

August 21, 2024

*Sent via electronic mail*

Maria Cantwell  
United States Senator, WA

Patty Murray  
United States Senator, WA

Ron Wyden  
United States Senator, OR

Jeffrey A. Merkley  
United States Senator, OR

Dear Senators:

Our utilities combined serve millions of electric ratepayers across Oregon and Washington. The electric service we provide is essential to the economic development of our communities and our ratepayers' modern way of life. We have always valued your advocacy for policies that enable us to keep that service affordable, reliable, and sustainable. We understand you've heard some perspectives regarding BPA's anticipated decision to join a day-ahead market. As utilities that bear the ultimate responsibility of serving the energy needs of Northwest communities, we urge you to consider our stake in BPA's impending decision.

BPA's decision will have lasting consequences for our ratepayers and your constituents. Although we support West-wide collaboration, the fiduciary obligation to our ratepayers drives our evaluation of day-ahead market options – as it should BPA's decision. We appreciate your assertion that your July 25 letter to Administrator Hairston "should not be construed as favoring one market over the other." However, urging BPA to delay its funding and participation decisions inherently undermines the viability of SPP's Markets+ and favors CAISO's EDAM.

A day-ahead market must have an independent governance structure that will produce equitable market outcomes and fair consideration of Northwest interests. Governance drives major policy outcomes, and therefore, the allocation of economic outcomes among the communities served through the market. This is why we have worked collaboratively with SPP and other stakeholders for the last two years to design a strong, independent, and fair governance structure that is also durable enough to serve as a platform for future market expansion efforts. BPA's ongoing funding commitment to Markets+ is essential to the continued development of a day-ahead market that respects the policy, economic, and regulatory interests of our ratepayers.

Indeed, the creation of Markets+ as a competitive alternative to EDAM has forced stakeholder interests within California to consider governance reform. Without continued Markets+ development, a key pressure motivating California's governance efforts will likely

fade. Moreover, meaningful change in the CAISO governance will require legislative changes, which have always failed. Forcing BPA to delay participation in Markets+ and forgo a market with superior governance and market design frameworks on account of hopes that the West-Wide Governance Pathways Initiative may succeed would be irresponsible and harmful to our ratepayers.

EDAM is an established market, operating with the rules developed and approved under CAISO’s existing flawed governance. Even if efforts to reform California law succeed in a manner that could allow a day-ahead market with a governance structure free from undue influence, additional changes to EDAM’s existing market design would be required to unwind the impacts of today’s governance and develop a framework capable of supporting market expansion efforts. That could take years, and until then, participating in EDAM will put BPA and our utilities “at a competitive and governance disadvantage.”<sup>1</sup>

Thank you for your consideration and ongoing support. We would welcome an opportunity to meet with you to further elaborate on our analysis.

Sincerely,

**Washington PUD Association Utilities and Other Washington Consumer-Owned and Tribally-Owned Utilities:**

Asotin PUD	Benton PUD	Big Bend Electric Coop.
Chelan PUD	Clallam PUD	Clark Public Utilities
Columbia REA	Cowlitz PUD	Douglas PUD
Ferry PUD	Franklin PUD	Grant PUD
Grays Harbor PUD	Inland Power & Light	Jefferson PUD
Kitsap PUD	Kittitas PUD	Klickitat PUD
Lewis PUD	Mason 1 PUD	Mason 3 PUD
Modern Electric Water Company	Okanogan PUD	Pacific PUD
Pend Oreille PUD	Skagit PUD	Skamania PUD

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<sup>1</sup> Bonneville Power Administration, Day-Ahead Market Policy Paper, Attachment 1 at 9 (April 2024), available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2024/02-day-ahead-market-attachment-1-staff-recommendation.pdf>.

Snohomish PUD

Stevens PUD

Tacoma Power

Thurston PUD

Wahkiakum PUD

Whatcom PUD

Yakama Power

**Oregon Consumer-Owned Utilities:**

Central Lincoln PUD

Clatskanie PUD

Columbia River PUD

Emerald PUD

Harney Electric Coop.

Hood River Electric &  
Internet Co-Op

McMinnville Water & Light

Midstate Electric Coop.

Northern Wasco County  
PUD

Salem Electric

Tillamook PUD

Umatilla Electric Coop.

Wasco Electric Coop.

cc: The Northwest Congressional Delegation  
John Hairston, Administrator/CEO, BPA  
Joel Cook, Chief Operating Officer, BPA