



October 9, 2026

Regional Organization for Western Energy, Inc.
c/o Corporation Service Company
251 Little Falls Drive Wilmington, DE 19808

Re: California Public Power Support for Elements of the Administrator's Letter and
Urging for a Broad Market Dialogue on Governance and Market Design

On behalf of the undersigned public power and water entities, we are writing in response to the September 3rd letter from Administrator Kavulla outlining elements of a Day Ahead Market necessary to attract participation by the Bonneville Power Administration ("BPA").

California's public power community strongly supports the Administrator's renewed evaluation of the Day-Ahead Markets Policy and Record of Decision ("Market Decision") adopted by BPA in 2025. We welcome further dialogue with BPA and its customers regarding the shared benefits of a larger and more liquid Extended Day-Ahead Market ("EDAM") footprint and the evolution in EDAM governance that has been identified as a prerequisite for any revised market participation decision by BPA.

California public power and public water agencies share many values with BPA and its preference customers. We are not-for-profit, community-owned entities that put the public interest first. Most of us are federal preference customers. Our regions—California and the Pacific Northwest—have engaged in mutually beneficial power trading for decades. Much of the existing high voltage transmission system in which both BPA and California public power have invested was built to take advantage of the natural diversities of our respective regions. No matter which utilities end up in which markets, these longstanding arrangements are not going away. But the value of our historic investment and trades will be much higher if we are all in the same market. While the Pacific Northwest has long been and remains a major supplier for California, California's thermal, hydropower, and burgeoning solar and storage fleets now provide critical reliability and economic benefit to the Pacific Northwest and BPA customers.

We are all part of the same interconnected grid. California's public power entities that serve roughly 14,000 MW of peak load, directly own nearly 5,000 MW of 500 kV transmission connectivity with BPA and the Pacific Northwest. In an unprecedented development, each of the autonomous California public power Balancing Authority Areas have pledged to be in one market and are on accelerated paths to EDAM implementation.

The fundamentals of market footprint size and diversity, along with transmission connectivity, drive consumer benefits. We strongly believe that what benefits our region and society broadly is what will ultimately and over the long-term bring the most benefit to our customers. BPA's own studies in its Market Decision demonstrate this clearly.

This is why California public power worked tirelessly and alongside a broad coalition to pass Assembly Bill 825 and enable the bulk of the California load serving entities to participate in an independently governed regional market. California public power has served on the Launch Committee for the West-Wide Governance Pathways Initiative ("Pathways") and within the numerous working groups to develop the Pathways Step 1 and Step 2 proposals and stand up the Regional Organization for Western Energy ("ROWE"). California public power serves on the Formation Board and hails the recent seating of a strong and independent ROWE Board of Directors with sole authority over the Day-Ahead and Real-Time Energy Markets. The Board members selected have unimpeachable credentials, diverse regional outlooks, and unparalleled experience in Western markets.

Specific to several items raised in Administrator Kavulla's letter, we support:

- A strong, independent, regionally diverse Board of leaders who will direct and implement the formation of a strong and independent ROWE.
- The hiring of executive leadership as outlined in the Step 2 Proposal that will advance the independent mission of the ROWE.
- While practicalities may lean toward a principal place of business for the ROWE in close proximity to the California Independent System Operator ("CAISO"), we recognize the need for independence in appearance and fact, and do not oppose alternative locations for the ROWE.
- A stakeholder-driven governance structure that both empowers stakeholders to influence policy but also holds them accountable for acting in the best interests of the market. However, we do not support overly complex structures with arcane and binding voting rules as seen in other organized markets, which have proven to lack flexibility, and may be fraught with endless jockeying of special interests. Ultimately, the decisional process must be headed by the independent Board of Directors to make sound and decisive market policy decisions. The buck stops at the Board.
- A durable structure, both in terms of exit durations, but also specific protections in the contract between the CAISO, as the market services provider, and the ROWE. Lack of certainty and durability on these matters favors no one.

Further, we welcome the opportunity to have an open and transparent dialogue on market design issues. Certain California public power Balancing Authority Areas are sponsors of the current EDAM Resource Adequacy process. We support durable and equitable congestion revenue allocation that provides meaningful opportunities to hedge congestion risk, tracks basic economic principles of causation, can be applied fairly and consistently throughout the market, and does not create abrupt market shocks. California public power also supports market design that fairly compensates resources for the product-values they bring to the market. We are preference customers and hydro owners also. As noted, much progress has been made on these issues.

These issues are difficult to be sure, but we welcome BPA and its customers back to the discussion, and look forward to working with BPA to reach consensus to support the broad and diverse market that we are confident will be mutually beneficial to both California and the Pacific Northwest.

Signed,

Balancing Authority of Northern California



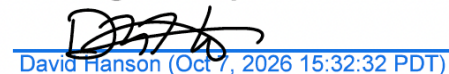
James R. Shetler, General Manager

Department of Water Resources



Jorge L. Quinteo, Assistant Division Manager

Los Angeles Department of Water & Power


David Hanson (Oct 7, 2026 15:32:32 PDT)

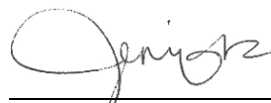
David W. Hanson, Interim General Manager

Six Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside

Margaret E. McNaul

Margaret E. McNaul, Thompson Coburn LLP
Attorney for the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside

State Water Contractors



Jennifer Pierre, General Manager

California Municipal Utilities Association



Danielle Blacket -Hyden, Executive Director

Imperial Irrigation District



Jamie L. Asbury, General Manager

Northern California Power Agency



Tony Zimmer, General Manager

Southern California Public Power Authority



Daniel E. Garcia, Executive Director

Turlock Irrigation District



Trisha Blevins
Energy Markets Department Manager