



Alliance of Western Energy Consumers ♦ 3519 NW 15th Ave., #249 ♦ Portland, OR 97212 ♦ 971-544-7169 ♦ awec.solutions

August 20, 2024

John Hairston
Administrator and CEO
Bonneville Power Administration
Submitted via email

Dear Administrator Hairston,

The Alliance of Western Energy Consumers (“AWEC”) appreciates your leadership in Bonneville Power Administration’s (“BPA” or “Agency”) work to fully vet the Agency’s potential participation in a day-ahead market. AWEC’s members include end-use industrial consumers who rely on BPA’s provision of reliable service to preference customers at the lowest possible rates. AWEC has been keenly interested and supportive of BPA’s participation in the development of both CAISO’s Extended Day-Ahead Market (“EDAM”) and Southwest Power Pool’s Markets+. AWEC believes that it is critical that BPA have viable day-ahead market options that allow BPA to operate consistently with its statutory and contractual obligations while also offering additional benefits to preference customers over the long-term. AWEC is writing today to again lend its support to BPA’s continued commitment to analyze market alternatives for customers, and more importantly, to ensure that Markets+ remains a viable day-ahead market option for BPA and the Region.

AWEC appreciates BPA’s deliberate and transparent process that has focused on meeting its statutory and contractual obligations to preference customers while evaluating the risks, benefits and opportunities with each market. Like BPA, AWEC has maintained the position that governance is a foundational consideration as BPA evaluates how best to move forward. Despite governance concerns with EDAM, there has been mounting pressure from a subset of stakeholders and elected officials for BPA to either delay its decision on whether and which day-ahead market to join, or to simply join EDAM. These positions seem largely based on the assumption that a single west-wide market is beneficial *to the Region* due to seams issues, notwithstanding what customers themselves believe is in their best interest. As you may have seen in my [recent Op-ed](#) with Scott Simms, Executive Director of Public Power Council, AWEC believes that market seams issues should not drive BPA’s decision on whether or which market to join at this time, particularly in light of concerns over EDAM’s governance structure.

Representatives for AWEC attended the August 15th Quarterly Business Review, at which time you announced that BPA is considering delaying its decision on whether to join a day-ahead market from its originally anticipated timeline in order to do more analysis. This announcement, on the heels of canceling the August 6th and 7th Day-Ahead Markets workshops and in the face of the aforementioned stakeholder and political pressures, has sparked a question as to the Agency’s next steps and timeline as it continues its evaluation of both EDAM and Markets+. To that end, AWEC encourages BPA to move as expeditiously as possible to finalize its analysis, including the potential cost impacts and risks associated with the current EDAM governance structure. However, AWEC does not want BPA to rush a decision without the



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benefit of vetting its most recent analysis with stakeholders, nor does AWEC want BPA's potential delayed decision timeline to also impede the Agency's ability to fund Phase 2 for Markets+. AWEC believes that BPA best benefits the Region by adherence to its statutory obligation to provide power at the lowest possible rates, and thus supports investment in the next phase of development for Markets+. Meeting the Markets+ funding obligations in a timely manner is both justified and necessary to meet BPA's obligation over the long-term. More procedurally, as you heard from PPC in a recent letter, BPA's funding commitment should be memorialized in a letter to the Region and supported by the best information that is available at this time, while recognizing that a final decision from BPA on whether and which market to join would be subject to a potentially longer timeline and based on additional analysis and considerations.

AWEC looks forward to continuing to work with BPA and other interested stakeholders as BPA continues to move toward a final decision. AWEC again thanks you and BPA staff for its continued dedication in preserving market options in order to ensure that any decision made by BPA is in the best interest of its customers.

/s/ Bill Gaines

Executive Director

Alliance of Western Energy Consumers