SATES OF EMB

Department of Energy

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

EXECUTIVE OFFICE

In reply refer to: AIT-7

February 13, 2024

Jonathan W. Smith, Sr. Chairman, Tribal Council Confederated Tribes of Warm Springs, Oregon P.O. Box C Warm Springs, Oregon 97761

Dear Chairman Smith:

Thank you for your letter of January 22, 2024, expressing your interest and concerns for the decisions that the Bonneville Power Administration (Bonneville) is considering for participation in a day-ahead wholesale energy market and for the Columbia River Salmon Agreement. Any decision to participate in a day-ahead market will continue to require consideration of complex operational issues and input from the public, customers, stakeholders, regional sovereigns, and regulators. I am committed to ensuring that Bonneville participate in a wholesale energy day-ahead market only if doing so is consistent with its statutory authorities and obligations, including its environmental responsibilities.

I want to clarify that Bonneville was not planning to announce a decision by the Administrator to participate in a day-ahead market at the public workshop held on February 1. To date, Bonneville has not announced any official decision by the Administrator to participate in a day-ahead market. Rather, Bonneville recently extended its decision schedule for day-ahead market participation and notified attendees of the changes in our decision schedule that will allow additional time for regional discussion. Over the coming months, Bonneville will continue its regional engagement through a series of workshops that will provide additional opportunities for discussion. We expect to provide a policy recommendation on day-ahead market participation in early April, a draft policy in August, and the Administrator's final record of decision adopting a day-ahead market policy in late November.

Bonneville is considering market participation for the potential benefits to its customers and to the Pacific Northwest region as a whole. The benefits include improvements to the reliability and efficiency of the region's electric power system as the region transitions to more clean energy resources.

I would welcome discussions with you and members of the Tribal Council about the issues involved in energy market development and participation. Please contact me directly, or Marcy Foster, Bonneville's Manager for Tribal Relations, at mmfoster@bpa.gov.

Sincerely,

John L. Hairston

Administrator and Chief Executive Officer