

Welcome to the November issue of the *WAPA and Markets* newsletter. As WAPA continues to explore energy market developments, studies and dialogues, this newsletter aims to provide updates about WAPA's involvement in the many market initiatives currently underway in the Western Interconnection.



DAY-AHEAD MARKETS CONTINUE TO MOVE FORWARD

Entities continue to consider their options for day-ahead market participation. Some will choose the California Independent System Operator (CAISO) Extended Day Ahead Market (EDAM). Others will choose the Southwest Power Pool (SPP) Markets+, and some may maintain "status quo" imbalance-only market participation.

WAPA holds to our guiding market principles to evaluate market participation on a region-by-region basis and make decisions with full consideration of the unique characteristics of each region. Competition between market operators in the West is producing multiple options for WAPA and other utilities to choose from, resulting in refined product offerings that we expect to benefit consumers.

WAPA's Administrator and CEO Tracey LeBeau announced at the CAISO 2024 Stakeholder Symposium on Oct. 30, 2024, that WAPA's Sierra Nevada (SN) region will start negotiating an EDAM participation agreement with CAISO. The EDAM go-live date for SN, along with the Balancing Authority of Northern California, is targeted for April 2027.

On Oct. 23, Arizona G&T Cooperatives (AzGT) announced its interest to pursue a study to assess the benefits of the CAISO EDAM for its cooperative members, public power utilities and electric districts. While an initial step, the review focuses on the potential benefits of joining EDAM for AzGT customers that are part of WAPA's Desert Southwest (DSW) region/Western Area Lower Colorado balancing authority area.

WAPA's participation in the EDAM study reflects a strong partnership with our customers in DSW. This collaboration underscores WAPA's commitment to exploring new opportunities alongside our customers, ensuring that decisions align with shared objectives for a reliable, affordable and resilient energy future. By working together, we are better positioned to evaluate the potential benefits of CAISO's EDAM for the entire region.

For Markets+, SPP filed the Tariff with the Federal Energy Regulatory Commission (FERC) in March 2024. On July 31, FERC issued a letter requiring additional information. SPP responded on Sept. 20 with a request for a response from FERC by Nov. 19. Multiple Markets+ development committees continue to meet, and SPP is in the process of negotiating Phase 2 funding agreements. A group of entities has issued a series of [alerts](#) discussing key governance and market design differences between the competing markets. While not directly engaged, WAPA will continue to monitor this initiative closely. Markets+ go-live is targeted for the second quarter of 2027.

More information is available on the [CAISO EDAM webpages](#) and the [SPP Markets+ webpages](#).



SPP RTO EXPANSION IMPLEMENTATION ACTIVITIES CONTINUE, TARIFF REVISIONS WITH FERC

Implementation activities continue for the expansion of the SPP Regional Transmission Organization (RTO) into the West. WAPA is working with SPP, the participants, and other customers on zonal placement, consolidation of transmission planning, revisions to generation interconnection processes, transition of Balancing Authority functions, direct current tie optimization, seams coordination, market protocols, business practices, and greenhouse gas tracking and accounting.

WAPA's Colorado River Storage Project (CRSP) and its Southern Division customers continue to make progress on finalizing the pseudo-tie/Glen Canyon Allocator. With this arrangement, CRSP will retain a portion of its transmission system from Glen Canyon to Pinnacle Peak to deliver a specific amount of Glen Canyon hydropower associated with CRSP's Southern Division customers to WAPA's Western Area Lower Colorado Balancing Authority. Discussions with the steering team and customers are ongoing.

Revisions to SPP's governing documents are necessary to enable the expansion of the RTO into the Western Inter-

connection. On June 4, SPP filed revisions to their Tariff, Bylaws and Membership Agreement with FERC. On Oct. 3, FERC issued a letter identifying specific areas where more information is needed to process the revisions. SPP developed responses, and WAPA provided additional content to support our previously submitted testimony. SPP filed their responses to FERC on Nov. 4 and requested an order from FERC by Jan. 15.

A second important regulatory step is authorization from the Colorado Public Utilities Commission (PUC) for Tri-State Generation and Transmission Association to join the RTO. The rules for the application and approval processes were finalized by the PUC and approved Sept. 25.

The project remains on schedule for an April 2026 go-live.

For additional information on WAPA's overall SPP RTO activities, visit [WAPA's SPP RTO membership exploration webpages](#).



WEST-WIDE GOVERNANCE PATHWAYS INITIATIVE

WAPA has participated in the West-Wide Governance Pathways Initiative Launch Committee (Pathways) as a non-voting member since its inception in 2023. In addition to our participation on the Launch Committee, WAPA subject matter experts engaged in three of the five working groups that developed the recently published Draft Step 2 Straw Proposal, with the goal of supporting the continued discussion and development around improved market efficiency and recognizing the significance and importance of collaboration across the Western Interconnection. Using

WAPA's market principles as our guide, we will continue to appropriately engage in conversations within the Launch Committee as the initiative continues to evolve, and we consider the unique characteristics and needs of our regions, prioritize reliability and ensure our market participation optimizes value for WAPA customers.

For more information, see the [Pathways initiative webpages](#).



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.

