



TINA KOTEK
GOVERNOR

March 28, 2024

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

RE: Bonneville Power Administration's Day-Ahead Market Participation Evaluation

Dear Administrator Hairston:

Building on the foundation of our recent Columbia River Basin agreement between the U.S. Government and Six Sovereigns and the stay approved by Judge Simon, I am writing to encourage you to undertake the decision regarding a Day-Ahead Market through the lens of successful and cost-effective implementation of the full vision of the agreement.

As a central entity in the Pacific Northwest grid, BPA's market decision has economic and reliability implications for customers across Oregon. It will have generational impacts and directly shape whether and at what cost Oregon utilities can meet the legislative requirements of House Bill 2021, to reach zero carbon emissions by 2040.

Given this central role, I appreciate the revised decision schedule that was recently shared with the region. This provides time for deeper analysis of how the market choice will impact the enormous investment in new energy generation resources that the settlement enables. BPA's choice of market, and particularly the creation of new "seams," risks underutilizing and devaluing this investment. More generally, in the face of significant load growth, grid decarbonization, and the compounding costs of adapting to a changing climate, a choice to fragment the Pacific Northwest market would not bring value to the region.

Fragmentation will drive unnecessary costs, create new reliability risks, and prevent fully utilizing the resources that customers across the region have paid for. Additionally, in the settlement agreement, parties have agreed together to honor obligations to Tribal nations and undertake work to secure equivalent clean energy services and restore healthy, abundant fish populations. A decision to fragment the region would be at cross purposes with these goals.

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As you weigh information and analysis against the decision criteria BPA has articulated, I encourage you to take a regional perspective on BPA's obligations and consider how this choice can enable full implementation of the agreement.

If you would like additional information or have any questions about this matter, please feel free to contact Geoff Huntington, my Senior Natural Resources Advisor, at (503) 689-5350 or geoff.huntington@oregon.gov.

Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina Kotek". The signature is fluid and cursive, with the first name "Tina" and last name "Kotek" clearly distinguishable.

Governor Tina Kotek

GTK:kp