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# MARKET STRUCTURE PRINCIPLES

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PNUCC is an association comprised of consumer and investor owned utilities in the Pacific Northwest. Members focus on key issues facing the region's electric utility industry that impact supply, demand, costs, environmental effects, and reliability of the electric power system. The diversity of the PNUCC membership provides a unique opportunity to identify common interests.

Recent development and expansion of the California ISO (CAISO) Energy Imbalance Market (EIM), and current market economics have renewed regional interest regarding benefits of organized power markets. Organized markets offer the potential of reliable wholesale power and transmission at lower cost. Accordingly, nearly two-thirds of the US currently operates under some form of organized wholesale power and transmission market.

**PNUCC recognizes that potential benefits of well-functioning markets include:**

1. Optimized economic dispatch of generation resources to provide energy and ancillary services.
2. Regional resource adequacy and capacity planning to ensure reliability.
3. Coordinated transmission planning.
4. Efficient operating reserves.
5. Efficient integration of low-carbon, variable energy resources and distributed energy resources.
6. Efficient integrated coordinated services.

The following PNUCC Principles provide a foundation for general, overarching policy discussions on topics that could potentially influence the structure of a market for the Northwest. The intent is to increase awareness of the value of a market framework that incorporates principles under which the benefits of a well-functioning market would be gained.

**PNUCC thinks a reliable, well-functioning organized market must:**

1. Ensure fair and transparent recovery of transmission costs for utilization of the transmission network.
2. Ensure independent, representative governance that accommodates participating load serving entities and multistate and Federal jurisdictions.
3. Ensure adequate resource and transmission planning standards for the benefit of all customers.
4. Ensure transparent price formation mechanisms that reflect bids from identified resources including ancillary services.