



April 3, 2026

John L. Hairston
Administrator and Chief Executive Officer
Bonneville Power Administration
905 NE 11th Avenue Portland, Oregon 97232
Submitted via BPA Public Comments Portal

Re: A-7, Renewable Northwest's Comments on BPA's March 2026 Proposed Decision to join Markets+

Dear Administrator Hairston,

Renewable Northwest ("RNW") appreciates the opportunity to submit formal comments on the Bonneville Power Administration's ("BPA" or "Bonneville") March 12, 2026, Proposed Decision to join the Southwest Power Pool's ("SPP") Markets+.¹ RNW has been actively engaged in BPA's Day-Ahead Market ("DAM") proceeding since it began in 2023, as well as in market design and governance proceedings for both day ahead markets currently under development in the West: RNW maintains formal representation on the Markets+ Participant Executive Committee ("MPEC"), Markets+ Design Working Group ("MDWG"), Markets+ Interim Governance Task Force ("MIGTF") and the California Independent System Operator's ("CAISO") Regional Issues Forum. RNW's participation in these venues reflects our overall support for day ahead markets and their significant potential to deliver more cost-effective and reliable clean energy to the region, but only if those markets exhibit features of good design: transparent and inclusive governance, nondiscriminatory treatment of resources, effective use of the region's transmission system, and proactive seams management, among other features.

¹ BPA, Proposed Decision and Administrator's Letter (Mar. 2026), available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2026/bpa-proposed-decision-to-join-Markets-plus-letter-031626.pdf>

RNW has also submitted comments at the Federal Energy Regulatory Commission (“FERC”) on tariff filings for both Markets+ and CAISO’s Extended Day Ahead Market (“EDAM”).^{2,3,4} In these and other comments, RNW has consistently advocated for more careful consideration of market impacts to BPA’s transmission customers (many of whom are RNW members) and on BPA’s ability to meet its statutory obligations to the Pacific Northwest. Even as market designs and footprints solidify, RNW remains concerned about the risk of new, unmitigated or poorly-mitigated market seams and their impacts to the cost and reliability of electricity in our region.

In BPA’s latest Proposed Decision, BPA states it “is now positioned to make an affirmative decision to join Markets+...with a target market go-live date of October 1, 2028” and that, though this Proposed Decision does not “revisit the subject matter and rationale articulated in [BPA’s] May 2025 Policy and [Record of Decision],” it does allow BPA to pursue “further implementation steps” towards participation in a market that will result in “more efficient generation and transmission system dispatch.”⁵ BPA confirms it would join Markets+ as a “Wave 2” participant on a date (October 1, 2028) that aligns with new rates and power deliveries under the Provider of Choice long-term power sales contracts, and goes on to discuss specific steps the agency will take to implement its participation in Markets+. In reviewing the rest of the Proposed Decision, RNW has some outstanding concerns about BPA’s proposed implementation of Markets+ and kindly requests BPA address the questions contained herein.

Commercial Readiness

BPA describes its commercial model as the “basis for market registration, operations, and settlements” for BPA and its customers, and that it “sets the foundation for market activity within Bonneville’s balancing authority area.”⁶ As such, RNW appreciates the level of detail BPA provided at its March 2026 DAM Workshop on the commercial model framework for its power customers, including Load Following, Planned Product, and Independent Power Producer

² FERC, RNW Comments on SPP’s Markets+ Tariff Filing Under Docket ER24-1658 (Apr. 2024), *available at* https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20240429-5335&optimized=false&sid=d75362d0-3ee7-4cd1-9209-22c5a74d4367

³ FERC, Public Interest Organizations Comments on CAISO’s EDAM Tariff Filing Under Docket ER23-2686 (Sep. 2023), *available at* https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20230921-5147&optimized=false&sid=d75362d0-3ee7-4cd1-9209-22c5a74d4367

⁴ FERC, Clean Energy Associations Comments on CAISO’s EDAM Congestion Revenue Allocation Tariff Revision Filing Under Docket ER25-2637 (Jul. 2025), *available at* https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250717-5127&optimized=false&sid=d75362d0-3ee7-4cd1-9209-22c5a74d4367

⁵ BPA, *supra* note 1, pages 2-3.

⁶ BPA, *supra* note 1, pages 4-5.

(“IPP”) customers.⁷ As evidenced by the high level of stakeholder engagement during that workshop, the commercial model is clearly an important tool for illustrating the complex task ahead (i.e., BPA’s implementation of Markets+), and for facilitating stakeholder discussions that may bring to light key blind spots for both BPA and its customers alike.

However, in both the workshop and in the Proposed Decision, BPA punts discussions about major components of the commercial model – namely “commercial modeling for transmission customers,” “greenhouse gas considerations for customers,” and “linking [the commercial model] to the network model” – to subsequent workshops.⁸ RNW is not suggesting that all of these should have been presented in detail at a single workshop, nor that these should not be ongoing conversations that evolve with new information. But we do ask BPA to offer additional insight as to why it is releasing a Proposed Decision before these additional components of the commercial model could be fleshed out and discussed with stakeholders. Specifically, we seek further clarity on the following questions:

- Does BPA plan to present and facilitate stakeholder discussions and take public comments on the self-identified gaps in its commercial model before it releases a Final Decision?
- If not, can BPA explain its prioritization criteria for the outstanding components of its commercial model, including how it is deciding which components to discuss before instead of after a Final Decision is released?
- Does BPA agree that providing certainty regarding its plans for presenting a commercial model for transmission customers is important to address before a Final Decision, especially since moving to Markets+ is expected to fundamentally alter the utilization of BPA’s transmission assets? If so, how and when does BPA plan to address this component of its commercial model?

Operational & Technical Readiness

RNW is supportive of BPA’s efforts, as it considers the operational and technical impacts of its DAM decision, to “continually assess policy options and design decisions” that allow BPA to “meet its congressionally authorized purposes.”⁹ RNW’s comments on BPA’s March 2025 DAM Draft Policy (included as Appendix I to this submission in BPA’s Comments Portal) focused

⁷ BPA, DAM Readiness Public Workshop 2 (Mar. 2026), available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2026/20260312-dam-readiness-workshop-presentation.pdf>

⁸ BPA, *supra* note 7, slide 28.

⁹ BPA, *supra* note 1, page 5.

heavily on BPA’s statutory obligations to the region.^{10,11} In particular, the Pacific Northwest Electric Planning and Conservation Act of 1980 (“Northwest Power Act”) requires BPA “to assure the Pacific Northwest of an adequate, efficient, economical and reliable power supply.”¹² However, a BPA decision to join Markets+ has consistently been shown to be the more expensive option than joining EDAM or not joining a day ahead market at all.^{13,14,15} RNW maintains our position that a decision to join Markets+ does not comport with BPA’s statutory obligations to its customers *or* to the region. And though we don’t intend to comment here on the subject matter or rationale articulated in BPA’s May 2025 Policy and Record of Decision (“ROD”),^{16,17} there are operational developments contained within the latest Proposed Decision that give us reason to raise similar concerns, particularly as they relate to BPA’s proposed exit from the Western Energy Imbalance Market (“WEIM” or “EIM”), automatic generation control (“AGC”) upgrades, and seams issues arising from the Reliability Coordinator (“RC”) switch.

In its Proposed Decision, BPA states that it “expects to exit [the WEIM] on or around October 1, 2027,” a full year ahead of its target Markets+ go-live date of October 1, 2028, to give staff sufficient training and time to gain experience with Markets+ without having to simultaneously operate in a CAISO market.¹⁸ At its March 2026 DAM Workshop, BPA also announced it is undertaking a major overhaul of its AGC systems to enable its participation in Markets+, targeting an AGC cutover date of April 1, 2028, but that it “is not coding EIM functionality” as

¹⁰ BPA, DAM Draft Policy (Mar. 2025), available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2025/20250306-day-ahead-market-draft-policy.pdf>

¹¹ BPA, RNW Comments on BPA’s DAM Draft Policy (Apr. 2025), available at <https://publiccomments.bpa.gov/Comment/ViewComment?CommentId=12219>

¹² 16 U.S.C. § 839(2)

¹³ Brattle, BPA Day-Ahead Market Participation Benefits Study (Oct. 2024), available at <https://www.brattle.com/insights-events/publications/new-brattle-report-examines-customer-impacts-of-the-bonneville-power-administrations-day-ahead-market-participation-options/>

¹⁴ BPA, Energy and Environmental Economics (E3) Production Cost Modeling Study Presentation (Nov. 2024), available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2024/E3Presentation-bpa-stakeholder-meetingnov4-2024.pdf>

¹⁵ Brattle’s BPA DAM Participation Benefits Study shows that BPA would experience benefits of \$65 million in EDAM as opposed to a loss of \$83 million in Markets+. BPA’s own analysis, conducted by E3, shows that the very market configuration that is most likely to materialize in the West (Alt Split 4A) has by far the worst cost outcome of all the scenarios analyzed, and results ultimately in net costs to BPA and its customers of up to \$28 million.

¹⁶ BPA, DAM Final Policy (May 2025), available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/20250509-dam-final-policy.pdf>

¹⁷ BPA, DAM Record of Decision (May 2025) available at <https://www.bpa.gov/-/media/Aep/about/publications/records-of-decision/2025-rod/rod-20250509-day-ahead-market-policy.pdf>

¹⁸ BPA, *supra* note 1, pages 9-10.

part of that overhaul.¹⁹ Effectively, a major part of BPA’s markets-related software will no longer be compatible with EIM operations after April 1, 2028.

Taken together, these are big structural steps away from a future where BPA and others in the region could potentially operate as part of a single, West-wide electricity market. RNW acknowledges the reasons BPA gives for these decisions: (a) there are qualitative assessments, such as independent governance, that must be balanced against the quantitative ones, (b) BPA does not have the resources to manage operating in the WEIM while also implementing its transition to SPP’s real time and day ahead markets, and (c) it is infeasible to code EIM functionality during the AGC upgrade due to cost, complexity, and task sequencing. To the extent these constraints are a result of staffing and capacity concerns, RNW is sympathetic to BPA’s position – we have long advocated for federal workforce compensation reform to encourage retention of key technical staff at BPA and have made multiple requests of BPA to focus on its core obligations, especially the reliable supply of power through greater transmission development, in the face of significant federal workforce reductions.²⁰ However, since BPA appears to be moving forward with its Markets+ decision even with staffing and capacity concerns, we raise further questions within each of these categories for BPA to address in its Final Decision.

Governance Developments

On the matter of governance, BPA has made sufficiently clear that it weighs independent governance more heavily than it does the economic impact of its market decision to BPA and its customers. In its May 2025 DAM Policy, BPA states it is "not possible to quantify...the attributes of independent governance, but substantial value comes through in the decision process for market design and Bonneville’s ability to influence that design."²¹ By this assessment, there have been major developments in governance frameworks for both EDAM and Markets+ that warrant further discussion. In September 2025, Pathways legislation enabling CAISO’s markets to be governed by a fully independent and regionally appointed Board of the Regional Organization for Western Energy (“ROWE”) passed the California legislature²² – the bill was still making its way through the legislative process when BPA issued its Final Policy and ROD, but its passage effectively renders moot BPA’s longstanding concerns around the “undue influence of

¹⁹ BPA, *supra* note 7, slide 40.

²⁰ BPA, RNW Letter to the Administrator Ahead of BPA’s March 2025 DAM Draft Policy (Mar. 2025), available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2025/rnw-letter-on-bpa-dam-decision.pdf>

²¹ BPA, *supra* note 16, page 40.

²² California State Legislature, Assembly Bill 825, available at <https://legiscan.com/CA/text/AB825/id/3250273>

[the state of California] over EDAM.”²³ Meanwhile in Markets+, where votes within the public power sector are weighted based on load share, BPA has undoubtedly enjoyed an outsized ability to influence market design.²⁴ However, outstanding questions remain for Wave 2 participants around stakeholder balance and eligibility for representation at go-live.²⁵ Meaning, it is not clear yet what voting balance and representation BPA (and other Wave 2 participants) will maintain in the full year between Markets+ going live on October 1, 2027, and Wave 2 participants’ entry on October 1, 2028. RNW does not expect BPA to rehash the governance discussion it offered in its Policy and ROD, but does expect these developments to have shifted BPA’s assessment of the relative independence of CAISO’s markets as well as BPA’s ability to influence Markets+ design for a significant stretch of time before joining the market. As such, we ask BPA to address the following related questions:

- Can BPA explain how – if at all – the passage of the Pathways legislation and subsequent efforts to stand up the ROWE and its Board factor into BPA’s Proposed and Final Decisions to join Markets+?
- Can BPA share its considerations for how it may or may not be allowed to influence Markets+ design after the market has gone live but before BPA is an active market participant? Does this uncertainty pose any material impacts to BPA’s proposed implementation plans?

EIM Exit

On the matter of exiting the WEIM a full year before going live in Markets+, RNW is primarily concerned about the resultant impacts to system costs and reliability. Since 2022, BPA has enjoyed annual benefits of between \$26 and \$36 million from participating in the WEIM, and the WEIM has provided significant reliability and environmental benefits to the region by

²³ BPA, *supra* note 16, page 41. Though CAISO remains the market operator for EDAM, the ROWE Board will be the final adjudicator for tariff changes and is expected to have Section 205 filings rights over the WEIM and EDAM tariffs. By contrast, though Markets+ will be governed by a Markets+ Independent Panel appointed through the Markets+ stakeholder process, it is ultimately the SPP Board of Directors (appointed by stakeholders in SPP’s Eastern RTO footprint) that have Section 205 filing rights over the Markets+ tariff.

²⁴ SPP, Markets+ Phase 2 Funding Agreement (Feb. 2025), *available at* https://www.spp.org/documents/73326/20250221_spp%20markets%20plus%20phase%202%20funding%20agreement_er25-1372-000.pdf. At the time of filing, BPA’s share of the Markets+ Phase 2 funding obligation by MWh was 26.6%, second only to Powerex at 29.7%. Though additional public power entities have since committed to joining the market, the public power vote is still expected to stay heavily weighted towards BPA.

²⁵ Markets+, November 2025 MPEC Meeting Materials, “MIGTF Action Item Focus Areas – Roadmap to Tariff Governance” (Nov. 2025), *available at* <https://www.spp.org/stakeholder-groups-list/western-energy-services-stakeholder-groups/marketsplus-stakeholder-groups/marketsplus-independent-panel/marketsplus-participant-executive-committee/>

supporting access to surplus energy across a broader footprint and by reducing renewable curtailments during periods of oversupply.²⁶ BPA's stated considerations for exiting the WEIM a year before joining Markets+ – namely to "[focus] staff on Markets+," "[minimize] impact on critical transmission projects," "[optimize] resource allocation," and allow "sufficient preparation time"²⁷ – belies an underlying concern that RNW and others have raised in written and verbal comments for some time: BPA does not have the requisite staff or resources to implement Markets+ without significant disruption to the region's electricity costs and reliability.²⁸ Additionally, in a presentation at the February 2026 MPEC meeting, SPP flagged their own hiring delays as a present risk to Wave 1 and Wave 2 implementation.²⁹ Stakeholders have not been given reason to believe that either BPA's or SPP's staffing challenges will be alleviated within the implementation timeframe. As such, RNW believes there is a significant risk that BPA could actually be out of a real time market for *longer* than a year, only exacerbating the loss of economic and reliability benefits from nonparticipation in a regional market for an extended period of time. We ask BPA to address the following related questions:

- At the March 2026 DAM Workshop, staff and stakeholders discussed how the majority of BPA's power transactions today already happen bilaterally, and therefore the WEIM exit is not expected to significantly impact BPA's ability to deliver power. Can BPA provide more details and share further analysis on how its proposed WEIM exit will impact electricity costs and reliability to BPA, to its customers, and to the region? If not, can BPA commit to some cadence of regular and transparent reporting on the actual financial impacts of its decision as implementation progresses?
- At the March 2026 DAM Workshop, BPA stated it was "tracking implementation schedules for SPP Waves 1 and 2 and developing contingency plans for any potential slippage."³⁰ As part of these contingency plans, does BPA strive to limit the time it is not

²⁶ CAISO, WEIM Q4 2025 Quarterly Benefits Report (Feb. 2026), *available at* <https://www.westernenergymarkets.com/documents/iso-western-energy-imbalance-market-benefits-report-q4-2025.pdf>

²⁷ BPA, *supra* note 7, slide 31.

²⁸ When asked at the March 2026 DAM Workshop about how Arizona Public Service ("APS") was planning to switch out of the WEIM and into Markets+, BPA staff confirmed that APS was "cutting over" from the WEIM into Markets+ on the same date. Though stakeholders subsequently highlighted APS' higher dependence on WEIM-optimized power transactions than BPA, the key takeaway is that (with sufficient staff and resources) it is technically feasible to cutover on the same date. In fact, BPA's relative underdependence on WEIM optimized power transactions suggests it should need even fewer resources than APS to maintain its participation in the WEIM until its Markets+ go live date.

²⁹ Markets+, February 2026 MPEC Meeting Materials, "Phase Two Program Update" (Feb. 2026), *available at* <https://www.spp.org/stakeholder-groups-list/western-energy-services-stakeholder-groups/marketsplus-stakeholder-groups/marketsplus-independent-panel/marketsplus-participant-executive-committee/>

³⁰ BPA, *supra* note 7, slide 32.

participating in a real time market to a *maximum* of one year? Meaning, does BPA expect to adjust its EIM exit date based on timely information about SPP's Wave 2 implementation and go live date?

- Does BPA have reason to believe that its or SPP's staffing and capacity challenges will be alleviated within the implementation timeframe?

AGC Upgrades

On the matter of not coding EIM functionality into AGC upgrades, RNW is concerned that this represents a permanent and irreversible step away from a future where BPA and others in the region could potentially operate as part of a single, West-wide electricity market. Though we appreciate the technical complexities of this workstream, especially after BPA's loss of key staff on the effort, RNW believes it is shortsighted of BPA to not allow in its implementation of Markets+ something it seemed able to allow in its implementation of the WEIM (i.e., the ability to reverse its participation).

BPA and other SPP-leaning entities in the West have made a consistent argument that the introduction of two markets in the West increases competition and that "the continuation of this competition benefits Bonneville, its customers and all consumers in the [West]...by maintaining pressure on market operators to continue innovating and improving."³¹ RNW agrees that this competition has in fact resulted in market governance and design solutions that might not otherwise have been resolved with the same sense of urgency,³² but disagrees with the suggestion that this level of competition will continue past the market development stages. Once entities across the West have finalized a market commitment, the only incentive remaining for market operators to "innovate and improve" at the same pace is if there is a possibility that entities could reverse their decisions. BPA makes its commitment to Markets+ at a time when significant questions remain around the market's economic benefits, seams management, staffing challenges, and governance for Wave 2 participants. As such, RNW seeks further clarification on how BPA's decision to not code EIM functionality into its AGC upgrades will enable the "continuation" of market competition and its resultant benefits to BPA, its customers, and all consumers in the West:

³¹ BPA, *supra* note 16, page 70.

³² Two prime examples are the passage of Pathways legislation with subsequent efforts underway to stand up the ROWE, and CAISO's expedited efforts to modify its EDAM congestion revenue allocation methodology, which was approved by FERC in August 2025.

- What assurances does BPA have that the present level of intermarket competition will not wane once market footprints are finalized, and especially once BPA operationalizes an effectively irreversible commitment to Markets+ by not coding EIM functionality?
- What contingency plans does BPA envision for the departure of additional key technical staff assigned to this workstream?
- Has BPA conducted a comparative assessment of the costs to code EIM functionality into its systems *while* AGC upgrades are underway, as opposed to after AGC upgrades are completed?

Reliability Coordinator Switch

BPA proposes to transition from CAISO’s RC West services to SPP’s Western RC services no later than April 1, 2028, to allow “less complex RC oversight” and to more easily leverage Markets+ “if necessary to ensure reliable operations.”³³ BPA also states it is “industry standard to have both [market operation and reliability coordination] served by the same entity” and that BPA has determined it would “gain efficiencies from aligning the two.”³⁴ RNW is broadly in support of BPA pursuing efficiencies where it can. However, BPA’s proposal to switch RC providers is very likely to result in yet another layer of seams across our region by fragmenting a service that, as even BPA recognizes, is intended to have a “wide-area view” of the system. Though the practice of aligning market operator with reliability coordinator may be industry practice in regions where balancing areas (“BAs”) are consolidated into regional transmission organizations (“RTOs”) that interface relatively little with adjacent RTOs, RNW is less convinced that this would be best practice in the non-RTO West, where much higher volumes are transacted between and across adjacent BAs that ultimately share a single transmission system. Recognizing BPA’s statutory obligation in the Northwest Power Act to ensure “reliable power supply” to the region, we strongly urge BPA to continue proactively and transparently engaging its stakeholders on RC switch implementation and any potential seams concerns that may arise as a result.

³³ BPA, *supra* note 1, page 10

³⁴ *Id.*

Conclusion

Once again, we appreciate the opportunity to submit formal comments on BPA's Proposed Decision to join SPP's Markets+. We sincerely hope BPA will take our comments into consideration and look forward to reviewing BPA's responses to the questions raised herein.

Respectfully Submitted,

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