Provider of Choice Workshop
Block Product Design

May 7, 2024

PROVIDER OF CHOICE POST 2028

Objectives: Block Product Design

- Bonneville seeks customer input on certain design features of the Block and Block with Shaping Capacity products to better understand shortcomings of current design.
- The following two slides outline areas for product design conversations and includes current thinking on features Bonneville is unlikely to change.

Block Product Design Features

Issue	Description	BPA Position
Product Intent	• Planned product. Not designed to meet a customer's load on an hourly basis.	Policy/ROD Decision
Market Compatibility	• Scheduled day ahead, customers with shaping capacity can vary their daily Tier 1 block amounts within the established range. • Customers' hourly amounts are set day-ahead with no within day flexibility. • Customers retain flexibility to change their non-federal resource operations within day.	Fundamental Product Design
Block Shape Recalculation	• Block shape will be recalculated at least once during the term of the contract. • Timing of recalculation • Average actuals v. weather normalized approach	Flexible within parameters defined in Policy/ROD

Block With Shaping Capacity Parameters

Issue		BPA Position
Peak Load Variance Service	• BPA is willing to explore PLVS as an option for customer to access capacity and energy up to a customers P10 load.	Design discussion in conjunction with PRDM
Diurnal Block Option	• What diurnal block option would look like including HLH/LLH split and percentage of block that must be taken in HLH. • Monthly amounts are shaped with up to 60% of the megawatt hours in heavy load hour (HLH). • Diurnal definition.	BPA proposed design; Customers would need to identify major concerns
Ramping rates	• Each hourly ramping limit would be 10% of the shaping capacity amount, there would be a max and minimum allowable hourly block amount within the allowed scheduling range.	Open to discussion around Ramp Rates but there are limited flexibilities

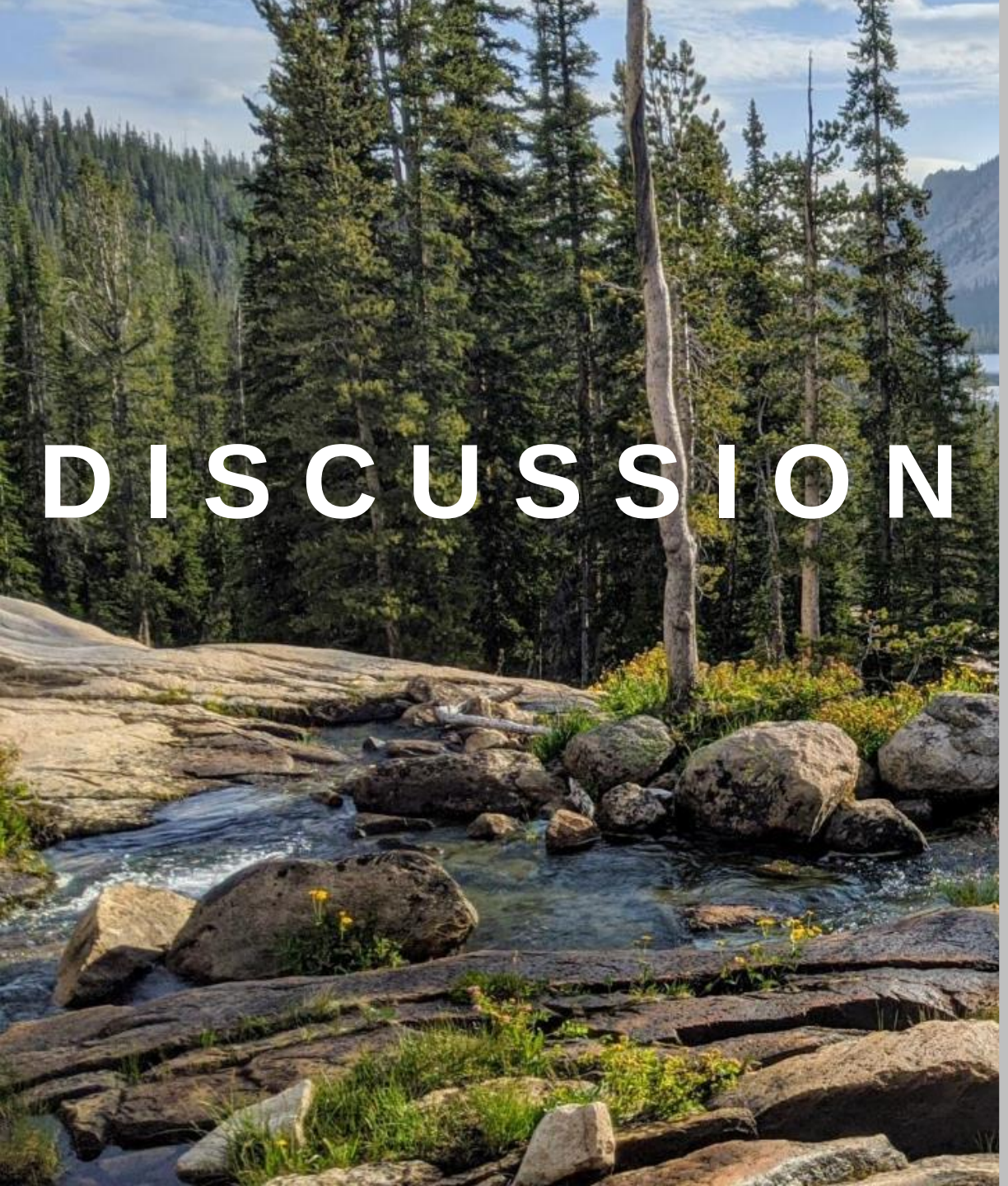
Block With Shaping Capacity Parameters

Issue		BPA Position
Monthly Energy Neutrality	• Customers are required to take between 45% and 55% of the energy available to them under the block in the first 14 days of the month.	BPA Decision; Unlikely to change
Amount of Shaping Capacity Available	• Minimum and maximum takes. • Customers would schedule for each day. • Based on Peak Net Requirement (PNR) which is calculated on P50 loads.	BPA Decision; Unlikely to change
Default Shaping Capacity	• A minimum shaping capacity amount of 10% is available with no need for a look at the customer's PNR forecast. • Customers may also choose a calculated Shaping Capacity amount based on their PNR. Then amounts are the percent that their monthly PNR exceeds the energy net requirement for that month.	BPA Decision; Unlikely to change

Product Feedback

Bonneville seeks customer input on the following design parameters of the product:

- **Block Shape recalculation**
  - Flexible withing design parameters in Policy/ROD
- **Peak Load Variance Service**
  - Design discussion in conjunction with PRDM
- **Ramping rates (Block with Shaping Capacity)**
  - Open to discussion - limited flexibility



Block Product Design Features

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Block with Shaping Capacity Parameters