



August 10, 2022

Bonneville Power Administration
Provider of Choice Concept Paper
Attention: Celeste Schwendiman
Power Account Representative

RE: United Electric Co-op, Inc. – Comments on Bonneville Power Administration’s Provider of Choice Concept Paper

United Electric Co-op, Inc. (“UEC”) appreciates this opportunity to comment on Bonneville Power Administration’s (“BPA”) Provider of Choice Concept Paper (“Paper”). UEC thanks BPA for its efforts to prepare the Paper along with the concepts, ideas and priorities contained therein. The Paper comprehensively outlines and addresses many concepts and priorities that UEC believes are important as policies are developed to be included in contracts between BPA and its utility preference customers upon expiration of existing regional dialogue agreements in 2028.

UEC generally supports the comments provided by the Idaho Consumer Owned Utilities Association, Northwest Requirements Utilities, and the Public Power Council, and recommends that BPA consider the comments from these organizations as long-term policy is developed applicable to BPA’s preference customers like UEC. As outlined in the Paper, UEC specifically appreciates that BPA intends to retain the tiered rate structure, maintain the Load Following product and the ability of a utility to add non-federal resources to its portfolio, an updated determination of the Tier 1 system size and allocation, and BPA’s continued support for the irrigation rate and low-density discounts.

There are some areas of concern that UEC believes are important for BPA to consider and evaluate with input from its customers. UEC would appreciate further discussion on mechanisms that would allow flexibility for growing utilities to have access to available or un-used Tier 1 power to meet load in the most economic manner. Appropriate treatment of load growth and load loss, and the resulting impact to a utility’s Tier 1 allocation needs further discussion and refinement. UEC is also concerned with BPA’s proposal that would require a utility to make a one-time election for serving its Above-High Water Mark load with either federal or non-federal resources.

While UEC appreciates that BPA is proposing to establish a fixed Tier 1 system size, UEC believes that any system size and/or augmentation strategies should be based on least cost, least risk planning concepts that provides firm, reliable power, and thorough analysis of rate impacts, cost stability, and considers the resource needs of its customers.

UEC is concerned about transfer service and continued access to firm, adequate and reliable transmission. Continued transfer service is essential to utilities in southern Idaho and BPA has made economic decisions to serve its customer's loads using non-federal transmission resources. These decisions have led to cost savings for all of BPA's customers. However, BPA's proposal to assign transfer costs for non-federal resources directly to its transfer service customers may be a barrier to access economic energy resources. UEC would like to pursue further discussion on this matter with BPA. In addition, UEC desires further understanding and discussions around BPA's transmission planning to provide transfer service to meet the aggregate growing loads of southern Idaho utilities, and specific implementation of transfer service for these customers.

Other concerns of UEC include BPA's proposed discontinuation of the comparability principle as it relates to transfer service and the direct assignment of ancillary services cost associated, especially as market opportunities may develop that could impact transfer service. UEC believes these issues warrant further consideration and discussion to ensure transfer customers have flexibility and adequate access to cost-effective transfer service, and are not unduly burdened with unfair cost treatment.

UEC appreciates and commends BPA's commitment to developing concepts, products, and services to be included in post-2028 contracts with input from BPA's customers. UEC has attempted to identify many of its priorities and concerns with these comments and looks forward to continued dialogue as we jointly develop post-2028 contract terms and conditions.

Thank you,

A handwritten signature in blue ink, appearing to read "Michael Darrington".

Michael Darrington
General Manager
United Electric Co-op, Inc.
1330 21st St
Heyburn, ID 83336
www.uec.coop