



NW Energy Coalition

BPA Day-Ahead Markets Decision

February 14, 2025

Bonneville Power Administration, like all utilities in the region, is evaluating the two day-ahead electricity markets being developed in the west, EDAM or Markets+. Because BPA is the biggest actor in the electric sector in the Northwest, this decision will shape the scale of future benefits under either market option for all electricity users in our region.

BPA is already participating in the Western Energy Imbalance Market (WEIM) and seeing significant financial benefits from this market - over \$98 M in lower power costs since 2022.¹ There is no problem with BPA staying the course with WEIM and waiting to further evaluate the developing day-ahead market options. BPA has said they won't be operating in any day-ahead market until 2028.

Best Strategy for BPA Now: Stay in the WEIM. Continue to evaluate day-ahead market options as both EDAM and Markets+ evolve and develop. Continue to support effective and independent market governance for as broad a western market as possible.

Developing an independently governed interconnected western electricity market is essential to control costs, increase reliability, and meet growing energy needs. At the present time, BPA can affirmatively indicate that it sees value in an independently governed broad western electricity market without choosing a particular day-ahead market. BPA can continue to work with all interested parties in the region to assess the market developments over the coming year and then make a more informed decision. Now is the time to let these two market options further develop before BPA declares for one or the other.

Why Should BPA Hold on Making a Choice between EDAM and Markets+?

- The impact of this decision will affect the reliability and affordability for Northwest power consumers for years to come. BPA is facing significant backlogs on the transmission and interconnection side of operations and staffing challenges. A markets decision will only make staffing of core mission more challenging.
- Markets + is still under development.
- Fully independent EDAM market governance is also still under development.
- BPA's decision should be based on solid economic analysis using the most current data and modeling. All of the many regional market studies including BPA's own show that two markets in the Northwest would greatly increase cost and reliability risk.

BPA will issue a draft position Letter to Region on March 6th. This letter should declare interest in a broader western power market, commitment to stay in the WEIM, and a desire to continue to engage in governance and market development efforts for both EDAM and Markets+.

¹ WEIM Benefits Report available at: <https://www.westerneim.com/Pages/About/QuarterlyBenefits.aspx>