



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

INTERGOVERNMENTAL AFFAIRS

April 15, 2024

In reply refer to: AIR-7

The Honorable Tina Kotek  
Governor of Oregon  
254 State Capitol  
Salem OR 97301-4047

Dear Governor Kotek:

Thank you for your March 28, 2024 letter *Re: Bonneville Power Administration's Day-Ahead Market Participation Evaluation*.

On April 4, 2024, Bonneville issued the attached letter sharing staff's initial findings, preliminary legal assessment, and recommendations regarding our day-ahead market participation. A public comment period will remain open through early May and a public workshop with a focus on the policy letter is planned for May 8<sup>th</sup>. Bonneville will continue to hold workshops through August to discuss public comments and work through day-ahead market-related scenarios. At the end of August, Bonneville will release a draft policy on day-ahead market participation. This draft policy will either validate the staff recommendation or lay out an alternative direction. The final day-ahead market policy and Record of Decision will be released near the end of November 2024.

The decision of whether to join a day-ahead market, and, which one—the Southwest Power Pool's Markets+ or the California Independent System Operator's Extended Day-Ahead Market—will be based on a thorough assessment. The April 4 letter describes the evaluation of numerous principles, including: reliability, resource adequacy, greenhouse gas accounting, and impact to our customers and constituents, and considers the assessment of the Western Markets Exploratory Group cost benefit study. We also explicitly assessed the governance models for both markets and stress the significant importance of ensuring that a market does not give priority consideration of the needs of one state over another.

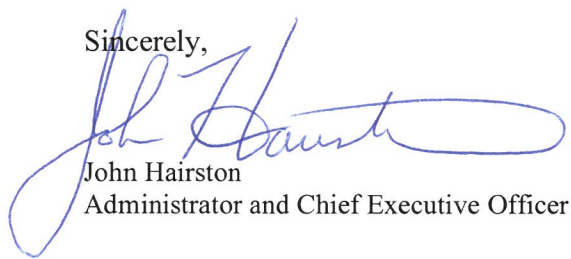
Market participation has potential benefits to Bonneville customers and to the Pacific Northwest region. These include improvements to the reliability and efficiency of the region's electric power system, which would benefit the transition to cleaner energy. Bonneville has engaged in each proposed design for day-ahead market initiatives to ensure that Bonneville's customers are able to meet applicable state requirements. Bonneville will similarly ensure that participation in a day ahead market will not impact our ability to meet any of our environmental and Tribal obligations and commitments, including the 12.14 agreement. Bonneville is not the only regional entity evaluating day-ahead markets or making the decisions about which market to

join—utilities throughout the state and region are undertaking similar evaluation processes. Bonneville’s ongoing public process strives to provide full and transparent discussion of these issues and all the evaluation principles detailed in the April 4 letter.

The April 4 policy letter provides analysis and recommendations on many topics related to day-ahead market participation, including market seams. Bonneville has experience working to find solutions to seams issues and believes that the markets under consideration can coordinate in an efficient and cost effective manner.

I appreciate your identification of Oregon’s policy priorities and I am committed to continuing to consider them in our evaluation. I would welcome the opportunity to discuss these matters with you directly. Please feel free to contact me directly or Hannah Dondy-Kaplan, Bonneville’s Oregon Constituent Account Executive, [hadondy-kaplan@bpa.gov](mailto:hadondy-kaplan@bpa.gov); 503-230-3100.

Sincerely,



John Hairston  
Administrator and Chief Executive Officer