

February 20, 2026

VIA ELECTRONIC SUBMISSION

Washington Department of Ecology
Air Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

RE: February 2026 Feedback Requested on Centralized Electricity Markets and Electricity Imports

Southwest Power Pool (“SPP”) files these Comments in support of the Washington Department of Ecology’s (“Ecology”) initiative to identify and establish compliance obligations for entities that import electricity into Washington from centralized electricity markets. This letter provides limited comments in response to Ecology’s February 5, 2026, request for feedback on centralized electricity markets and electricity imports.

I. Background

SPP is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas, and offices in Denver, Colorado. As a Regional Transmission Organization (“RTO”) approved by the Federal Energy Regulatory Commission (“FERC”), SPP administers: (1) open access transmission service over approximately 72,000 miles of transmission lines covering portions of Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, across the facilities of SPP’s Transmission Owners;¹ and (2) the Integrated Marketplace, a centralized day-ahead and real-time energy and operating reserve market with locational marginal pricing and market-based congestion management.²

SPP is also the Market Operator for the Western Energy Imbalance Service Market (“WEIS Market”) in the Western Interconnection, a five-minute energy imbalance service market. The WEIS Market is operated on behalf of the entities that signed the Western Joint Dispatch Agreement. SPP also serves as Reliability Coordinator for certain utilities in the Western Interconnection.

¹ See *Sw. Power Pool, Inc.*, 89 FERC ¶ 61,084 (1999); *Sw. Power Pool, Inc.*, 86 FERC ¶ 61,090 (1999); *Sw. Power Pool, Inc.*, 82 FERC ¶ 61,267, *order on reh’g*, 85 FERC ¶ 61,031 (1998).

² See *Sw. Power Pool, Inc.*, 146 FERC ¶ 61,130 (2014) (approving the start-up and operation of the Integrated Marketplace effective March 1, 2014).

With Markets+, SPP will administer and operate a market that shares features of both the Integrated Marketplace and the WEIS Market by providing services to its Market Participants and facilitating transactions for the purchase and sale of electricity among those market participants.³ As a Market Operator, SPP collaborates with participating entities, serving as an interface between reliability and commercial functions in the Markets+ footprint. To assist in reliable operations and competitive wholesale electricity prices, SPP will operate and administer energy and reserve markets.

II. Unspecified Imports from Centralized Electricity Markets

Ecology requests feedback on its proposed approach for Unspecified Source Imports.⁴ As set forth in SPP's October 2023 Comments, SPP agrees with Ecology's proposal to "revis[e] the electricity importer definition so that the electricity importer for unspecified imports attributed to the GHG zone within a CEM would be associated with load in the GHG zone."

Unspecified Source Imports are not connected to a specific market participant offering energy into the market, nor to a Market Participant who purchased energy from the market. Rather, that pool of energy from the market will serve Washington load generally – it will not be connected to a specific buyer or seller of energy. Therefore, the compliance obligation should be assigned to Washington load in its *pro rata* share for Unspecified Source Imports, and SPP requests that the rule clearly identify load in Washington as holding the compliance obligation for any Unspecified Source Imports.

With respect to how this *pro rata* share is determined, at this time, SPP defers to the Markets+ Market Participants, and SPP welcomes discussion on this topic at the Markets+ Greenhouse Gas Task Force.

III. "Deemed Market Importer" Definition

Ecology has requested feedback on its proposal to revise the definition of "deemed market importer" to mean "an asset owner that has its electricity successfully offered," rather than "a market participant that successfully offers electricity...."

SPP does not have a preference on whether Ecology uses the term "asset owner" or "market participant." However, it is worth noting that, in Markets+, the Market Participant is the entity with whom SPP has a legal and financial relationship, and the Market Participant is the only entity

³ SPP expects Markets+ to go live in October 2027. Additionally, and as relevant here, several entities with generation and/or load in Washington have indicated an intention to join Markets+ in October 2028.

⁴ The Markets+ Tariff defines "Unspecified Source Imports" as, "Energy attributed to a GHG Pricing Zone when the Energy cannot be assigned to a particular Resource."

with which SPP settles. Stated differently, SPP does not transact directly with Asset Owners.⁵ Therefore, if “deemed market importer” relates back to an “asset owner,” rather than the “market participant,” it will be the responsibility of the Markets+ Market Participant to appropriately apportion its settlement payments to each of its Asset Owners with compliance obligations.

IV. Conclusion

SPP stands ready to offer additional comments to assist Ecology in the development of its rules. SPP intends to support the efforts of Ecology and provide all necessary information utilizing an appropriate and agreed-upon mechanism to facilitate seamless communication between the market operator, the designated responsible entity, and the program.

SPP is supportive of Ecology’s rulemaking initiative, intends to participate meaningfully and constructively in the process, and appreciates the opportunity to provide these comments.

Sincerely,

/s/ Kim O’Guinn

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⁵ The Markets+ Tariff defines “Asset Owner” to mean, “An aggregation of assets defined by a Market Participant through the Market Operator’s registration process.”