Feedback requested on centralized electricity markets and electricity imports

Ecology is seeking comments to aid development of potential reporting rules and guidance for imported electricity. Ecology may update reporting methods for electric power entities (WAC 173-441-124) as a part of the Cap-and-Invest Program Updates and Linkage Rulemaking.

Submit comments by 11:59 pm on Feb. 20, 2026 at:
https://ecology.commentinput.com?id=3EcWra5QH

Ecology invites interested parties to meet with Ecology staff to discuss the topics below in addition to or as an alternative to submitting written comment. Please contact CCAelectricity@wa.ecy.gov if interested in a meeting. Ecology also welcomes interested parties to reference or attach previous comments if appropriate.

Ecology requests that feedback consider Cap-and-Invest Program goals for the development of rules for electricity reporting including:

- Recognizing the complexity and liquidity of electricity flows within WA
- Providing consistent treatment for all electric power entities
- Protecting environmental integrity of the program, capturing imported emissions associated with serving WA demand, and protecting against emissions leakage
- Enabling linkage with other jurisdictions

Ecology has highlighted topics where specific feedback is requested but invites comment on any concepts proposed below.

Resources

- Cap-and-Invest Program Updates and Linkage Rulemaking
  - Links to June 2025, March 2025, and November 2024 workshops.
- Electricity Markets Rulemaking (adopted December 2024)
- Previous public comments on electricity imports and centralized electricity markets
  - 2025 informal comment period
  - 2024 informal comment period
- Proposed amendments to the California Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR)
  - Rulemaking page
  - Proposed regulatory language

Timing of potential updates to WAC 173-441-124

Ecology staff propose that any updates to electric power entity (EPE) reporting rules (WAC 173-441-124) be written to take effect on January 1, 2027.

"Electricity wheeled through the state"

In June 2025, Ecology published an initial concept to implement "electricity wheeled through the state" in WAC 173-441-124:

- Add definition of "electricity wheeled through the state": Definition would mirror RCW 70A.65.010(28).
- Add definition of "common point": "Common Point" means, for purposes of identifying electricity wheeled through the state, any PORs and PODs within the same balancing authority area located entirely in Washington.
- Clarify that identification of electricity "wheeled through the state on separate e-tags within the same hour" is only applicable to unspecified imports and unspecified exports.
- Consider if "wheel throughs" could be implemented in MJRP and ACS emission factor calculations aligned with the proposed implementation of electricity wheeled through the state on separate e-tags.

Ecology received feedback on the June 2025 concept which prompts additional consideration:

- Commenters requested Ecology clarify treatment of PORs and PODs located fully within Washington but within a multi-state balancing authority, within the definition of "common point".
- Commenters indicated general support for expanding "wheel-through" concept to ACS and MJRP reporting.

Requested specific feedback

Ecology staff request additional feedback to further refine implementation of "electricity wheeled through the state".

- Treatment of PORs and PODs located fully within Washington but within a multi-state balancing authority
    - Ecology staff request commenters clarify what PORs and PODs they consider to be "located fully within Washington but within a multi-state balancing authority". Is this a reference to PORs/PODs that are both within Washington and a multi-state balancing authority area (BAA), but are not associated with the multi-state BAA's common system power pool? For example, would commenters consider the POPDImport POR/POD (Pend Oreille) within Avista's BAA or the Cowlitz POR/POD within BPA's BAA to be "located fully within Washington but within a multi-state balancing authority"? In contrast, would commenters consider POR/PODs that are associated with the multi-state balancing authority's common system power pool, such as MIDC-NNH for PacifiCorp's BAA or AVA.SYS for Avista's BAA, to be excluded from POR/PODs that are "located fully within Washington but within a multi-state balancing authority"?

    - Do entities that are not the multi-state balancing authority themselves engage in wheel-throughs that sink/source from PORs/PODs that are "located fully within Washington but within a multi-state balancing authority"?
- Applying the "wheel-through" concept to MJRP and ACS emission factor calculations
    - Is there a difference between the ACS or MJRP selling unspecified power versus selling "system" power? In other words, can an ACS or MJRP sell unspecified power that is distinct from the ACS or MJRP "system" power?
    - For MJRP EF calculations, how should the "wheel-through" concept be consistently applied across the MJRP reporting tool, including the "Unspec Purchases" and "WA WSP Unspec Purch" tabs?
- How should "wheel-throughs" that are exported to a linked jurisdiction be treated? Ecology staff requests interested parties consider that WA ("imported electricity" definition, WAC 173-441-124(2)) and potential linkage partner rules specify imports from a linked jurisdiction will not incur a compliance obligation, consistent with the first jurisdictional approach.

Energy storage systems

WAC 173-441-124 does not contain provisions specific to electricity imports from electricity storage systems (ESSs). Electricity imports that do not meet specified source requirements are required to be reported as unspecified imports. The California Air Resources Board (CARB) has proposed updating MRR (17 CCR §95111) to add provisions specific to ESSs, detailing how ESSs can be used to claim specified source imports.

If Ecology were to update WAC 173-441-124 to address ESSs, similar to CARB's proposed updates, it would generally involve:

- Defining "energy storage systems" or "ESSs": A device, structure, or operation designed and used to store electric potential from electric power that discharges electric power as imports into Washington. All ESS, unless registered with a reported and verified emissions factor are not specified sources.
- Adding provisions specifying treatment of ESSs
    - Unregistered ESSs are not specified sources
    - Unregistered ESS can be used to store and claim specified source power from primary generation sources if all specified source requirements are met
    - Registered ESSs can be treated as specified sources
- Defining "primary generation source": Resource that generates electric power that is not an energy storage system.
- Adding ESS loss factor (ELF) to calculation of emissions from imports from specified sources and unspecified sources
    - CO_2e = MWh x TL x EF x ELF

    - ELF = 1 for power not delivered through an ESS or for power delivered from a registered ESS with a calculated specified emission factor
    - ELF = 1.18 for power delivered through ESS sources to account for losses within the storage system
    - ELF = 3.00 for power delivered through an ESS that stores power as hydrogen produced by electrolysis to account for losses within the storage system
- Adding reporting and verification requirements for registered ESSs to determine emission factor and/or ELF
    - See framework in MRR proposed rule (17 CCR §95111(i))
    - ESS EF determined by unspecified and specified sources charging the ESS in the previous year divided by the net discharge in the previous year
    - ELF determined by unspecified and specified MWhs charging the ESS in the previous year divided by the net discharge in the previous year
- Adding a provision requiring that electricity importers must report if any electricity imports originated from, were stored in, or passed through an ESS along the transmission path, if not already required to be reported pursuant to other sections of this article.

Requested specific feedback

- Should Ecology prioritize this rulemaking incorporating an ESS framework into 173-441-124 as summarized above or with amendments?
- How soon are ESSs likely to support imports into WA? Are ESSs anticipated to support imports into WA in the next three years?
- If an ESS framework is not incorporated in this rulemaking, how should Ecology address any imports from ESSs that occur before an ESS framework is incorporated into rule?

Aggregated zero-emissions generation sources

CARB has proposed updating EPE reporting within MRR to enable "aggregated zero-emissions generation sources" to be claimed as a specified source. See 17 CCR §95111(a)(13) in MRR proposed rule.

Requested specific feedback

- Should Ecology incorporate an "aggregated zero-emissions generation sources" framework as proposed by CARB or with amendments?
- What would be the benefit of incorporating an "aggregated zero-emissions generation sources" framework?

Composite source generation sources

Interested parties have requested that Ecology incorporate a "composite source" accounting framework into rule. As described by interested parties, a composite source framework would enable entities to demonstrate that electricity imports from a "composite source POR" in a multi-state BAA was supported by energy being generated by a resource in Washington.

Commenters have requested that Ecology incorporate a composite source accounting framework by:

- Defining "Composite Source Point of Receipt or composite source POR" as a point of receipt at which electricity generated by multiple facilities or units is aggregated."
- Adding a provision that exempts imported electricity supported by Washington resources at a composite source POR located within a multi-state BAA.
- Adding the following provision specifying documentation requirements for composite source accounting
    - "Additional information to document electricity separately accounted for under this chapter. The EPE must separately report for each hour of the reporting year in a format designated by Ecology:
        - The volume of electricity imports from a common source POR;
        - The volume of electricity on the e-tag generated by a generating facility or unit, or storage facility located in Washington in the same hour, and
        - The net volume of electricity imported from a common source POR after deduction of the volume of electricity in (b) above"

Requested specific feedback

Ecology staff request interested parties provide feedback on how "composite source" accounting could be incorporated in a manner consistent with the existing EPE reporting framework in rule and that preserves the environmental integrity of the Cap-and-Invest Program. Ecology staff suggest interested parties consider additional requirements or reporting aligned with these priorities. Ecology staff suggest interested parties review specified source requirements including seller warranty requirements and direct delivery requirements in WAC 173-441-124, guidance on these topics issued by Ecology, and the requirements for aggregated zero-emissions generation sources as proposed by CARB.

Federal Power Marketing Agency (FPMA) backstop: centralized electricity markets (CEMs)

In June 2025, Ecology published an initial concept to create a backstop electricity importer when a federal power marketing administration (FPMA) is the deemed market importer, but the FPMA has not elected to join the Cap-and-Invest Program.

June 2025 initial concept to update the definition of "electricity importer" (WAC 173-441-124(2)(f)):

…

(iii) For imported electricity assigned, designated, deemed, or attributed to Washington through a centralized electricity market, the electricity importer is the deemed market importer;

…

(xx) If the importer identified under (f)(iii) of this subsection is a federal power marketing administration over which Washington does not have jurisdiction, and the federal power marketing administration has not voluntarily elected to comply with this chapter:

(a) Where the imported electricity is contracted to a Washington retail provider, the electricity importer is that retail provider;

(b) Where the imported electricity is not contracted to a Washington retail provider, the electricity importer is the retail provider that receives a pro rata attribution of electricity; and

(c) The imported electricity under this subsection (f)(xx) is considered to be a specified source of electricity provided by the federal power marketing administration.

Note that "(xx)" is a placeholder until incorporated into the electricity importer definition.

Ecology received feedback on the June 2025 concept which prompts additional consideration:

- Commenters requested Ecology broaden the proposed electricity importer definition in WAC 173-441-124(2)(f)(xx)(a) to include both retail providers and retail end users. Commenters indicate this is needed to address that a contracted purchaser of FPMA power is not necessarily a retail provider.
- Commenters requested that Ecology clarify in guidance or in rule how a pro rata attribution, indicated in WAC 173-441-124(2)(f)(xx)(b), would be calculated. Commenters suggested basing a pro rata attribution on the difference between an entity's dispatched or contracted resources in a particular hour versus the entity's load in a particular hour. Commenters suggested leveraging post-market accounting and reporting reports to inform the pro rata attribution.

Based on feedback, Ecology staff are considering:

- Revising the electricity importer definition to acknowledge that FPMA energy could be contracted to entities that are not retail providers. Ecology staff propose WAC 173-441-124(2)(f)(xx) to read:

(xx) If the importer identified under (f)(iii) of this subsection is a federal power marketing administration over which Washington does not have jurisdiction, and the federal power marketing administration has not voluntarily elected to comply with this chapter:

(a) Where the imported electricity is contracted to a Washington retail provider **or retail end user,** the electricity importer is that retail provider or retail end user;
(b) Where the imported electricity is not contracted to a Washington retail provider **or retail end user,** the electricity importer is the retail provider or retail end user that receives a pro rata attribution of electricity; and

- Developing guidance on how Ecology will calculate the pro rata attribution. Given the complexity of this topic and evolution of relevant CEMs and reporting structures, Ecology staff propose this topic is, in the near-term, clarified in guidance after consultation with market participants, market operators, and interested parties. Ecology staff understand that, in theory, a pro rata attribution could be a) based on a retail provider's total retail load, similar to the framework used in the outstanding emissions calculation in MRR (§95111(h)(2)), or b) based on a retail provider's "net purchases" from the market as potentially calculated via a post-market accounting and reporting approach.

Requested specific feedback

Are there concerns with the proposed approach described above?

"Electricity Importer" definition: non-CEMs

When accounting for imported electricity, Ecology seeks to ensure that:

- All electricity imports to Washington are appropriately reported pursuant to WAC 173-441-124
- Wherever possible, prioritize the first jurisdictional approach by assigning the import obligation at the most upstream point feasible
- Any MWh of imported electricity incurs a compliance obligation at a single point-of-regulation

Ecology has received feedback that Ecology should consider updating rule or guidance to ensure EPE reporting associated with FPMA power or imports follow these principles.

As discussed in the June 2025 workshop, Ecology is also seeking to ensure there is a clear point of regulation when electricity is scheduled via an e-tag to Washington load in an MJRP BAA that is not served by that MJRP, notably industrial load not served by a FPMA.

Based on feedback, Ecology staff are considering updating the electricity importer definition (WAC 173-441-124(2)(f)(viii)) to clarify the responsible electricity importer for imports not associated with CEMs:

"Electricity importer" means:

(i) For electricity that is scheduled with an e-tag to a final point of delivery into a balancing authority area located entirely within Washington state, the electricity importer is identified on the e-tag as the purchasing-selling entity on the last segment of the tag's physical path with the point of receipt located outside Washington state and the point of delivery located inside Washington state;

(ii) For facilities physically located outside Washington state with the first point of interconnection to a balancing authority area located entirely within Washington state when the electricity is not scheduled on an e-tag, the electricity importer is the facility operator or owner;

(iii) For imported electricity assigned, designated, deemed, or attributed to Washington through a centralized electricity market, the electricity importer is the deemed market importer;

(iv) For electricity from facilities allocated to serve retail electricity customers of a multijurisdictional electric company, the electricity importer is the multijurisdictional electric company;

(v) If the importer identified under (f)(i) or (f)(xi) of this subsection is a federal power marketing administration over which Washington state does not have jurisdiction, and the federal power marketing administration has not voluntarily elected to comply with this chapter, then the electricity importer is the next purchasing-selling entity in the physical path on the e-tag, or if no additional purchasing-selling entity over which Washington state has jurisdiction, then the electricity importer is the electric utility that

operates the Washington state transmission or distribution system, or the generation balancing authority;

(vi) For electricity that is imported into the state by a federal power marketing administration and sold to a public body or cooperative customer or direct service industrial customer located in Washington state pursuant to section 5 (b) or (d) of the Pacific Northwest Electric Power Planning and Conservation Act of 1980, P.L. 96-501, and (f)(i), (f)(v), (f)(viii), (f)(ix), or (f)(xi) of this subsection do not apply, the electricity importer is the federal marketing administration;

(vii) If the importer identified under (f)(vi) of this subsection has not voluntarily elected to comply with this chapter, then the electricity importer is the public body or cooperative customer or direct service industrial customer;

(viii) For electricity that is imported into the state to a designated scheduling point inside the balancing authority area of a federal power marketing administration, and there is no POD in Washington earlier on the physical path of the e-tag, the importer is the purchasing selling entity on the e-tag at the last point on the physical path that is not the sink;

(ix) If the importer identified under (f)(viii) of this subsection is a federal power marketing administration that has not elected to voluntarily comply with this chapter, then the importer is the retail provider with which the scheduling point is associated; or

(x) For electricity from facilities allocated to a consumer-owned utility inside Washington state from a multijurisdictional consumer-owned utility, the electricity importer is the consumer-owned utility inside Washington state.

(xi) For electricity that is scheduled with an e-tag to a discrete Washington load or Washington designated scheduling point inside a multi-state balancing authority area, that is not served by an MJRP, the electricity importer is identified on the e-tag as the purchasing-selling entity on the last segment of the tag's physical path with the point of receipt located outside Washington state and the point of delivery located inside Washington state;

(xii) FPMA CEMs backstop placeholder

Requested specific feedback

- Are there concerns with updating the "electricity importer" definition as described above?
- Regarding WAC 173-441-124(2)(f)(v), when do interested parties believe this provision would apply: "or if no additional purchasing-selling entity over which Washington state has jurisdiction, then the electricity importer is the electric utility that operates the Washington state transmission or distribution system, or the generation balancing authority"?
- It is Ecology staff understanding that WAC 173-441-124(2)(f)(vi) captures instances when FPMA power is provided to Washington load within the FPMA multi-state BAA, and an e-tag is not generated. Instead of the update proposed above, should Ecology update WAC 173-441-124(2)(f)(vi) to indicate it should only be applied in instances when an e-tag is not generated?

Unspecified imports from CEMs: Point-of-regulation

Markets+ (M+) will enable unspecified attribution of non-GHG zone generation to the WA GHG zone. Under M+, unspecified source imports are not assigned to any specific resource or group of resources and are not limited to resources which have voluntarily offered to be attributed to the GHG zone. The "deemed market importer" framework is not extensible to unspecified imports attributed under M+. Ecology must address what entity(s) should be responsible for reporting and compliance obligations associated with unspecified source imports attributed to the WA GHG Zone.

Ecology received feedback on this topic within the Electricity Markets Rulemaking.

Based on feedback, Ecology staff are considering:

- Revising the electricity importer definition so that the electricity importer for unspecified imports attributed to the GHG zone within a CEM would be associated with load in the GHG zone. To enable this framework the electricity importer definition could be updated to read:

  (iii) For imported electricity assigned, designated, deemed, or attributed to Washington through a centralized electricity market, excluding unspecified electricity, the electricity importer is the deemed market importer;

  (xx) For imported electricity that is unspecified electricity and assigned, designated, deemed, or attributed to Washington through a centralized electricity market, the electricity importer is the retail provider or retail end user that receives a pro rata attribution of electricity;

- Developing guidance on how Ecology will calculate the pro rata attribution. Given the complexity of this topic and evolution of M+ and reporting structures, Ecology staff propose this topic is, in the near-term, clarified in guidance after consultation with market participants, market operators, and interested parties. Ecology staff understand that, in theory, a pro rata attribution could be a) based on a retail provider's total retail load, similar to the framework used in the outstanding emissions calculation in MRR (§95111(h)(2)), or b) based on a retail provider's "net purchases" from the market as potentially calculated via a post-market accounting and reporting approach.

Requested specific feedback

Are there concerns with the proposed approach described above?

"Deemed Market Importer" definition

Under current rule the "deemed market importer" is the electricity importer for electricity imported into Washington through a centralized electricity market:

> ""Deemed market importer" means a market participant that successfully offers electricity from a resource or system into a centralized electricity market and the electricity is assigned, designated, deemed, or attributed to be serving Washington electric load by the methodologies, processes, or decision algorithms that are put in place by the market operator of that centralized electricity market for purposes of reporting under this rule and approved by the department of ecology. For the energy imbalance market and extended day ahead market, the deemed market

importer is the participating resource scheduling coordinator if the methodologies, processes, or decision algorithms by which the electricity is assigned, designated, deemed, or attributed to be serving Washington electric load for purposes of reporting under this rule are approved by the department of ecology."

EPE reporting within MRR follows a similar construct, where in the proposed rule:

- The "CAISO Scheduling Coordinator" is the electricity importer for electricity imported into California through CAISO centralized electricity markets.
- "CAISO Scheduling Coordinator" is defined as "the CAISO market(s) participant scheduling coordinator, resource owner or operator, or a third-party designated by the resource owner or operator that is certified by the CAISO and enters into the pro forma CAISO Scheduling Coordinator Agreement, under which it is responsible for meeting the requirements specified in the CAISO Tariff on behalf of the resource owner or operator."

It is Ecology staff understanding that under both WA and CA EPE reporting rules, the point-of-regulation for imports from centralized electricity markets (either the "deemed market importer" or "CAISO Scheduling Coordinator") is the entity responsible for scheduling a resource into the market and is not necessarily the resource owner. This is consistent with the first jurisdictional deliverer approach and established framework for identifying the electricity importer for imports scheduled on an e-tag, where the electricity importer is not necessarily the out-of-state resource owner, but the entity identified as "responsible" for placing power onto the state's grid.

Ecology has received feedback that Ecology should consider modifying the "deemed market importer" definition to identify the "asset owner" and not the market participant that offers or schedules the resource onto the market.

This would involve modifying the definition of "deemed market importer" to read

> ""Deemed market importer" means an asset owner that has its electricity successfully offered ~~a market participant that successfully offers electricity~~ from a resource or system into a centralized electricity market and the electricity is assigned…."

Requested specific feedback

- Do interested parties support maintaining the current definition of "deemed market importer" or should Ecology consider modifying the definition as suggested?
- Would moving the point of regulation to the "asset owner" be consistent with the first jurisdictional deliverer approach and the framework already established for identifying the electricity importer for imports scheduled on an e-tag?
- Under existing market processes, would "asset owners" receive the information necessary to report attributed resources and MWh to Washington state?

"Dynamic tag" definition

Both CA and WA EPE reporting rules use the concept of "dynamically tagged power" in similar ways. CARB has proposed defining "dynamic tag" or "dynamically tagged power" or "dynamic schedule" or "dynamic interchange schedule" to "mean a telemetered reading or value that is updated in real time to reflect the specified transmission of electric power from a generation source in an interval on a NERC e-Tag."

Requested specific feedback

Should Ecology prioritize further defining "dynamically tagged power" in this rulemaking? If so, should Ecology incorporate the definition proposed by CARB?

Specified source registration

Both CA and WA EPE reporting rules require specified sources to be registered by EPEs. EPE specified source registration requirements are in WAC 173-441-124(3)(f). CARB has proposed simplifying specified source registration requirements. If Ecology were to update WAC 173-441-124 to simplify specified source registration requirements, similar to CARB's proposed update, it would generally involve:

- Deleting WAC 173-441-124(3)(f)(i)(E)-(L)
- Deleting WAC 173-441-124(3)(f)(ii)

Requested specific feedback

Should Ecology prioritize simplifying "specified source registration" in this rulemaking? If so, should Ecology simplify as proposed above?

Surplus and emissions leakage

Ecology is still considering how to account for and mitigate the risk of emissions leakage associated with centralized electricity markets . Emissions leakage risk will be dependent on overall market dynamics including market footprints, general market designs, and market GHG-specific designs. Mechanisms and rules to account for emissions leakage risk is important when considering the environmental integrity of the Cap-and-Invest Program and an area Ecology is invested in analyzing and developing. Towards this effort, Ecology will prioritize receiving information from market operators and market participants to better inform assessments of emission leakage and risk.