

EWEB Provider of Choice Comments, February 2023

EWEB values the ongoing dialogue with BPA and other members of public power around Provider of Choice contracts and policies. These comments characterize EWEB's initial reactions to BPA's January 24, 2023 system size and allocation proposal. These comments are not final positions.

1. General Reactions to BPA's Proposal

EWEB greatly appreciates the thoughtfulness of BPA's current proposal and the ways in which it addresses a variety of customer interests and feedback. We believe that this framework should be used as the basis for final allocation and system size decisions, and that it has 'all the right levers.' In general, we believe that the current proposal is very close to reaching a balanced and equitable outcome. That being said, we are open to hearing customer perspectives on why the 'lever settings' should be tweaked slightly.

2. Public Power Areas of Alignment

As BPA is aware, a group of public power representatives spent substantial time discussing areas of alignment on Provider of Choice contract design, focused on system size and allocation. EWEB supports these areas of alignment, and PPC's comments on this. These include, but are not limited to:

- System size between 7000-7500. EWEB believes that a system size of around 7150-7300 is likely required to achieve a balanced outcome for different utility groups.
- 2023 as a 'base year' – pending appropriate normalizing adjustments.
- Small utility adjustment for load growth.
- LDD, IRD discounts.
- Comparable treatment of federal and non-federal transfer service.
- Robust Tier 2 product options.
- Robust risk and cost control policies.
- Carbon (clean product offerings).
- Market compatibility.

3. Policy Intent

BPA's explanation of the thought process and policy intent behind each aspect of the proposal was very helpful for customers to understand the 'why' of various decisions. EWEB is supportive of this framework going forward and believes that it will be valuable in creating continuity for PoC and future contracts. EWEB continues to believe that finding the balance point across system size and allocation will help to achieve broader PoC policy goals. As mentioned above, EWEB believes that the current proposal is close to achieving this.

4. Balance in Allocation and System Size

Public power largely supports a system size between 7000 and 7500. This range represents a variety of interests and has tradeoffs depending on a utility's specific circumstances. EWEB is currently interested in further discussions of a system size between 7150 and 7300, as this range has the most alignment among public power. Additionally, with the CGS uprate, this range appears to present limited risk to flat and declining utilities, while providing benefits to growing utilities. As mentioned in earlier comments,

EWEB believes that developing robust tier 2 products is preferable to open-ended or 'excessive' augmentation.

5. Conclusion

EWEB looks forward to continued discussions on these topics. We are encouraged by recent progress and believe that it is time to begin focusing on areas such as product design that will be highly impactful to customers during the PoC contract. EWEB is likely to submit more detailed comments in the near future as there is more clarity and information about customer positions/proposals and areas of alignment. Thank you for consideration of these comments.