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## Western Area Power Administration

Powering the energy frontier

### WAPA and Markets

Volume 4, Issue 2

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Welcome to the April issue of the *WAPA and Markets* newsletter. This issue provides timely updates across WAPA's major energy market activities currently under evaluation and development.

WAPA continues to participate in the multiple market developments, studies and dialogues underway in the Western Interconnection. Here's the latest on these activities:

#### DSW goes live in CAISO's WEIM

On April 5, WAPA began financially binding participation in the California Independent System Operator's (CAISO's) Western Energy Imbalance Market (WEIM) for the Western Area Lower Colorado Balancing Authority (BA) operated out of WAPA's Desert Southwest (DSW) region.

This important milestone is the culmination of nearly four years of diligent staff effort and hard work to lay the critical systems and foundations in place that have resulted in successful implementation. WAPA staff across multiple functional organizations remained committed to continuous customer engagement throughout the process to ensure their needs were met.

More information on DSW's effort is available on the [DSW energy imbalance market activities webpage](#).

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#### DSW executes agreement for SPP Markets+ Phase One development

On April 11, WAPA's DSW region executed an agreement with the Southwest Power Pool (SPP) to participate in Phase One of the Markets+ development. As more and more customers and entities in the Southwest evaluate the SPP Markets+ day-ahead market proposal, it makes sense for DSW to also participate in this work. DSW staff remains committed to continuing to focus on the CAISO WEIM go-live, as well as monitor CAISO's Extended Day Ahead Market (EDAM) developments.

DSW participating in the development of Markets+ provides critical insights and understanding of intricate nuances of Markets+ as WAPA identifies best paths forward that protect the value of hydropower and transmission services. WAPA remains committed to fully analyzing, exploring and understanding alternative ways of doing business to make the best decisions based on WAPA's core statutory mission, regional circumstances and customer needs.

For more information on SPP's day-ahead market design, visit the [SPP Markets+](#) webpage.

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#### CAISO Extended Day Ahead Market

On Feb. 1, the CAISO Board of Governors and the Energy Imbalance Market Governing Body approved the CAISO EDAM proposal. On March 30, CAISO posted draft tariff language for review and a public stakeholder meeting is scheduled for April 10. Comments on the draft tariff language will be due April 28, and CAISO is targeting filing the tariff revisions with the Federal Energy Regulatory Commission (FERC) by the end of June. WAPA will continue to follow these developments closely.

Subject to FERC approval, CAISO expects its EDAM market to go live in late 2024 or early 2025. PacifiCorp has committed to participation and is expected to initiate a stakeholder process for their tariff modifications, likely after the completion of the CAISO tariff provisions. Other announcements about participation may be made in the coming months.

For more information on CAISO's day-ahead market design, visit the [CAISO EDAM](#) webpage.

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#### SPP Regional Transmission Organization-West

On Feb. 28, WAPA's Administrator and CEO decided to proceed with a *Federal Register* notice (FRN) process to solicit written comments from customers and other stakeholders on WAPA's recommendation for the Colorado River Storage Project (CRSP) and Rocky Mountain (RM) to pursue final negotiations to join the SPP Regional Transmission Organization (RTO), and for Upper Great Plains (UGP) to expand its participation in the Western Interconnection.

The FRN does not represent a decision to join or expand participation in the SPP RTO. Instead, the purpose of the FRN is to provide an opportunity for written comments from our customers, Native American Tribes and stakeholders to help inform our decision about whether to proceed to final negotiations.

Publication of the FRN is expected in late April or early May and will initiate a 45-day public comment period. WAPA will hold at least one virtual customer and stakeholder meeting, to provide an overview of the recommendation to pursue final negotiations with SPP concerning membership and expansion of membership in SPP. WAPA will carefully consider all comments received to decide whether full SPP RTO membership in the Western Interconnection will provide long-term value for CRSP, RM and UGP customers amid a rapidly changing electric industry. Concurrent with the comment process, WAPA will also conduct a separate Tribal government outreach meeting.

Stay apprised of the latest news regarding this effort, including virtual meeting information, at the [SPP RTO membership exploration webpage](#) located on [The Source](#).

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### **Western Energy Imbalance Service Market updates**

On March 16, SPP released the Western Energy Imbalance Service (WEIS) 2022 benefits report. The analysis found that WEIS participants received net market benefits of \$31.7 million in 2022, with a benefit-to-cost ratio of seven to one. By participating in WEIS, UGP's Western Area Upper Great Plains West BA and RM's Western Area Colorado Missouri BA continue to achieve costs savings in the BAs, and for customers embedded in the Balancing Authority Areas.

CRSP, RM and UGP participate in WEIS for both economic and reliability reasons. As the percentage of dispatchable capacity resources continues to decline, and as drought strains the capabilities of federal hydropower generators, the resources available to the BAs to balance supply and demand in real time are becoming increasingly limited. The centralized WEIS dispatch leverages a greater diversity of generation resources across the full market footprint, which supports WAPA's BAs in continuing to provide reliable service.

In April, the Public Service Company of Colorado BA will join WEIS, which is expected to increase the reliability and economic benefits of market participation for all entities by increasing the pool of generation and transmission resources available to the market.

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Thank you for reading the *WAPA and Markets* newsletter. For more information, call your regional representative or visit the [WAPA and Markets webpage](#) on The Source.

Consistent with the *Power Forward 2030* strategic direction, WAPA will continue to work closely with customers, generating agencies and others to identify the best path forward that protects the value of hydropower and transmission services, as well as power system assets, for the benefit of preference customers and the nation.

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