Day Ahead Market Implementation

Briefing for the Tacoma Public Utility Board

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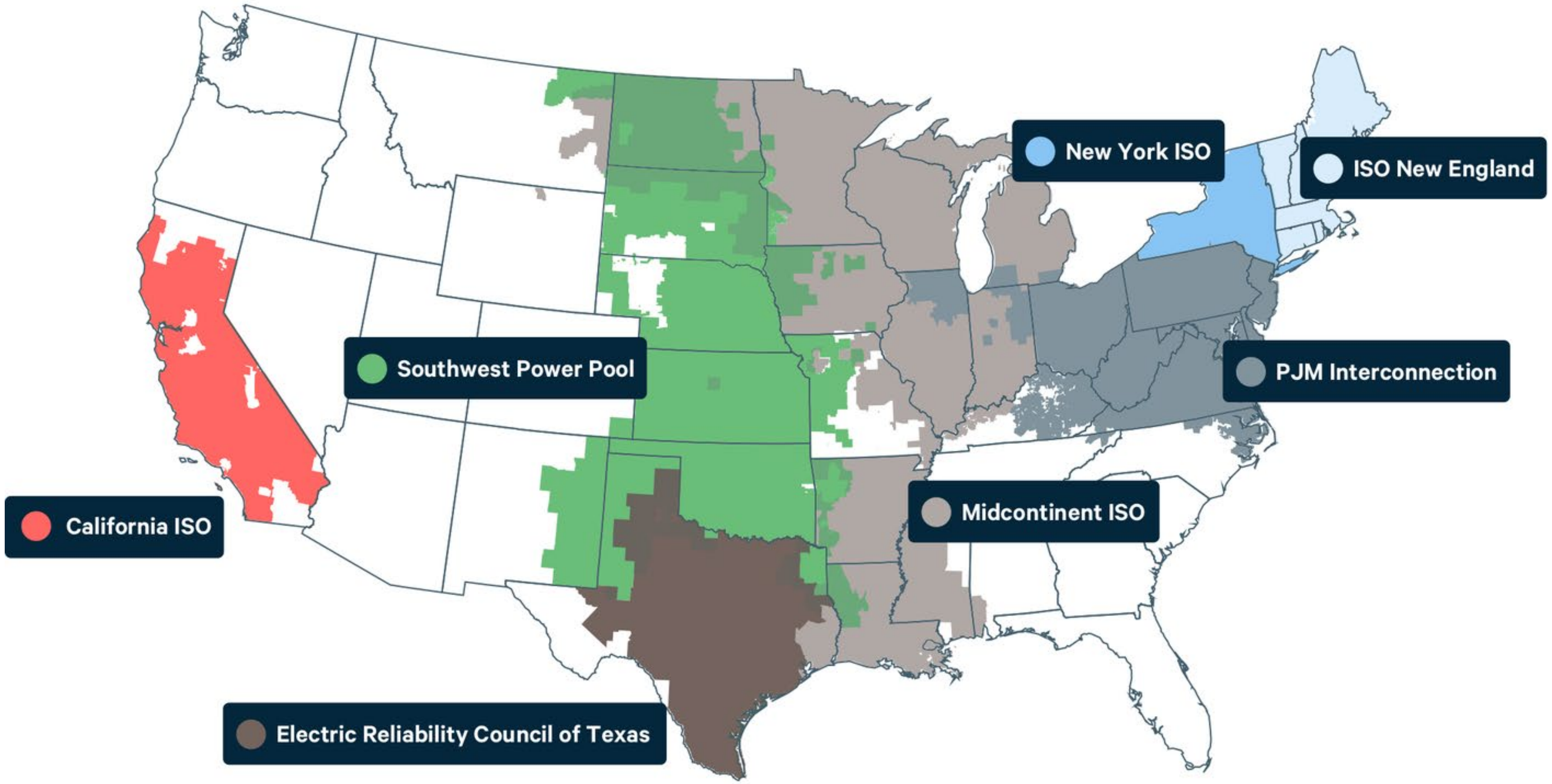
TACOMA POWER
TACOMA PUBLIC UTILITIES

Day Ahead Market Implementation

What is an organized market?

Market Evolution

- ✓ Organized energy markets are prevalent across the United States.
- ✓ In a day-ahead market (DAM), a software tool chooses what generation will meet load optimally, at the lowest cost.
- ✓ Participants in the market decide and bid what their generation will cost to run.
- ✓ In a DAM, the software tool determines how to meet load optimally for a *whole day.*



Day Ahead Market Implementation

Our decision to join SPP Markets+

On 10.23.2024 Tacoma Power staff presented our rationale for joining SPP Markets+ to the Tacoma Public Utility Board

On 11.9.2024 the Public Utility Board passed resolution U-11494 authorizing execution of the SPP Markets+ Phase II funding agreement

On 1.16.2025 the Federal Energy Regulatory Commission (FERC) approved the Markets+ tariff

On 2.12.2025 Director Flowers executed the funding agreement

On 2.27.2026 Tacoma Power announced that we would be joining Markets+ in October 2028

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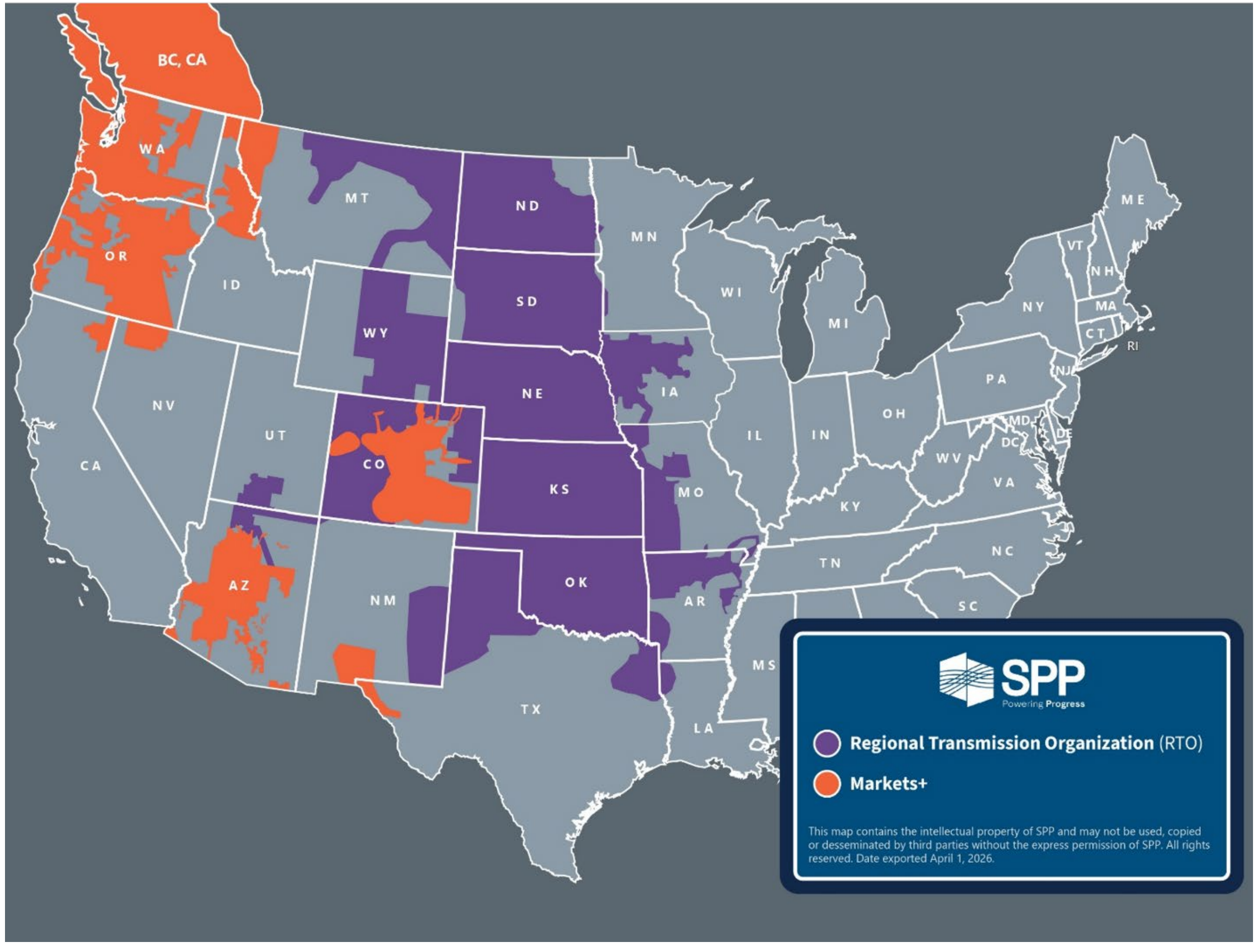
SPP’s expanding footprint



Wave 1: October 2027	Arizona Public Service
	Powerex
	Salt River Project
	Tri-State G&T
	Tucson Electric Power
	Xcel/Public Service Company of Colorado
Wave 2: October 2028	Bonneville Power Administration
	Chelan County PUD
	Grant County PUD
	Puget Sound Energy
	Tacoma Power

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What do we need to do to join?

Readiness Phase

Onboard New Staff	Contract Solicitation	Program Charter & Governance	Readiness Workstreams

Implementation Phase

Business Process Design	Organizational Change Management	Software/Interface Design, Build, Configuration, and Testing	Reliability Coordinator (RC) Switch	Energy Imbalance Market (EIM) Offboarding	Market Testing & Operational Readiness

Post Go-Live Support

Stabilization, Remediation of Issues, and Post-Market Support

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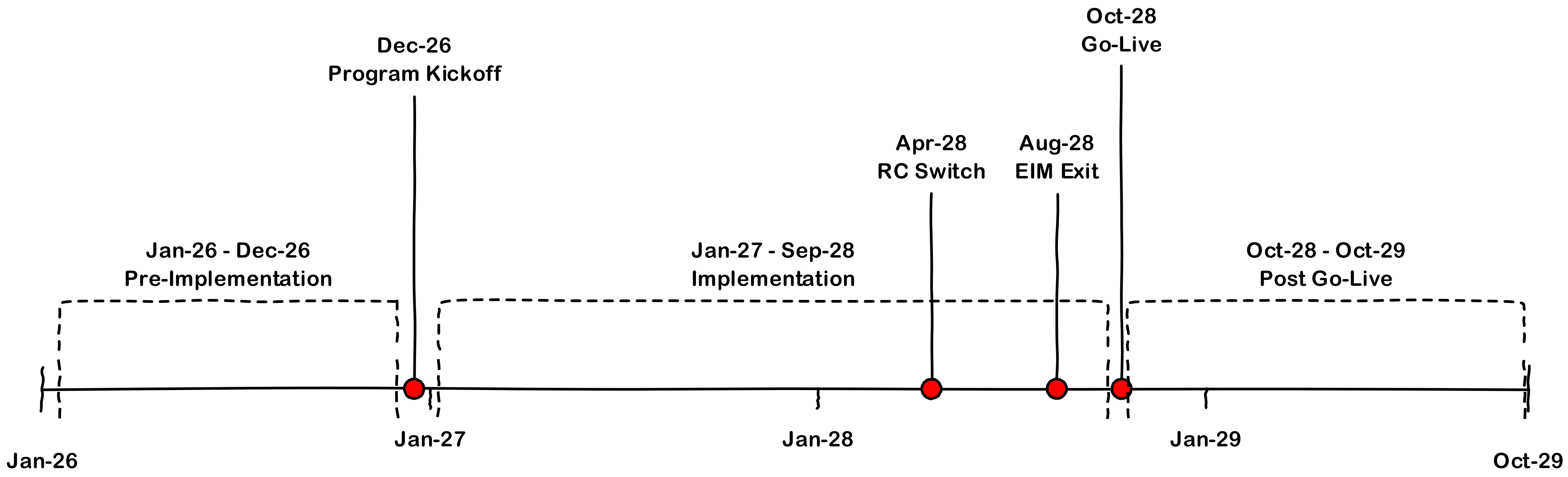
What is the timeline for joining?



Staffing requirements met via reallocations

Power Management

- 1.0 FTE – Power Management System Engineering (Filled via Reallocation)
- 1.0 FTE – Resource Operations (Filled via Reallocation)
- 1.0 FTE – Organized Market Operations (Filled via Reallocation)
- 1.0 FTE – Term & Day-Ahead Trading (Reallocation Identified; Recruitment in Q326)

Transmission & Distribution

- 1.0 FTE – T&D System Operations (Filled via Reallocation)

Market implementation contracts for Public Utility Board approval

Contract	Program Management & Organizational Change Management	System Integrator	Software
Solicitation	Request for Proposals	Direct Negotiation	Request for Information – Then Direct Negotiation
Estimated Cost	$3,000,000	$5,900,000	$5,000,000*

*This is the budgeted amount for the 2027/2028 biennium – the final contract will likely cover several additional years.

Current contract progress and timelines

Program Management and OCM

- Request For Proposals published end of April, bids due June 23rd.
- Targeting late Q3 to finalize contract.

System Integrator

- Targeting Q3 2026 for a direct negotiation.

Software

- Request For Information planned late Q3 2026.
- Targeting early 2027 to finalize contract.