

Sent Via Electronic Mail

August 15, 2023

John Hairston
Administrator
Bonneville Power Administration

RE: BPA's Day-Ahead Market (DAM) Participation Decision Process

Dear Administrator Hairston:

As BPA begins its decision process to evaluate participation in a day-ahead market, we wanted to take the opportunity to remind you of the importance that any such decision will have on our communities and ratepayers. Even though we do not expect to participate in the day-ahead market directly, that does not diminish our interest in BPA's decision. To the contrary, our interest in how you approach BPA's decision is heightened by the fact that we will bear the full brunt of the impacts resulting from BPA's participation. Therefore, we are relying on you and your team to carefully consider all such potential impacts to your consumer-owned utility customers and ensure that our rights and investments in the federal system are protected, which can also help ensure BPA remains our power provider of choice for years to come.

The federal power we purchase from BPA and the delivery of that power across BPA's transmission system are both critical to meeting the needs of the businesses, families, and communities we serve. As consumer-owned utilities, we provide an essential service and strive to do so reliably and at a low cost; the needs of our customers are the driver of our business models, and we are accountable to the communities we serve for providing them value in return for the investment they have made in us.

Similarly, we have made significant investments in BPA and are looking at continuing those investments as we contemplate the upcoming Provider of Choice contracts. For most of us, the cost of services we purchase from BPA is our largest cost and, as not-profit consumer-owned entities, we pass along those costs directly to our customers. Just as we are accountable for providing value to our communities, BPA is accountable for delivering value to its preference customers in return for the investments those customers have made in BPA. And just as our customers' needs drive our business models, the needs of BPA's customers should drive its business model. We were heartened by your comments at the PPC Members Forum in August reaffirming BPA meeting the needs of its preference customers as not only its heritage mission, but also an ongoing statutory obligation.

Concurrently, we recognize that DAM presents opportunities to enhance the delivery of reliable, affordable, and carbon free hydro power to the region. As such, the agency must demonstrate that the decision it makes in this process serves the needs of its preference customers, does not diminish the value of service from the federal system, and is consistent with BPA's historical purpose – all the while working to modernize the direction of the agency. Our appeal is you take to heart the comments submitted by the Public Power Council and the Western Public Agencies Group and to

collaborate in partnership with public power to vet the issues raised in those comments as ***quickly as possible*** to allow a decision on BPA's proposed timeline. Thank you for your consideration and attention to these critical issues.

Warm regards,

Jim Anderson
CEO/General Manager
Midstate Electric Coop

Schuyler Burkhart
General Manager
Grays Harbor PUD

Libby Calnon
General Manager
Hood River Electric & Internet Co-op

Annette Creekpaum
General Manager
Mason County PUD No. 3

Humaira Falkenberg
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Pacific County PUD 2

John Francisco
Assistant General Manager
Big Bend Electric Coop.

Kristin Masteller
General Manager
Mason County PUD No. 1

Joe Morgan
General Manager
Modern Electric Water Company

Scott Peters
Chief Executive Officer
Columbia Rural Electric Association