



November 12, 2024

The Honorable David Turk
Deputy Secretary
U.S. Department of Energy

Dear Deputy Secretary Turk,

As Bonneville Power Administration's (BPA) preference customers, we represent millions of electric ratepayers across Oregon, Washington, Idaho, Montana, Wyoming, Nevada and First Nation land. Our utilities purchase over 70 percent of BPA's Tier 1 power output and fund a similar share of BPA Power's revenue requirement. For over 80 years, we have been the foundation of BPA's funding, entirely supporting the agency through rates. This historic partnership has enabled BPA to fulfill its mission and meet statutory commitments to its customers, the region, and the US Treasury. BPA's sensible stewardship of our investments that aligns with our communities' needs is critical to our continued willingness to sustain the agency financially.

Organized markets have the potential to meet the Northwest's energy and capacity needs. As BPA considers participation in a day-ahead market, it is vital that BPA retain locally-responsive decision-making authority. We ask the Department of Energy to honor our financial investment by supporting BPA's historic autonomy and mission to serve Northwest ratepayers, ensuring that its choices align with customer needs.

After careful deliberation, we encouraged BPA to fund Phase 2 of the Southwest Power Pool's Markets+ as a prudent investment for BPA's long-term strategic goals and the only path that aligns with BPA's mission. Only Markets+ offers both a competitive, independently governed structure and a fair market design alternative to CAISO EDAM.

On November 1st, BPA announced that its supplemental analysis shows that Markets+ remains the best day-ahead market option for BPA. The existence of both Markets+ and CAISO EDAM fosters a competitive environment in which governance and market design can evolve in ways that will ultimately yield more balanced outcomes for Western utilities and their customers. This dynamic encourages continuous improvement and enables BPA to make a choice that reflects the best interests of its customers and the Northwest region. Separately, having two viable market options

offers the quickest path to bringing the West into an organized market, as entities can join with greater confidence in the governance and structure of their chosen market.

While production cost models can offer some broad insights, they also suffer considerable deficiencies. First, they are limited in scope because they cannot assess critical governance and market design risks that impact BPA’s long-term reliability and cost-effectiveness. Second, production cost models that rely on oversimplified inputs produce imprecise results, failing to capture the complete costs and benefits of day-ahead market decisions. A risk-informed governance evaluation is essential to protect BPA and its customers from unforeseen risks.

Markets+ is uniquely positioned to support BPA’s autonomy while addressing these governance factors. It also offers fair market design elements that ensure durable and equitable outcomes for BPA’s preference customers and the region. This has been evident throughout the development of Market+, stakeholders have adopted design elements that enable BPA to meet its statutory obligations yet remain accessible to all participants.

We respectfully request your support for BPA’s independent decision-making as it considers market options. Enabling BPA to act without external pressures will ensure its continued alignment with its statutory responsibilities and enduring mission to serve the Northwest.

Sincerely,

Idaho Consumer-Owned Utilities Association

City of Albion	City of Bonners Ferry	City of Burley
Clearwater Power Co.	Fall River Rural Electric Cooperative	City of Heyburn
Idaho County Light & Power Cooperative	Idaho Falls Power	Kootenai Electric Cooperative
Lost River Electric Coop.	Lower Valley Energy	Northern Lights, Inc.
Raft River Rural Electric Co-op	Riverside Electric Co.	City of Rupert
Salmon River Electric Coop.	City of Soda Springs	South Side Electric Inc.
United Electric Co-op	City of Weiser	Wells Rural Electric Co.

Montana Electric Cooperatives’ Association

Beartooth Electric Coop.	Big Flat Electric Cooperative	Big Horn County Electric Cooperative
Fall River Rural Electric Coop.	Fergus Electric Cooperative	Flathead Electric Coop.

Glacier Electric Cooperative	Goldenwest Electric Cooperative	Hill County Electric Coop.
Lincoln Electric Cooperative	Lower Yellowstone Rural Electric Coop.	Marias River Electric Coop.
McCone Electric Cooperative	Mid-Yellowstone Electric Coop.	Missoula Electric Coop.
Northern Lights, Inc.	NorVal Electric Cooperative	Park Electric Cooperative
Ravalli Electric Cooperative	Sheridan Electric Cooperative	Southeast Electric Coop.
Sun River Electric Coop.	Tongue River Electric Cooperative	Vigilante Electric Coop.
Yellowstone Valley Electric Cooperative		

Oregon Municipal Electric Utilities Association

City of Ashland	Bandon Power	Canby Utility
City of Cascade Locks	City of Drain	City of Forest Grove Light & Power
Hermiston Energy Services	McMinnville Water & Light	City of Milton-Freewater
Monmouth Power & Light	Springfield Utility Board	

Oregon People’s Utility District Association

Central Lincoln PUD	Clatskanie PUD	Columbia River PUD
Emerald PUD	Northern Wasco County PUD	Tillamook PUD

Oregon Rural Electric Cooperative Association

Blachly-Lane Electric Coop.	Central Electric Cooperative	Columbia Basin Electric Cooperative
Columbia Power Electric Cooperative	Consumers Power, Inc.	Coos-Curry Electric Coop.
Douglas Electric Cooperative	Harney Electric Cooperative	Hood River Electric & Internet Co-op
Midstate Electric Cooperative	Oregon Trail Electric Cooperative	Salem Electric

Surprise Valley Electrification Corp.	Umatilla Electric Cooperative	Umpqua Indian Utility Coop.
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Wasco Electric Cooperative	West Oregon Electric Coop.	
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Washinton Public Utility Districts Association

Asotin PUD	Benton PUD	Chelan PUD
Clallam PUD	Clark Public Utilities	Cowlitz PUD
Douglas PUD	Ferry PUD	Franklin PUD
Grant PUD	Grays Harbor PUD	Jefferson PUD
Kitsap PUD	Kittitas PUD	Klickitat PUD
Lewis PUD	Mason PUD #1	Mason PUD #3
Okanogan PUD	Pacific PUD	Pend Oreille PUD
Skagit PUD	Skamania PUD	Stevens PUD
Thurston PUD	Wahkiakum PUD	Whatcom PUD

Washinton Rural Electric Cooperative Association

Benton REA	Big Bend Electric Cooperative	Columbia REA
Inland Power and Light	Lakeview Light and Power	Modern Electric Water Company
Nespelem Valley Electric	Orcas Power and Light	Peninsula Light Company
Tanner Electric Cooperative		

PNGC Power

Benton REA	Big Bend Electric Cooperative	Blachly-Lane Electric Cooperative
Central Electric Cooperative	Clearwater Power Co.	Columbia REA
Consumers Power, Inc.	Coos-Curry Electric Cooperative	Douglas Electric Coop.

Fall River Rural Electric Coop.	Flathead Electric Cooperative	Idaho County Light & Power Cooperative
Harney Electric Cooperative	Inland Power and Light	Kootenai Electric Coop.
Lane Electric Cooperative	Lincoln Electric Cooperative	Missoula Electric Coop.
Northern Lights, Inc.	Okanogan County Electric Coop.	Orcas Power and Light
Raft River Rural Electric Cooperative	Ravalli Electric Cooperative	Wells Rural Electric Co.
West Oregon Electric Coop.		

Northwest Public Power Utilities

Elmhurst Mutual	OHOP Electric	Parkland Light & Water
Tacoma Power		

Northwest Tribal Power Utilities

Umpqua Indian Utility Coop.	Yakama Power
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cc: John Hairston, Administrator, Bonneville Power Administration
Joel Cook, Chief Operating Officer, Bonneville Power Administration
Idaho Congressional Delegation
Montana Congressional Delegation
Oregon Congressional Delegation
Washington Congressional Delegation