

Markets+ Phase 2 Funding Update

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November 4, 2024



CHELAN COUNTY

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Why we're here today

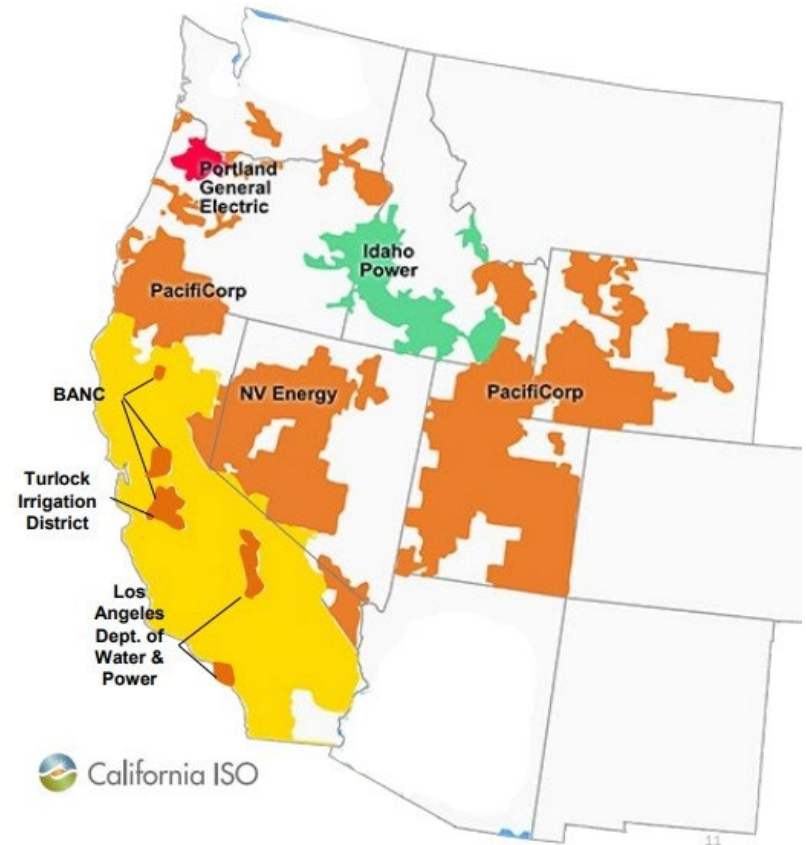
- Status update on Extended Day Ahead Market (EDAM) and Markets+ development
- Overview of Markets+ Phase 2 funding
- Prepare for Markets+ Phase 2 funding decision during November 18th Board meeting

No Board action requested today



EDAM Status Update

- California Independent System Operator is extending its market to other balancing authorities.
- Four entities intend to join: PacifiCorp, Balancing Authority of Northern California, Portland General Electric, Los Angeles Department of Water & Power.
- Idaho Power and NV Energy are leaning toward EDAM.
- Federal Energy Regulatory Commission (FERC) approved the tariff in December 2023.
- Go-live estimate is 2026.

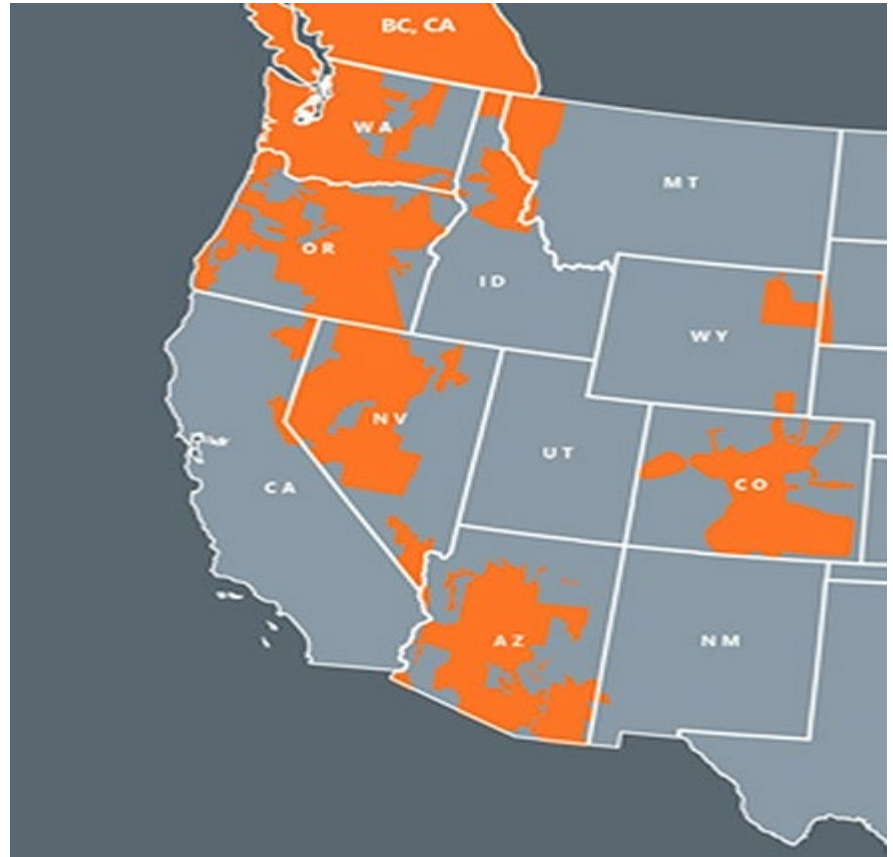


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Markets+ Status Update

- Over 30 Western entities (13 utilities + stakeholders) developed Markets+ with Southwest Power Pool (SPP).
- Markets+ tariff is waiting for FERC approval, expected November 20th.
- Upon FERC approval, SPP is ready to move into Markets+ implementation (“Phase 2”).
- **Critical mass of funding utilities needed for Phase 2.**
- Go-live estimate is 2027.



Markets+ Phase 2 Funding

- During Phase 2, SPP will acquire software, hardware and staff to build Markets+ while participating utilities are integrated into the system.
- The expected Phase 2 cost is \$150 million.
- Utilities' Phase 2 funding contributions are based on retail load amounts.



Markets+ Phase 2 Funding, cont.

- The PUD's Phase 1 share was ~0.6%.
- We anticipate a critical mass of utilities will commit to Phase 2.
- The PUD's Phase 2 share estimate is ~0.7% and amounts to ~\$1-1.2 million.
- **Staff considers funding Phase 2 a prudent investment that helps ensure continued viability of Markets+.**



Markets+ Phase 2 Funding, cont.

Activity	2024				2025				2026				2027			
	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27
Phase 1 - Tariff and Protocols	Phase 1															
FERC Filing of M+ Tariff	29-Mar															
Protocol Development																
Parking Lot Prioritization																
Filing Support																
Anticipated Order																
Phase 2 Contract Discussions																
Phase 2 Commitments																
Phase 2 - Implementation	Phase 2															
Continued Parking Lot Work																
SPP Development/Testing																
Participant Activities																
Trials and Parallel Ops																
Go-live																



Next Step

- Nov 18th Board Meeting: Request Board resolution approving Markets+ Phase 2 funding



Questions?

