



August 22, 2024

John Hairston
Administrator
Bonneville Power Administration
905 NE 11th Ave,
Portland, OR 97232

RE: ORECA Support for BPA Funding Phase 2 of Markets+

Dear Administrator Hairston:

The Oregon Rural Electric Cooperative Association (ORECA) appreciates your commitment to transparency as you work to find an organized day-ahead market option that will be consistent with BPA's statutory and contractual obligations to your preference customers. Protecting the interests of preference customers must be among BPA's highest priorities with regards to participation in a day-ahead market.

ORECA represents Oregon's 18 not-for-profit electric cooperatives, all of whom are BPA preference customers. We serve approximately a half-million Oregonians and a geographic majority of the state. Our rates to BPA represent our investment in the Federal Columbia River Power System (FCRPS), the associated fish mitigation that is critical to the functionality of that system, and the transmission that BPA relies on to move power from the FCRPS to electric cooperative substations around the state.

To that end, it is of critical importance that BPA secures the benefits of the day-ahead market for its preference customers long into the future. This decision will chart a new and somewhat unknown future forward for BPA and Oregon's electric cooperatives alike. ORECA encourages BPA to pursue the Markets+ day-ahead option. Based off of the analysis of our partners at the Public Power Council (PPC) and BPA's own analysis to date, we believe the Markets+ option provides the greatest overall benefit to BPA and Oregon's electric cooperatives.

While BPA continues to receive a great deal of scrutiny over your decision-making process, we believe that a transparent process has occurred so far, showcased by the regular workshops held by BPA, the open discussions between agency staff and interested stakeholders, and the regular opportunities for submission of written feedback. We encourage BPA to continue on this open and transparent pathway.

ORECA has watched as various stakeholders and observing entities have weighed in on your day-ahead market analysis and decision-making process, often encouraging BPA to reach a

conclusion that is in the best interest of the “West.” As you know, BPA has statutory obligations to serve preference customers – the same customers who have been funding BPA’s generation and transmission systems for decades, and whose perspectives should take priority.

Our local ownership and governance is perhaps our greatest asset, and we believe preserving it is a critical piece of BPA’s decision-making process. However, we recognize that participating in a day-ahead market would require us to cede some degree of local control, and it is our belief that of the two markets primarily in consideration by BPA, Markets+ would best preserve our governance structure.

It is our understanding that CAISO’s EDAM, which is the other market under consideration, is statutorily required to operate in a manner that serves the interests of Californians, without equal legal protections for other market participants. ORECA worries this could potentially cause BPA to find itself in conflict with the statutory requirement it has to look out for the interests of preference customers. Nullifying this conflict would require a change of law in California.

ORECA recognizes that while BPA has made substantial progress in your analysis to this point, there is also much work to be done. We support continued investment of time, attention, and resources to make the right decision for your preference customers in the Pacific Northwest and the end-users across the region these preference customers provide power to. We encourage BPA to continue doing due diligence, and to conclude in a reasonable timeframe to ensure BPA customers negotiating their post-2028 contracts and preparing for future energy demands are fully informed regarding BPA’s future involvement in a day-ahead market.

Should you have additional thoughts or questions, please do not hesitate to contact any of the undersigned electric cooperatives, or ORECA Executive Director Ted Case at tcase@oreca.org.

Regards,

Brad Wilson
President/CEO
Central Electric Cooperative

Keith Brooks
General Manager
Douglas Electric Cooperative

Andy Fletcher
General Manager
Columbia Basin Electric Cooperative

Fred Flippence
General Manager
Harney Electric Cooperative

Lisa Atkin
General Manager
Columbia Power Cooperative

Libby Calnon
General Manager
Hood River Electric & Internet Cooperative

James Ramseyer
President/CEO
Consumers Power, Inc.

Debi Wilson
General Manager
Lane Electric Cooperative

Brent Bischoff
General Manager/CEO
Coos-Curry Electric Cooperative

Jim Anderson
President/CEO
Midstate Electric Cooperative

Les Penning
CEO
Oregon Trail Electric Cooperative

Tony Schacher
General Manager
Salem Electric

Brad Kresge
General Manager
Surprise Valley Electric Cooperative

Robert Echenrode
General Manager/CEO
Umatilla Electric Cooperative

Lindsay Forepaugh
General Manager
Wasco Electric Cooperative

Billi Kohler
General Manager
West Oregon Electric Cooperative