



March 4, 2025

RE: RNW Support for BPA Core Functions and Opposition to Joining a New Day-Ahead Market

Dear Mr. Hairston,

Renewable Northwest (“RNW”) offers these comments in support of the Bonneville Power Administration (“BPA”) during a period of great uncertainty and challenge. In these turbulent times, it is crucial for our region to unite in supporting BPA as an integral part of ensuring reliable, affordable, and adequate power supply in the Northwest, as well as for operating the majority of the region's high voltage interstate transmission lines. BPA’s financial integrity and operational capability are vital to supporting the public interest in the region.

The unprecedented and unanticipated federal workforce reductions and attendant uncertainty BPA faces are placing an immediate strain on BPA’s ability to deliver safe and reliable power and to serve its customers. RNW representatives just returned from meetings with the members of the NW congressional delegation in Washington D.C. where our message was clear – we must provide bipartisan support to BPA to allow it to retain and rehire critical workforce and enable it to meet its core obligations as a wholesale electricity and transmission services provider. **This message received emphatic bipartisan support among the congressional delegation members with whom we met.**

In that vein, RNW urges BPA to focus on its core functions, obligations, and ongoing processes at this time and not make new, consequential decisions in the near term. Extending financial and operational commitments beyond those required to manage the agency’s existing obligations during this time of uncertainty is imprudent and runs the risk of attracting scrutiny. For this reason, RNW strongly recommends further delaying commitments to joining a Day-Ahead Market (“DAM”) at this time. If BPA moves forward with either DAM option, BPA will be required to make substantial changes to its staffing and internal operations before it can effectively engage and maximize the benefits of market participation. Given the workforce issues facing BPA, it may be operationally infeasible for the agency to meet existing obligations and take on implementation of a new DAM at this time. Further, considerable uncertainty exists at the nation’s regulatory agencies, including the Federal Regulatory Energy Commission. This uncertainty creates a material risk for BPA, which has the responsibility to serve millions of electricity customers in the region.

In advance of the March 6, 2025, anticipated release of BPA’s DAM Draft Policy Letter, RNW respectfully and urgently urges BPA to modify its strategy to avoid unnecessary risk. Rather than initiating the formal Record of Decision process on March 6, BPA should take this moment to pause and focus on its core processes. The current proposed timeline - issuing the DAM Draft Policy Letter on March 6, followed by a 30-day comment window and a Final DAM Record of Decision in early May - is not mandated by any internal or external requirements, and BPA has the ability and authority to alter the timeline. RNW would support BPA exercising this discretion to take more time with this process.

This adjustment is justified, given the recent and drastic shift in circumstances relative to what BPA first envisioned as its DAM decision-making process, and at no fault to the agency. Federal workforce reductions call into significant question whether BPA has the resources to effectively transition to a new market, in addition to its other ongoing and vital work. BPA should focus first and foremost on confirming its ability to maintain existing functions, especially those impacting the cost and reliability of power to the region, and not over-extend itself to commit further funding or staff resources to implementing a new DAM, particularly a nascent one. These existing functions include BPA's ongoing BP-26 rate case, the new transmission planning reforms, Provider of Choice, Fish and Wildlife and Tribal Programs, Evolving Grid, and the Residential Exchange Program, among others. RNW is concerned that the agency may be challenged to adequately deliver on these existing processes, let alone implement a new DAM construct.

The SPP Markets+ financial commitments made to date place no affirmative obligation on BPA to decide to enter the market by May 2025, but, rather, provide resources for Markets+ design to continue – a process that BPA can continue to engage in. It is prudent for BPA to continue to evaluate the viability of both markets on a timeline that makes sense for its current operational constraints, and the agency can continue to engage and influence outcomes for both DAM's without making a formal commitment at this time.

RNW finds significant potential benefits from the Administration taking its time to evaluate the operational success of both DAMs, as it did prior to joining the Western Energy Imbalance Market ("WEIM") in 2022. This would also allow time for BPA to audit and adjust to the workforce reductions and prepare for the rehiring of staff needed to implement a DAM. Notably, when BPA joined the WEIM, it spent approximately \$75 million over several years to update software, develop programs, and hire staff to implement the market. Under the current workforce and funding conditions, it is unclear if BPA will have the same ability to commit adequate resources to implement a new DAM.

I encourage you to carefully consider and prioritize BPA's critical responsibilities to the region and to the electricity customers of the Pacific Northwest at this moment. For years, customers have placed great trust in BPA's ability to fulfill its federally authorized core functions. It is essential to recognize the importance of preserving this relationship of trust during this pivotal time.

We are here to support BPA during this difficult time.

Sincerely,

Nicole Hughes
Executive Director
Renewable Northwest