



March 27, 2024

John Hairston
Administrator and CEO
Bonneville Power Administration

Dear Administrator Hairston,

PNGC supports the sentiments expressed by Seattle City Light in its letter to Bonneville Power Administration on March 6th, 2024, relative to day-ahead market integration and in support of PNGC's interest in seeing the western energy markets form into a full Regional Transmission Organization/Independent System Operator (RTO/ISO).

Specifically:

- PNGC members collectively represent BPA's second largest customer. PNGC is comprised of 16 cooperative electric utility members. Like Seattle City Light, PNGC Power did not review the PPC letter to BPA (February 23, 2024) and the letter does not reflect PNGCs perspectives regarding day-ahead market integration.
- PNGC strongly supports BPA's ongoing exploration of day-ahead market offerings; provided that, those markets offer full and fair access to all market participants including PNGC. Day-ahead markets are just one part of a well-functioning RTO/ISO system, and PNGC Power appreciates BPAs efforts to explore greater regional partnership to improve economic efficiency and reliability for public power customers across the Pacific Northwest.
- PNGC urges BPA to take an active role in the development process of all credible market offerings in the West, including the Pathways Initiative.
- PNGC urges BPA to avoid isolating public power customers from the benefits of the broader western market. Any evaluation of markets should consider other regional participants, the benefits provided by regional partnership with these entities, and the potential harm of BPA isolation and resulting seams agreements could do to public power entities like PNGC and to the broader region.
- PNGC encourages BPA to consider the impact its decision will have on regional reliability and on the region's ability to integrate renewable resources in support of carbon reduction.
- PNGC's position has been and remains that it is in the best interest of all customers across the West to develop a full RTO/ISO with fair and open access for all market participants, effective means to expand transmission across the West and with proper governance across multiple states.

Given the above, PNGC supports a BPA process to further and fully evaluate and then determine the best path forward. As BPA and many regional participants know, an increasingly comprehensive view of regional day-ahead market benefits under various scenarios has been completed by The Brattle Group on behalf of numerous western utilities. PNGC has engaged Brattle to fund the inclusion of BPA in this study, and to generate an independent analysis done to view these scenarios and options.

We are confident that this analysis will support BPA's ongoing process, and we invite BPA staff to participate directly with Brattle to maximize this benefit.

In conclusion, PNGC remains neutral regarding which provider or institution implements our region's move towards a full RTO/ISO. Instead, we are focused on finding the path that maximizes customer benefits and helps position public power and BPA respond to the rapid changes we are seeing in the Western electric market. We urge BPA to complete an open and transparent process, and to avoid any outcome that isolates BPA and public power customers and limits our ability to meet our accelerating load growth, and that harms the West's ability to work together to meet ever expanding needs for transmission and to respond effectively to emerging grid reliability threats.

Thank you, and we look forward to working together to chart a path forward towards RTO/ISO integration.

Regards,

Roger Gray
CEO
PNGC Power

Connor Reiten
VP, Government Affairs
PNGC Power

CC:

Pacific Northwest Congressional Delegation

US Department of Energy

Representative Pam Marsh
Chair, Oregon House Committee on Climate, Energy & Environment

Senator Janeen Sollman
Chair, Oregon Senate Committee on Energy & Environment

Governor Little, State of Idaho

Governor Gianforte, State of Montana

Governor Kotek, State of Oregon

Governor Inslee, State of Washington