Western Power Trading Forum (Clare Breidenich)

Please find attached comments of WPTF on proposed changes to the GHG Reporting rule.

Comments of the Western Power Trading Forum on the Department of Ecology's Proposed Amendments to the Greenhouse Gas Reporting Rule

July 22, 2026

The Western Power Trading Forum (WPTF)[1] appreciates the opportunity to provide input to the Washington Department of Ecology (Ecology) on its proposed amendments to the Greenhouse Gas Reporting Rule under the Climate Commitment Act (CCA). Our comments below provide recommendations on specific provision related to electricity imports.

Treatment of electricity imported from California

WPTF welcomes that recent linkage agreement between Washington, California and Quebec and is optimistic that the agreement will be in effect as of January 1, 2027. Ecology does not have time to make further amendments to the reporting rules before that date. It is therefore imperative that Ecology make changes now to give full effect to linkage for electricity transactions that occur in 2027 and beyond.

We are concerned that the proposed amendments do not completely address the treatment of electricity imports sourced from California. While the imported electricity definition states that imports from linked jurisdictions will be construed as having no emissions and paragraph (3)(a)(iii)(A) 173-441-124 provides for identification of unspecified electricity imported from a first Point of Receipt (POR) located in California, there is no corresponding adjustment to the unspecified imports emissions calculation in paragraph 3(b)(i). We recommend that staff include a term in the emission calculation in paragraph (3)(b)(i) to assign an emission factor of zero to unspecified imports from California. This should also be reflected in the updated reporting tables.

Treatment of Electricity imported by the Bonneville Power Administration(BPA)

When Washington utilities, or their counterparties purchase electricity for serving load in Washington through a broker or on ICE at MID-C, these purchases do not normally result in a compliance obligation for the importer. The lone exception is when the energy ends up being sourced from BPA[2], because BPA has not elected to be a covered entity under the cap-and-

[1] WPTF is a diverse organization comprising power marketers, generators, investment banks, public utilities and energy service providers, whose common interest is the development of competitive electricity markets in the West. WPTF has over 100 members participating in power markets within California and elsewhere across the United States.

2 Entities can receive BPA energy through the scheduling process if an upstream entity passes that energy to a counterparty downstream.

invest program. In this situation, the next entity on the physical path incurs the compliance obligation calculated using the default emission factor for unspecified power. WPTF is concerned that until and unless BPA elects to be a covered entity under the program, Washington ratepayers will bear unnecessary costs due to the requirement for downstream entities to use the default emission factor for BPA purchases at Mid-C.

We recognize that both BPA's unique status under the CCA and the responsible importer if BPA has not elected to be a covered entity is inscribed in statute and Ecology has no ability to modify these provisions in its regulations. However, we believe that Ecology does have discretion to enable entities that receive energy sourced from BPA and sink that power in Washington to use BPA's Asset Controlling Supplier (ACS) emission factor.

BPA's ACS emission factor is currently nearly nine times lower than the default emission factor for unspecified power. Requiring entities that receive BPA power to report these purchases as unspecified results in much higher compliance costs for those entities that will be passed on to Washington ratepayers.

WPTF understands that Washington modeled both the ACS provisions and the seller warranty requirement for specified source power off of California's program. However, the California rules were designed to ensure that an entity could not purchase electricity off an exchange at a trading hub *outside the stat*e, get matched with clean resource or ACS system, then turn around an import that electricity into California as specified. In the case of power purchased at MID-C, the power has already been imported into the state (ICE requires entities that offer at MID-C to deliver to one of the MID-C scheduling points and, consistent with the Electricity Imports White Paper, these points are considered to be withing Washington). Pricing at Mid-C therefore already reflects the embedded cost of carbon.

Similarly, BPA sourced power that is scheduled to adjacencies with a Washington utility or a scheduling point of a discrete load within Wahington inside BPA's BAA is also considered to be imported to Washington at those points (per the Electricity Imports White Paper.)Because BPA is a generating providing entity offering electricity from its system, the power would be specified source upon import to the state.

Given that this situation is fundamentally different than the concerns that drove the California Air Resources Board to develop the seller warranty requirement, WPTF believes that it would be appropriate for Ecology to enable utility purchasers, or their intermediaries, that transact at MID-C and end up with energy sourced from BPA to be allowed to report those purchases using the ACS emission factor. This would not cause emission leakage, since the source of the electricity and the emission factor is known. It would also not an enable a buyer that ends up with energy sourced from BPA to sell the electricity out of state as specified. Nor would this change financially harm BPA; BPA would still bear no compliance obligation for its electricity imports to Washington, and would still capture any carbon costs baked into the Mid-C electricity prices.

Energy Storage

WPTF continues to believe that growing demand for clean energy, not only from retail providers who are preparing to meet Clean Energy Transformation Act targets, but also from large energy users, such as data center operators, who are looking to meet their own clean energy targets in Washington will drive electricity imports that flow through storage resources in the next few years. Failure to provide a mechanism to enable these imports to be assigned an emission factor that accurately reflects the energy used to charge the storage, and instead to assign the default emission factor, would provide a strong disincentive for investments in storage and increase costs for ratepayers. Alternatively, exempting imports from storage from an emission obligation will result in emissions leakage. We therefore urge Ecology to address these imports as soon as possible.

We understand the position of some stakeholders who are supportive of including provisions to address imports from energy storage systems, but are reluctant for Ecology to adopt the provisions adopted by California without an opportunity for discussion. While we believe that the proposal by CARB for registration of energy storage resources and assignment of a specified emission factor is a reasonable and flexible approach, we support a further stakeholder process.

We therefore suggest that in the short term, Ecology include a simplified definition of energy storage systems that establishes the principle that imports from storage may be considered specified, provided that those imports comply with Ecology rules to be developed. Once the current rulemaking is finished, Ecology should convene a stakeholder process to consider imports from energy storage, with the goal of developing rules to go into effect by January 2028.

Provisions to give effect to Centralized Market approaches to address emissions leakage

As WPTF has previously commented, it is important for Ecology to include provisions in its reporting regulation to give legal effect to the approaches adopted by the market operators for Extended Day Ahead Market (EDAM) and Markets+. This is important both to provide legal cover for the market operators, and to give the Department of Ecology the basis for enforcing the market designs.

Both the (EDAM) and Markets+ designs to accommodate the two cap-and-invest programs rely in part on the concept of energy that is committed to load within those states to minimize emissions leakage. Markets+ additionally uses the concept of 'surplus' electricity in its design and allows an entity that offers surplus electricity (Type 2) to self-indicate its 'surplus threshold'

MW. These provisions place restrictions on the attribution of clean energy to Washington, and potentially the dispatch of resources within the market that would otherwise occur. It is thus important that centralized market approaches are grounded in state regulatory requirements so that the market operators cannot be accused of discriminating against different market participants. In response to this concern, the recently adopted amendments to California reporting rule add a new definition of 'committed capacity'[3] to provide the legal basis for the EDAM design features.

Further, failure to include definitions of committed capacity and surplus would undermine Ecology's ability to enforce these rules. Although the Markets+ tariff requires that the load verify the existence of a contract for 'Type 1A' imports (those that must be attributed to Washington), neither market tariff requires documentation or verification of contracts as a condition for attribution of other specified imports. With respect to surplus, an entity could simply indicate in its market offer that it has a contract with Washington load, or for "Type 2" energy in Markets+ that all of the offered specified energy was surplus, and the market would attribute that energy to Washington if it is economic to do so. Without Ecology oversight, this could result in the same emissions leakage that the market design features are intended to minimize. Ecology should therefore adopt provisions to give effect to the 'committed capacity' and 'surplus electricity' concepts used in the market designs, prior to Washington retail providers joining the day-ahead markets.

Composite source accounting

WPTF supports the new section on composite source accounting, as it generally aligns with the approach laid out in the Electricity Imports White Paper and recent WPTF comments. However, we oppose the requirement that the reporting entity be able to claim the generation source as a specified source of electricity.

We believe that the intent of this paragraph is to meet the standard in subparagraph (A) regarding the portion of electricity deliver that is "unambiguously shown to be supported by Washington generation sources". Requiring the importer to have a specified source claim to the resource(s) would certainly meet that standard. However, that requirement is too narrow.

Because specified electricity transacts at a premium, market participants typically do not contract for specified electricity unless they have need for the associated attributes or the emission factor of the underlying resource. If the market participant simply needs energy to meet its load obligations, it will contract for unspecified energy. Even electricity contracted

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[3] ""Committed capacity" means electricity generation from an electricity generation source located outside the state of California that is committed via a contract to serve California load and is registered with the CAISO pursuant to section 33.32.2.3 of the CAISO Fifth Replacement Tariff dated May 1, 2026."

under ‘hubbing’ arrangements with the Mid-C Public Utility Districts may provide unspecified energy from the Washington utility’s generating *system*, rather than a particular resource. The entity doing composite source accounting should still be expected to demonstrate unambiguously that the electricity was supported by Washington generation sources, but this can be achieved through showing of a contract for energy from a Washington utility system, and the e-tags.

Further, allowing an entity to deduct energy generated from an instate resource through composite source accounting is no different than a scenario where electricity from a resource located within Washington but inside a multistate BAA is delivered to a BAA located fully within Washington. Normally an electricity transaction originating from a multistate BAA and sinking in Washington would be considered an import. The exception is if the energy can be clearly identified as being sourced from a Washington resource. As long as the reporting entity can show via tags, and if necessary meter data, that energy is considered to have originated in Washington and would not be considered an import – there is no requirement that the resource be under specified contract to the importer. Ecology’s proposal to require a specified contract for entities to do use composite source accounting would be unfair to those entities.

For this reason, WPTF requests that eliminate the requirement that Washington resources must be under specified contract to the reporting entity throughout the document.

Ecology should address exported electricity allocated outside state by centralized market

WPTF notes that Markets+ is developing market rules to ensure that electricity from Washington resources that is committed to load outside the state is not included in the volume of electricity considered to serve Washington load. This will ensure that the quantity of electricity attributed to Washington, and the market’s marginal GHG price is accurate. WPTF recommends that Ecology expand the definition of exported electricity to include this electricity so that reporting of exported electricity aligns with the centralized market allocations. This change should be made prior to any Washington BAs participating in those markets.

A POR/POD mapping for purposes of determining electricity imports and exports

WPTF reiterates our request that Ecology develop, publish and maintain an accurate mapping of PORs/PODs that would enable electric power entities to determine what transactions are considered electricity imports and exports and which entities are considered the responsible importers and exporters.

Provision of data by balancing authorities

Ecology has added a requirement for BAs operating in Washington to share data with Ecology to support verification of imports and analysis of electricity transactions. Staff indicate that the requirement will also support data necessary to enable mapping and publication of POR/PODs located in Washington.

WPTF does not oppose this addition but believes that both the data to verify bilateral transactions, and that needed to develop and maintain an accurate mapping of Washington POR/PODs could be more efficiently provided by Open Access Technology International (OATI). If contracting with OATI to obtain this data is not feasible, then WPTF recommends that Ecology limit the data required from BAs to that necessary to identify tagged import transactions and the responsible importer, and Washington POR/PODs at which an import/export can occur, or that corresponds to a Washington source or sink.

"Electricity Importer" definition

Ecology has added to subparagraphs to determine the entity that will be the responsible importer for imports of energy from BPA system that is not contracted to a Washington entity and ibulk unspecified imports. Rather than refer to 'retail provider' in these paragraphs, we suggest Ecology use the term "Market purchaser" to align that new definition and avoid confusion. (We also suggest that retail end users be added to that definition.)

Reporting of wheel-throughs

WPTF supports the inclusion of a definition and provisions to address reporting of wheel-throughs, with the exception of the phrase "unless the linked jurisdiction has adopted rules accounting for electricity imports wheeled into and out of Washington on separate e-tags." As we stated previously, we oppose the inclusion of this language for two reasons. First, we do not read SB6058 as providing Ecology with discretion to ignore this provision.

Second, while we recognize that exclusion of wheel-throughs on separate e-tags from the definition of imported electricity could inadvertently result in missed emissions if the export leg sinks in California, we do not believe that nullification of the wheel is the appropriate solution. The concern arises if an entity imports unspecified electricity to Washington, and exports unspecified electricity to California in the same hour. Under an approach whereby California, once linked, does not assign an emissions obligation to any electricity imported from Washington, the emissions associated with the original transaction would be missed. This is obvious in comparison to a scenario where instead of wheeling through Washington to California, the entity simply imports unspecified energy to California.

In WPTF's view, the correct way to ensure that emissions associated with electricity wheeled-through Washington on separate e-tags and sunk in California would be for California to require importers to report any electricity that originated in Washington and to identify any electricity imports associated with a wheel-through in Washington. This would enable California to assign a carbon obligation to those imports and would ensure that those costs are appropriately borne by California load, not Washington.

"Market Purchaser" definition

Ecology should extend this definition to include retail end users.