop an hourly reporting format to support composite source accounting that includes for each hour 1) the volume of transacted imports from a composite source POR, 2) the volume of electricity generated or discharged by a resource in Washington and 3) the net volume of imports after deducting generation by Washington resources. Additionally, entities that utilize composite source reporting should be required to retain data to document their composite source accounting to a verifier. Such information should include meter data for energy generated/discharged from Washington resources, all tags originating from that composite source, and an accounting of any untagged energy used for load within the same BAA.

With respect to Ecology's question regarding specified source requirements, including seller warranty and direct delivery, we do not consider specified source to be relevant. WAC 173-441-124 (2) (q) defines imported electricity as "electricity generated outside Washington state with a final point of delivery in Washington state." Electricity generated by a resource located within Washington clearly does not meet the definition of imported

electricity. Therefore WPTF does not consider the specified source requirements to be relevant.

WPTF also wishes to comment on the applicability of the composite source concept to centralized electricity markets. If the Washington generator(s), the Washington load and the BAA in which the composite POR is located are in the same electricity market, then there is no need to enable composite source accounting. However, if the Washington load is in one centralized electricity market, and the composite POR is in a BAA in another market, or the Washington load is outside the market then there would be a need to allow composite source accounting. Given that both markets are still developing their interchange rules, we do not believe that it is necessary to develop guidance around these transactions at this time. However, we request that Ecology return to this issue once market rules have been finalized.

Federal Power Marketing Agency (FPMA) backstop

In June 2025, Ecology published an initial concept to create a backstop electricity importer when the Bonneville Power Administration (BPA) is the deemed market importer, but has not elected to be a covered entity under the CCA. Based on feedback, Ecology staff is now considering revision of the electricity importer definition to acknowledge that BPA energy could be contracted to entities that are not retail providers, and to develop guidance on pro rata attribution of energy imported by BPA through a centralized market that is not contracted to a retail provider.

WPTF supports both these proposals.

"Electricity Importer" definition: non-CEMs

Ecology requests feedback on two elements of the electricity importer definition that apply to bilateral transactions. First, Ecology proposes to add a new definition that clarifies, in line with an omission explained in the Electricity Imports White Paper, that energy that sinks to a load in an MJRP BAA that is not served by the MJRP is an import and the importer is the PSE on the last segment of the physical path. WPTF supports this addition.

Ecology has also requested feedback regarding the definition of the importer in cases where BPA would be the importer, but has not elected to comply with the program. Specifically, Ecology asks for guidance as to when this language 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."

WPTF has no knowledge of the origination of that language but has not identified a scenario in which it would apply. In cases where BPA has imported to Mid-C, another entity would either show up on a downstream leg of the physical path for transmission to the sink, or energy could sink to a customer within BPA's BAA. In either case, we do not believe that provision would be triggered.

Unspecified imports from CEMs: Point-of-regulation

Ecology proposes to define the electricity importer for the unspecified pathway imports via Markets+ to be "the retail provider or retail end user that receives a pro rata attribution of electricity." WPTF agrees with this approach. We believe the pro rata attribution should be based on the market operator's calculation of net purchases (after allocation of electricity committed to that retail provider) rather than the outstanding emission calculation and would be interested in participating in any effort to develop guidance around this.

WPTF also suggests that rather than refer to unspecified imports from CEMs, that Ecology instead create a new term for these imports, such as bulk unspecified imports or unspecified pathway imports. These type of imports are conceptually different from bilateral transacted unspecified imports (which still may occur if there are interchange transactions into the market footprint that are attributed to Washington load).

Finally, we reiterate that Ecology must develop guidance to the market operator on the appropriate emission factor to be used in the market optimization (or method to choose that emission factor), as well as the emission factor to be used for the calculation of the compliance obligation for retail providers.

"Deemed Market Importer" definition

Under Ecology's rules, the deemed market importer for transactions in the centralized market is the entity that offers electricity from a resource and receives an attribution to Washington. This is consistent with the approach in California, which considers the resource scheduling coordinator to be the importer for electricity offered in the CAISO markets. Based on feedback received, Ecology is now considering whether to change the definition to make the asset owner, rather than the entity that offers that energy, to be the responsible deemed importer.

WPTF opposes this change. CARB's decision to make the scheduling coordinator the responsible importer followed extensive consultations with market participants and was based on CARB's determination that the scheduling coordinator is the entity that determines whether electricity is offered to serve California load. Assigning the import obligation also aligns with the first jurisdictional deliverer approach because it creates a

nexus between the responsible importer and California – i.e. the import transaction itself. Pushing the carbon obligation upstream to the asset owner breaks that nexus.

WPTF also notes that entities that offer electricity for attribution into Washington have the means to not only be compensated for any additional carbon compliance costs (through market GHG prices) but also to be compensated for incurred administrative costs of reporting and, if necessary, participating in auction, through their contracts with asset owners. Thus, Ecology should not make this change.

However, we understand that BPA is concerned that the current definition may prevent their practice of managing wholesale transactions for assets of some of their customers. To address this concern, Ecology should draft a narrow fix that applies solely to BPA.

"Dynamic tag" definition

Consistent with a recent proposed change by CARB, Ecology proposes to add define "dynamic tag" or "dynamically tagged power" or "dynamic schedule" or "dynamic interchange schedule" as "a telemetered reading or value that is updated in real time to reflect the specified CARB has proposed defining "transmission of electric power from a generation source in an interval on a NERC e-Tag." WPTF supports this change as it would improve clarity and encourages Ecology to coordinate closely with CARB to ensure that the CCA rules are in alignment.

Specified source registration

Ecology also proposes to simplify specified source registration requirements in light of changes being considered by CARB. WPTF fully supports these changes. The current specified source registration rules are unnecessarily administratively burdensome.

Surplus and emissions leakage

Ecology indicates that it is still considering how to account for and mitigate the risk of emissions leakage associated with centralized electricity markets. As WPTF has previously submitted extensive comments on these issues, we will not repeat them here. However, we reiterate that Ecology must define conditions for when electricity can be attributed by the centralized marked and should not expect the market operator to implement approaches that have not be set out in the program rules.