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Western Area Power Administration

Powering the energy frontier

WAPA and Markets

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Welcome to the October issue of the *WAPA and Markets* newsletter. As WAPA continues to explore the multiple market developments, studies and dialogues, this newsletter aims to provide updates across WAPA's major energy market activities currently under evaluation and development in the Western Interconnection.

WAPA pursues final negotiations with SPP RTO for CRSP, RM and UGP

On Sept. 8, 2023, WAPA's Administrator and CEO Tracey A. LeBeau issued a Decision Letter authorizing WAPA's [Colorado River Storage Project](#) (CRSP), [Rocky Mountain](#) region (RM) and [Upper Great Plains](#) region (UGP) to pursue final negotiations with the Southwest Power Pool (SPP) regarding Regional Transmission Organization (RTO) membership/expanded participation. As part of the final negotiations, WAPA will develop implementation details for a pseudo-tie for CRSP customers from the Western Area Colorado Missouri Balancing Authority Area (BAA) to the Western Area Lower Colorado (WALC) BAA to address CRSP customer concerns about the potential implications of RTO membership for entities outside the footprint.

On Oct. 10, WAPA provided commitment agreements to SPP for CRSP, RM and UGP. These commitment agreements bind WAPA to pay its shares of SPP's project implementation costs if the RTO expansion does not go live. However, if the RTO expansion does go live, those costs will be included in SPP's administrative fees and allocated across the entire SPP RTO footprint. If the final negotiations with SPP are successful, CRSP and RM will then execute SPP membership agreements and UGP will expand its participation in SPP.

SPP RTO go-live in the Western Interconnection is projected for spring 2026. Participating in this initiative to expand the SPP RTO into the West is consistent with WAPA's commitment to develop alternative ways of doing business to retain and increase the value of WAPA's resources in a dynamic energy industry. We are committed to keeping pace with changes in the industry to ensure that we, along with our customers, are well-positioned for the continued success of our mission to safely provide reliable, cost-based hydropower and transmission to our customers and the communities we serve.

Additional information is available on WAPA's [SPP RTO membership exploration webpage](#) located on [The Source](#).

Sierra Nevada continues to engage on CAISO Extended Day Ahead Market (EDAM)

On Aug. 22, the California Independent System Operator (CAISO) filed tariff amendments for the EDAM. On Sept. 20, WAPA's Sierra Nevada region (SN) and Desert Southwest region (DSW) filed an intervention with comments in the Federal Energy Regulatory Commission (FERC) EDAM tariff proceedings, FERC Docket No. ER23-2686. The comments focused on transmission revenue recovery, transmission loss accounting, project use delivery without added constraints and costs, and EDAM settlement allocation.

SN continues to work with its host balancing authority, the Balancing Authority of Northern California (BANC), and CAISO to develop pathways to address its concerns. On Sept. 26, SN held the first meeting with all of its customers to discuss the features of EDAM, the issues that SN faces, and evaluation and decision processes for joining the EDAM. Should SN decide to join the EDAM with BANC, the earliest deployment date would be spring 2026.

At the Sept. 21 board meeting, CAISO CEO Elliot Mainzer announced the go-live for EDAM has been shifted from the original 2024 to 2026. For more information on CAISO's day-ahead market design, visit the [CAISO EDAM](#) webpage.

DSW analyzes results and refines processes in CAISO's WEIM

Since April 5, WAPA has been participating in CAISO's Western Energy Imbalance Market (WEIM) for the WALC Balancing Authority operated out of WAPA's DSW region. DSW staff continues to work with vendors and industry experts to finalize market settlement allocations to customers. DSW is also working

on an ongoing market results review process, which replaces joint review with CAISO for the first six months of participation.

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

DSW continues to monitor day-ahead market formation efforts

On April 11, DSW executed an agreement with SPP to participate in Phase One of the Markets+ development and has participated in various task force and working group meetings focusing on tariff development. DSW has also continued to monitor CAISO's EDAM efforts. DSW is working with other regions to preserve transmission and statutory requirements unique to WAPA within the new operating framework of both options.

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

West-wide Governance Pathways Initiative

WAPA is aware of the state-sponsored West-wide Governance Pathways Initiative (WWGPI) as prompted by the [July 14 letter](#) signed by a subset of Western state utility representatives addressed to the Western Interstate Energy Board (WIEB) and Committee on Regional Electric Power Cooperation. Information, including comments provided by regional entities, is available on the [WIEB website](#). As power utilities and governments in the West continue to explore strategies to adapt their electricity systems, new recommendations and proposals are offered from a variety of entities from time to time. WAPA remains committed to continuously monitoring activities in the West and, where appropriate, fully analyzing, exploring and understanding alternative ways of doing business to make sound business decisions based on WAPA's statutory mission, regional circumstances and customer needs.

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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