



OREGON STATE LEGISLATURE

March 26, 2024

The Honorable John Hairston
Administrator
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Re: *Concerns over Bonneville Power Administration's Process to Evaluate Benefits and Impacts Associated with Day-Ahead Market Participation*

Dear Administrator Hairston:

We are writing to express our concerns regarding the Bonneville Power Administration's (BPA) process for evaluating day-ahead market participation.

The Oregon Legislature has been tracking the conversation around evolving energy markets in the west closely and has passed two pieces of legislation to determine benefits and impacts related to energy markets. SB 589 (2021) directed the Oregon Department of Energy to establish a task force to evaluate studies and identify gaps related to energy market evolution and culminated with a report to the legislature ahead of the 2022 session. In the 2024 short session, the Legislature passed SB 1581 which requires Oregon's investor-owned utilities (IOU) to report on an annual basis on activities that the utility has taken or is taking toward participating in regional markets.

It is imperative that legislators understand the consequences that consumers may experience related to day-ahead markets. We are aware that BPA intends to issue a decision soon on its market preference. However, to our knowledge the metrics BPA is relying on to make this determination have not been shared with the public, state agencies or utilities. Likewise, from our analysis, it appears that the single published metric BPA is using (the Western Markets Exploratory Group study) considers the financial benefits/impacts to BPA itself but does not provide any indications of benefits/impacts on the region or on utility customers.

We are looking for answers to these questions:

- How do the benefits/impacts to BPA customers differ between the California Independent System Operator's (CAISO) Extended Day-Ahead Market (EDAM) versus the Southwest Power Pool's (SPP) Markets + offering?

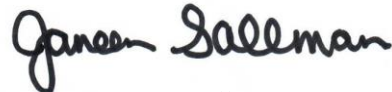
- What are the impacts to Oregon utility customers associated with BPA leaving the Western Energy Imbalance Market, should BPA decide to join SPP Markets +?
- What are the impacts on costs associated with use of BPA's transmission system for Oregon utility customers if BPA is in a different market than Oregon IOUs or Consumer-Owned Utilities?
- How does BPA's participation in a day-ahead market support or impact Oregon's clean energy mandates, system reliability and resource adequacy?
- How does BPA's decision on a day-ahead market affect the region's challenges related to expanding transmission?
- How does BPA's decision on a day-ahead market impact the ability of the region to track greenhouse gasses associated with electricity generation?

We respectfully request that these questions be reviewed with the Legislature and shared with Oregon utility customers before any decisions are made related to BPA's day-ahead market participation.

Sincerely,



Representative Pam Marsh
Chair, House Committee on Climate, Energy
& Environment



Senator Janeen Sollman
Chair, Senate Committee on Energy &
Environment

CC:

Karin Power and Morgan Gratz-Weiser, Office of Governor Tina Kotek
Ben Schreiber, Office of Senator Jeff Merkley
Sydney Beasley, Office of Senator Ron Wyden
Olivia Wilhite, Office of Congresswoman Val Hoyle
Nick Owen, Office of Congresswoman Suzanne Bonamici
Danna Almeida, Office of Congresswoman Lori Chavez-DeRemer
Weldon Cousins, Office of Congressman Cliff Bentz
Kalia Hood and Jamie Painter, Office of Congressman Earl Blumenauer
Ben Owens, Office of Congresswoman Andrea Salinas
Department of Energy Deputy Secretary David M. Turk
Department of Energy Undersecretary of Infrastructure David Crane