



October 20, 2023

John Hairston
Administrator & Chief Executive Officer
Bonneville Power Administration
via email to jhairston@bpa.gov

Re: Day Ahead Market Participation

Dear Administrator Hairston:

Renewable Northwest (“RNW”) writes to urge Bonneville Power Administration (“Bonneville”) to slow down its evaluation of potential day-ahead market (“DAM”) options to allow for more fulsome consideration of the alternatives before the agency, namely the Southwest Power Pool (“SPP”) Markets+ and California Independent System Operator (“CAISO”) Extended Day-Ahead Market (“EDAM”) DAMs, but also to allow concepts like the West-Wide Transmission Plan (“WWTP”),¹ the West-Wide Governance Pathways Initiative (“WWGPI”)² and the backstop subscription mechanism proposed by the Northwest and Intermountain Power Producers Coalition (“NIPPC”) and RNW (“Backstop Concept”)³ to be considered contemporaneously along with Markets+ and EDAM before any DAM policy decision is made. RNW cautions that making an expedited decision between Markets+ and EDAM with the limited analysis currently available could prove to be a very costly mistake for both Bonneville and the region. A delay is therefore warranted to ensure the agency has the full support of regional stakeholders and to avoid making decisions without the full support of the agency’s public power customers.

Several months back, RNW urged Bonneville to “be a leader” in the conversation around development of emerging market options. Our intent behind this request was for Bonneville to hold forums to learn about the needs of their customers and constituents and allow the customer’s needs to take priority. Our impression thus far is that Bonneville is making decisions on behalf of its customers, in a vacuum, with little transparency behind this decision-making process. The significance of Bonneville’s DAM decision to the agency’s customers can hardly be understated, but given Bonneville’s unique role in the region, this decision will also have unprecedented repercussions throughout the region. Bonneville’s DAM determination could jeopardize the viability of Oregon and Washington’s new clean energy targets or hamper RTO/ISO opportunities in the West. RNW understands the Western Markets Exploratory

¹ Western Power Pool, Western Transmission Expansion Coalition Concept Paper for a West-Wide Transmission Plan (October 2023), *available at* [https://www.westernpowerpool.org/news/wpp-reveals-concept-for-transmission-planning-grou#:~:text=%E2%80%93%20The%20Western%20Power%20Pool%20today,Transmission%20Expansion%20Coalition%20\(WTEC\)](https://www.westernpowerpool.org/news/wpp-reveals-concept-for-transmission-planning-grou#:~:text=%E2%80%93%20The%20Western%20Power%20Pool%20today,Transmission%20Expansion%20Coalition%20(WTEC)).

² In July, various western state commissioners submitted a letter to the leadership of the Western Interstate Energy Board (“WIEB”), the Western Interconnection Regional Advisory Body (“WIRAB”) and the Committee for Regional Electric Power Cooperation (“CREPC”) to explore creating an independent entity that could deliver market services throughout the West and ameliorate some of the governance concerns associated with CAISO and EDAM.

³ In May, NIPPC and RNW began discussions with Bonneville to explore opportunities for investor-owned utilities to serve as backstop “subscribers” or “tenants” for new transmission capacity until independent power producers could fill in that capacity, which would allow Bonneville to move forward with transmission expansion projects without requiring the project to be fully subscribed during the agency’s open season process.

Group (“WMEG”) study that Bonneville is discussing at the October DAM meeting indicates that Bonneville’s DAM decision could potentially undermine the value of California’s renewable generation and potential linkage arrangements. Given the gravity of the moment, Bonneville must do more than simply meet its statutory obligations or focus on increasing the value of the federal hydro system. RNW understands that Bonneville wishes to be involved and “at the table” for important SPP Markets + decisions. Our impression of the working group and Markets + Executive Committee process thus far is that participants are feeling rushed into voting on issues which are not fully fleshed out or to which they have not had adequate time to consider. From our perspective the process seems arbitrarily rushed to compete with the CAISO EDAM process without much thought to the implications of a hurried process without full stakeholder support. RNW hopes that Bonneville will provide the leadership needed to ensure that stakeholders throughout the region understand the foreseeable impacts associated with Bonneville’s DAM participation in addition to ascertaining a clear business case that supports Bonneville’s DAM decision. RNW further thinks it is reasonable for Bonneville and other influential market participants in SPP’s Markets+ initiative to ask for a more reasonable timeline to review important tariff details before being rushed to make important decisions with major implications across the west.

To that end, Bonneville must provide transparent access to the costs and benefits associated with each alternative and permit adequate discussion time to vet the options before making any determinations about its potential DAM participation. Based on the limited comments posted to date, there is widespread concern among stakeholders that Bonneville’s current expedited schedule will fail to permit adequate time to analyze the potential costs and benefits associated with Markets+ and EDAM, let alone any emerging opportunities like a potential WWTP, WWGPI or Backstop Concept. RNW therefore respectfully requests Bonneville slow down its proposed process and schedule workshops to discuss these emerging opportunities, including how they might impact the agency’s DAM decision. RNW understands that Bonneville believes additional legal analysis is needed before WWGPI can be evaluated. In the most recent WWGPI meeting it was indicated that a workgroup will be established to evaluate these legal issues. RNW strongly urges Bonneville to participate in this discussion since this seems to be the issue that the agency is stating as their reason for non-participation thus far.

In short, it is incumbent upon Bonneville as a leader in the region to educate its stakeholders about foreseeable impacts its decision may have on the region. Bonneville’s customers should be informed about all of the options before the agency, not just those the agency has decided are worthy of its expedited consideration. RNW and its member organizations stand ready to support Bonneville in selecting the best option for DAM participation, but caution that the best option will be difficult to identify without including all the potentially fruitful alternatives and adequate time to make a well-informed decision.

Respectfully submitted,



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