



January 17, 2024

*Sent via email* [Communications@bpa.gov](mailto:Communications@bpa.gov).

The Honorable John Hairston  
Administrator and CEO  
Bonneville Power Administration  
Post Office Box 3621  
Portland, OR 97208-3621

**Re: Washington State Agency Comments on Bonneville Power Administration's Day-Ahead Market Participation Evaluation, Workshop 5**

Dear Administrator Hairston:

The Washington State Utilities and Transportation Commission (UTC), Department of Commerce (Commerce), and Washington State Representatives to the Northwest Power and Conservation Council (Council), collectively Washington State Agencies, appreciate the opportunity to comment on the Bonneville Power Administration's (BPA) day-ahead market (DAM) evaluation. These comments are submitted in advance of the February 1, 2024, workshop, and reiterate concerns that Washington state agencies have identified in comments filed on Aug. 15, 2023, and Nov. 29, 2023. We urge BPA to consider the significant benefits differential demonstrated in the WMEG Study, given the importance of including the option for a single, west-wide day ahead market with independent governance in BPA's comparative analysis of market options.

**1. BPA should extend its evaluation schedule to give market options more time to mature.**

Significant developments in the next several months in governance, market design, and potential market footprints will have meaningful impacts on the evaluation of costs and benefits of a day-ahead market decision.

**2. BPA should consider additional factors, not included in the WMEG Study, in its cost-benefit comparison of market options.**

Many non-preference customer utilities rely significantly on BPA's transmission system and marketing of Federal hydropower resources. Thus, BPA's decision to join a DAM should be informed and guided by a region-wide customer benefit analysis. The WMEG Study clearly shows that a single West-wide day-ahead market footprint that includes California provides the greatest economic benefit for BPA and its customers. The

economic benefit quantified in the WMEG Study reflects only the cost savings achieved through more efficient dispatch in the day-ahead market and does not reflect the additional environmental and operational benefits that that have been demonstrated in the Western EIM. Further, BPA must weigh the risk to reliability that seams may create, as the ability to move energy across a large footprint has produced significant reliability benefits.

**3. BPA's decision on DAM participation must ensure states and regional electric utilities can meet their statutory requirements and stated goals for efficient carbon emission reduction.**

Numerous studies have shown a single, West-wide market provides the greatest promise of carbon emission reduction at least cost. BPA can be a regional and national leader in the fight against climate change, and that begins with prioritizing least-cost carbon emission reduction in its market choice.

Sincerely,



David Danner, Chair  
Washington State Utilities and Transportation  
Commission



KC Golden, Washington Member  
Northwest Power and Conservation Council



Michael Furze, Assistant Director  
Washington State Department of Commerce



Thomas L. Purce, Washington Member  
Northwest Power and Conservation Council