

### ***Oral Ex Parte Communication***

Pursuant to Section 1010.5(f) of the Rules of Procedures, BPA provides the following summary of an oral communication to the Administrator, John Hairston, by Jessica Matlock of the Pacific Northwest Generating Cooperative (PNGC). Administrator Hairston described the communication to the Office of General Counsel. The substance of the *ex parte* communication is discussed in PNGC's May 13, 2025, *ex parte* email communication to the Administrator, which is provided below.

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**From:** Jessica Matlock  
**Sent:** Tuesday, May 13, 2025 4:09 PM  
**To:** John Hairston <[jhairston@bpa.gov](mailto:jhairston@bpa.gov)>  
**Subject:** Clarification items and JOE

Hi John,

I hope you're doing well. Apologies for the delay in getting back to you. Here's the reference I mentioned earlier:

*"The 'compromise and negotiation' of the TRM is gone."* PRDM-26-A-01, Chapter 5.0 – Tier 1 Rate Design, p. 57.

We were also disappointed that the draft ROD condescendingly refers to PNGC (JOE) benefits as a "fiction," (p. 51), providing only "paper aggregation" (p. 52), and no real "diversity benefits" (p. 52). Our staff and members work very hard to bring real benefit to Northwest energy through our cooperative model.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Additionally, As I've shared with you previously, we are deeply disappointed with the direction of the Draft Record of Decision and the significant implications it poses for PNGC Power and our statutory rights as a Joint Operating Entity (JOE). PNGC Power and our member cooperatives have engaged our congressional delegations, and as a result, the attached letter was sent today to Secretary Wright expressing serious concern over BPA's proposed disaggregation of JOEs.

We strongly urge BPA to reconsider this course and work collaboratively with PNGC Power to resolve the issue. Preserving the ability of cooperatives to operate under the JOE structure is essential not only to serving our rural communities reliably and affordably, but also to supporting broader national goals around energy reliability and resource development.

Please don't hesitate to call if you have any questions or would like to speak about a solution going forward.

Thank you,  
Jessica

**Congress of the United States**  
**Washington, DC 20515**

May 13, 2025

The Honorable Chris Wright  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Secretary Wright,

We write to express our continued concern regarding the Bonneville Power Administration's (BPA) proposed policy changes that inhibit the ability of smaller electrical cooperatives to act as one "customer" of BPA through the Joint Operating Entity (JOE) structure. BPA's actions threaten the affordability, resilience, and reliability of power delivery across the rural communities in the Northwest that we represent.

In 2000, Congress unanimously enacted P.L. 106-273, adding Section 5(b)(7) to the Northwest Power Act. This provision gave electric cooperatives the ability to operate as a JOE, a special type of preference power customer that allows multiple electric cooperatives to aggregate their member loads and act as a single customer of BPA. This enabled small, not-for-profit cooperatives in geographically remote and economically challenged communities to achieve economies of scale and ensure access to affordable, reliable federal power. The JOE structure has become an essential vehicle for regional power coordination and assists cooperatives in building out their own non-federal generation. This work will only become more critical as regional energy demand is expected to rapidly increase in the near future.

For over two decades, BPA has recognized the JOE structure and aggregated JOE member loads when assessing demand charges. Yet BPA's April 9, 2025, Draft Record of Decision in the 2029 Public Rate Design Methodology (PRDM-26-A-01) proposes to impose individual demand charges on each member utility, effectively disaggregating JOE membership. This reversal in precedent would directly result in higher energy costs for rural communities that rely on affordable power to support critical infrastructure. Leaving rural America behind will stall energy expansion and go against our shared pursuit of domestic energy dominance and economic resilience.

Under your leadership, the Department of Energy (DOE) has identified the build-out of data centers and dispatchable generation as top national priorities. These goals are heavily dependent on affordable, scalable rural power delivery. Projections show that regional energy demand could double in the next 20 years, with more than 8 GW of new generation needed in the next decade<sup>1</sup>.


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<sup>1</sup> Northwest Power and Conservation Council [https://www.nwccouncil.org/fs/19380/2025\\_0429\\_2.pdf](https://www.nwccouncil.org/fs/19380/2025_0429_2.pdf)

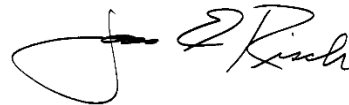
Electric cooperatives in the Northwest serve many of the regions targeted for these investments, and these cooperatives depend on their ability to operate as a JOE.

We therefore request that DOE ensure BPA is following statute and not arbitrarily reversing decades of precedent and burdening our rural communities with higher energy costs in the process. We are committed to working with you to ensure that rural electric cooperatives in the Northwest continue to serve their communities reliably and affordably, and remain full partners in the national energy strategy.

Sincerely,



Mike Simpson  
Member of Congress



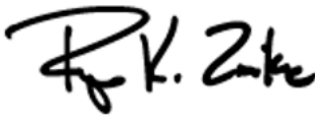
James E. Risch  
United States Senator



Russ Fulcher  
Member of Congress



Mike Crapo  
United States Senator



Ryan Zinke  
Member of Congress



Troy Downing  
Member of Congress



Dan Newhouse  
Member of Congress



Steve Daines  
United States Senator



Cliff Bentz  
Member of Congress



Michael Baumgartner  
Member of Congress