



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

In reply refer to: AIR-7

February 20, 2024

The Honorable Jay Inslee
Governor of Washington
P.O. Box 40002
Olympia, Washington 98504-0002

Dear Governor Inslee:

Thank you for your letter of January 26, 2024, stating your concerns about the Bonneville Power Administration's (Bonneville) pending decision process to evaluate whether to join a day-ahead wholesale market. I appreciate your interest and your specific priorities for Bonneville's consideration.

I first want to describe where we are in this evaluation and decision process. Bonneville began a public process in July 2023 to engage the region in this important decision. We announced our intention to evaluate two opportunities: the Extended Day-Ahead Market operated by the California Independent System Operator, and Markets Plus, proposed by the Southwest Power Pool. Initially, Bonneville set a schedule for this decision to conclude in early 2024. However, since both market operators have extended their schedules for market design and initial operations, Bonneville has adjusted its timeline for its own evaluation. We now expect to provide a policy recommendation on day-ahead market participation in April, a draft policy in August, and the Administrator's final record of decision adopting a day-ahead market policy in late November.

Bonneville is considering market participation for the potential benefits to its customers and to the Pacific Northwest region as a whole. We believe benefits would include improvements to the reliability and efficiency of the region's electric power system and facilitating the region's transition to more clean energy resources at lower cost. We believe our extended schedule allows for full consideration of available market options for meeting these objectives, consistent with our statutory authorities and obligations.

I appreciate your identification of Washington's policy priorities and I am committed to continuing to consider them in our evaluation. I would welcome the opportunity to discuss these matters with you directly. Please feel free to contact me directly or Sonya Baskerville, Bonneville's Director for Intergovernmental Affairs at slbaskerville@bpa.gov or 202-586-5640.

Sincerely,

A handwritten signature in blue ink, reading "John L. Hairston". The signature is fluid and cursive, with a long horizontal stroke at the end.

John L. Hairston
Administrator and Chief Executive Officer