Guidance: Reporting rules for calendar year 2026 relevant to centralized electricity markets



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Summary

Ecology clarifies that, for calendar year 2026, provisions applicable to the "energy imbalance market" within WAC 173-441-124(3)(v) apply equally to entities participating in Western Energy Imbalance Market (WEIM)¹ and Extended Day-Ahead Market (EDAM). Additionally, for markets operating in Washington State, Ecology advises market participants and market operators to prepare for attribution of specified imports beginning January 1, 2027.

Details

In December 2024 through the <u>Electricity Markets rulemaking</u>, Ecology adopted amendments to WAC 173-441 (Reporting of Emissions of Greenhouse Gases Rule) and WAC 173-446 (Climate Commitment Act Program Rule). These updates to the Cap-and-Invest Program established a framework to account for specified electricity imports through centralized electricity markets (CEMs).

Briefly, under the framework:

- The deemed market importer is the market participant that successfully offers electricity from a resource or system into a CEM and the electricity is deemed or attributed to Washington by the methods put in place by the market operator of that CEM (WAC 173-441-124(2)(b)).
- The deemed market importer is the entity responsible for reporting emissions and any compliance obligation within the Cap-and-Invest Program associated with imported electricity from resources or systems attributed to Washington within a CEM (WAC 173-441-124(2)(f)(iii), WAC 173-441-124(3)(v), WAC 173-446-030(1)).

Market operators are currently developing mechanisms to support specified electricity imports through CEMs consistent with the adopted deemed market importer framework. The California Independent System Operator (CAISO) is the market operator for the Western Energy Imbalance Market (WEIM), a real-time market currently operating within Washington, and the Extended Day-Ahead Market (EDAM), anticipated to begin operation in Washington in Spring 2026.

To provide time for development and transition to the deemed market importer framework, updated reporting rules adopted in December 2024 also specified that

 Through calendar year 2026 for electricity imported through the WEIM (referred to as the "energy imbalance market"), the reporting entity is not the deemed market importer, but remains the retail provider or market participant located or operating in Washington that receives a delivery of electricity facilitated through the WEIM (WAC 173-441-124(3)(v)(A)).

¹ The Western Energy Imbalance Market is referred to as the "energy imbalance market" in WAC 173-441-124(3)(v).

- Through calendar year 2026, for electricity imported through the WEIM the reporting entity
 must separately report power obtained from the WEIM based on annual totals of electricity
 purchased in MWh (WAC 173-441-124(3)(v)(B)).
- Starting January 1, 2027, for all imported electricity attributed to Washington through a CEM, the deemed market importer is the reporting entity and must report both power and emissions associated with the attributed electricity (WAC 173-441-124(3)(v)(C)-(D)). The deemed market importer will also be responsible for the compliance obligation associated with any reported emissions that are covered under the Cap-and-Invest Program (WAC 173-446-030(1)).

Ecology notes that all optimization of electricity supply from market resources and attribution of imported electricity to Washington through the day-ahead market, EDAM, ultimately occurs in real-time, within the WEIM. For this reason, Ecology clarifies that provisions applicable to the "energy imbalance market" within WAC 173-441-124(3)(v), apply equally to entities participating in WEIM and EDAM. For calendar year 2026, electric power entities must continue to calculate greenhouse gas emissions consistent with WAC 173-441-124, inclusive of WAC 173-441-124(2)(f)(iv), 173-441-124(3)(b)(iv), and 173-441-124(3)(d).

Additionally, for markets operating in Washington State, Ecology advises market participants and market operators to prepare for attribution of specified imports to Washington beginning January 1, 2027.

Contact

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