

## Comments to Bonneville Power Administration on Day-Ahead Market Participation Evaluation

The undersigned retail electric customers and advocates appreciate the opportunity to provide input to the Bonneville Power Administration's (Bonneville) robust day-ahead market (DAM) stakeholder process and on its upcoming draft Policy Letter to the Region. The West is home to technology and industrial leaders who play an important role in maintaining and growing the United States's status as the world's largest economy and global innovation leader. Those industries, and the economy as a whole, are increasingly reliant on a robust, affordable and reliable energy system. The greater dependence of the regional economy on the electric system means that its global competitiveness is increasingly sensitive to increases in electric prices. All customer classes – from individual households and small businesses to large commercial and industrial customers – have been burdened by noticeable electric rate increases over the last several years.

Wholesale markets, such as DAMs, have the potential to provide significant affordability and reliability benefits to their rate payers. At the end of the day, the cost implications, positive or negative, of the decision to participate in a wholesale market are born by ratepayers. Therefore, the choice of participation in a wholesale market should be heavily based on achieving the maximum benefits to end-use customers. Bonneville's decision to join a DAM will have a direct impact on regional retail electric prices and the growth of the region, which needs to be considered.

Based on the current stakeholder process and public data, we believe that Bonneville's decision to join a DAM has not sufficiently taken into consideration the impact to ratepayers, and is therefore premature. As such, the undersigned ratepayers recommend that the prudent course for Bonneville is to continue to participate in the Western Energy Imbalance Market (WEIM), which has proven benefits to ratepayers, and to hold off on making a DAM decision until such time the agency can give customers and taxpayers more certainty that their DAM decision has considered all options and is the most prudent for the region's end-use customers.

In order to ensure that Bonneville's DAM decision results in the maximum benefit to end-use customers, the undersigned customers recommend that Bonneville wait to make a decision until the following factors can be considered:

- **Minimized ratepayer cost impact:** The analyses within Bonneville's current record show a wide range of potential system-wide economic outcomes from the DAM proposals that Bonneville is considering, including multiple scenarios with increased system costs of up to tens of millions dollars per year, while alternatives show system-wide economic benefits of hundreds of millions of dollars per year. The wide range of potential outcomes, especially the potential for increased systems costs, creates confusion and significant uncertainty for ratepayers. As customers, it is important that we clearly understand the impacts of Bonneville's decision on retail electric rates, whether some customers may be disproportionately affected, and if this will affect economic development in the region. We believe that there has not been sufficient analysis, considering the latest market configurations, to *comprehensively understand the impact*

to end-user customer bills in order to inform Bonneville's decision. Retail customers in Bonneville's service territory deserve greater assurance that participation in a DAM will not drive undue costs, ultimately borne by ratepayers.

- **Significant changes to existing market governance structures:** *Bonneville has made market governance independence a core evaluation principle.* Bonneville has rightly noted that one of the DAM market proposals it is considering, the Extended Day Ahead Market (EDAM), does not have an independent governance structure. The West-wide Governance Pathways Initiative (Pathways Initiative) was developed to address this deficiency. Since its inception in 2023, it has made significant progress on regional energy market independence, culminating in the introduction of legislation in California to enable independent governance of WEIM and EDAM. The Pathways Initiative has also received fulsome support from several state government entities, utilities, customers, labor, consumer advocates, developers, and environmental groups in Bonneville's service territory.<sup>1</sup> The undersigned customers believe that Bonneville would be making a DAM decision with incomplete information if a decision was made before the outcome of the Pathways-enabling legislation is known. As such, we would support Bonneville postponing its DAM decision until the outcome of Pathways is fully understood.

The management of electric costs is important to the economic development of the region, accelerating innovative technology, and a priority of the new Administration. We also understand the challenges that recent staffing changes may create at Bonneville. We encourage Bonneville to postpone its DAM decision until all market proposals can be considered in their final forms and the impacts to ratepayers can be evaluated.



<sup>1</sup> See comments to the West-Wide Governance Pathways Initiative at [www.westernenergyboard.org/wwgpi](http://www.westernenergyboard.org/wwgpi)