

October 25, 2024

## Powerex Corp. Comments on Portland General Electric's Proposed Tariff Revisions for EDAM Participation

Powerex submits these comments on Portland General Electric's ("PGE's") proposed changes to its Open Access Transmission Tariff ("OATT") to enable its planned participation in the California ISO's Extended Day-Ahead Market ("EDAM"). PGE's proposed OATT revisions appear to largely follow the lead of PacifiCorp, whose proposed revisions have been opposed by many of its transmission customers, including Powerex.<sup>1</sup> As discussed below, the proposed changes to PGE's OATT—like those proposed by PacifiCorp—would largely eliminate the two primary benefits that transmission customers obtain as a result of their investment in firm transmission service: (1) the ability to receive the economic value when the path they have invested in is congested, and (2) the priority to flow ahead of deliveries on lower-priority transmission service. In addition, PGE's proposal fails to provide the critical ability for its customers to utilize their transmission rights to support participation in organized markets other than EDAM.

Firm point-to-point service provides OATT customers with a crucial ability to manage the impact of congestion on their physical deliveries. Powerex understands that the transition to EDAM by a transmission service provider ("TSP") means that transmission delivery schedules will be financially settled as a sale at the point of receipt and a purchase at the point of delivery, and that this in turn will create exposure to the price difference between the two locations in periods when there is congestion. In order for transmission customers with firm transmission rights to be protected against congestion charges in the EDAM, consistent with the benefits provided by firm transmission rights outside of organized markets, it is critical that the congestion revenues collected by the EDAM Market Operator be returned to the holders of firm transmission rights over the congested facilities. This will not occur under PGE's proposed OATT revisions, however. Instead, congestion revenues collected by the Market Operator will be returned to PGE, who will then allocate these congestion revenues to all Measured Demand.<sup>2</sup> ***Thus, under PGE's proposal, the economic value of firm transmission service that has been reserved and paid for by existing transmission customers will be re-distributed and broadly socialized by PGE, and firm transmission rights will no longer provide protection against congestion to the customers that invest in those transmission rights.***

---

<sup>1</sup> Due to the broad similarity of PGE's proposed tariff revisions to PacifiCorp's June 4 proposed tariff revisions, comments to those PacifiCorp proposed revisions are applicable here. See, e.g., June 27 comments of Powerex ([link](#)) and August 30 comments of Joint Customers ([link](#)).

<sup>2</sup> Att. P, Section 7.3.1 ("Transmission Customers with Interchange will have their bid-in or Self-Scheduled imports and exports settled against the EDAM market-clearing price for the applicable price."); The only provisions regarding the allocation of congestion revenue appears to be Section 7.3.6.1 (Day-Ahead Congestion Offset sub-allocated to "Measured Demand minus balanced ETCs and TORs"). Transfer Revenue allocation is set forth in Section 7.1 (allocated directly by MO for certain transmission capacity made available to EDAM; for amounts allocated by the MO to PGE, PGE will sub-allocate Transfer Revenue to "Measured Demand.").

PGE’s proposed revisions also sharply limit the ability of customers to ensure their physical deliveries on firm transmission service will have priority to flow when not all deliveries can be accommodated. As currently proposed, only self-schedules using firm transmission service submitted prior to the close of the day-ahead market will be assigned a high priority in EDAM.<sup>3</sup> After that time, EDAM Transfers will be able to utilize the “unused” firm transmission capacity customers have not yet self-scheduled, such that and any intra-day schedules on firm transmission rights will “share” priority with those EDAM Transfers. The proposed revisions will place new restrictions on transmission customers’ ability to make use of firm scheduling priority on their reserved transmission capacity in order to make more transmission capacity available for EDAM transfers.

PGE’s proposed revisions also lack a mechanism for transmission customers to “opt out” of having their reserved capacity used in EDAM, and instead use that transmission capacity to support connectivity in an alternative organized market. A transmission customer *must* have the ability to indicate its intention to use firm transmission rights to support its participation in an organized market—even where the TSP does not participate in that organized market—and for the TSP to therefore set aside that transmission capacity through real-time and not treat it as unused. This is a long-established ability that has been essential to providing PGE with connectivity to the Western EIM for nearly a decade through a “carve out” of Bonneville transmission rights between PGE’s BAA and other EIM BAAs (*e.g.*, Puget Sound Energy). The lack of clarity in PGE’s tariff contrasts sharply with the Markets+ tariff, which explicitly provides to all transmission customers of all Markets+ TSPs the right to opt-out of having their reserved transmission capacity used in Markets+, and instead use it for other purposes of their choosing, including for use in EDAM. It would be a clear violation of reciprocity for EDAM and/or WEIM entities to continue to use transmission service on other transmission systems to enable connectivity in that market while PGE refuses to provide similar functionality to its transmission customers seeking to enhance connectivity in Markets+.

There is an urgent need for PGE to meaningfully engage with its transmission customers on this topic, as several transmission customers (including those intending to participate in Markets+) need to make transmission investment decisions now, including whether or not to renew existing rights and/or to commit to new transmission service. At a minimum, PGE should provide a clear and unambiguous commitment to enabling transmission customers to carve out their firm transmission rights in order to use those rights in an organized market other than EDAM. PGE transmission rights that are carved out in this manner would neither be subject to EDAM charges, nor receive any EDAM-related congestion revenues.

For the above reasons, Powerex believes that the proposed PGE OATT revisions are deeply problematic and will likely trigger substantial opposition from interested entities across the region when filed at FERC. But even if ultimately approved and implemented, the revisions are ill-advised, as they can be expected to eliminate much of the business justification for transmission customers to invest in PGE transmission service. The loss of most or potentially all of PGE’s third-party

---

<sup>3</sup> Att. P, Section 3.1.2.

transmission revenue—and the shift of these transmission costs onto PGE’s native load customers—is not only an unwarranted and unnecessary harm to both third-party and native load customers, it is an outcome that has not been considered in any of the available EDAM benefit studies.