



# PUBLIC UTILITY DISTRICT NO. 1 of Cowlitz County, Washington

Submitted via email:

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Public Utility District No.1 of Cowlitz County (District) appreciates the Bonneville Power Administration's (BPA) consideration to include a load-specific adjustment to the Contract High Water Mark Process as discussed at the Provider of Choice workshop on March 9<sup>th</sup>. As you are aware, unusual economic conditions have transpired prior to and during FY2023 associated with record natural gas prices, supply chain disruptions, and atypical inflationary pressures that have unduly impacted a limited number of well-established legacy loads. These circumstances are unique and anticipated to be transitory in nature and therefore Cowlitz PUD greatly appreciates BPA's reasonable consideration for such longstanding loads that have been adversely impacted by these conditions. As such, we respectfully submit the following proposal for your consideration.

## Load-Specific Economic Adjustment Proposal

The purpose of this proposal is to set out a mechanism for determining the amount of FY 2023 load loss that will qualify a utility for an adjustment to its final Provider of Choice ("PoC") Contract High Water Mark ("CHWM"), and how such load loss is determined. This proposal attempts to follow and incorporate the guidelines identified by BPA in the March 9, 2023, PoC workshop. Fiscal Year references in this proposal refer to BPA's Fiscal Year.

1. **Qualify.** A BPA customer will be considered for a CHWM adjustment if, alternatively:
  - a. Standard Adjustment. A retail consumer's FY 2023 average metered load is at least 3 aMW<sup>1</sup> less than such retail consumer's highest average load during any consecutive twelve-month period from FY 2012 through FY 2022; or
  - b. Small Customer Adjustment. A retail consumer's annual average metered load was 20 percent<sup>2</sup> or more of the serving BPA customer's annual average metered load during any consecutive twelve-month period from FY 2012 through FY 2022 and such retail consumer's FY 2023 average metered load is at least 20 percent lower<sup>3</sup> than the retail consumer's highest average load during any consecutive twelve-month period from FY 2012 through FY 2022.
  - c. Adjustments will be provided for all single retail consumers of a BPA customer meeting any of the above thresholds. A BPA customer may also combine, one-time, up to two (2) retail consumers to meet the thresholds under 1.a or 1.b, provided (i) neither of the two (2) retail consumers can meet the threshold on their own, and (ii) it can be demonstrated that both such retail consumers continuously operated

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<sup>1</sup> Propose using between 3 aMW to 5 aMW. The aMW threshold for Provisional Highwater Marks under the TRM was 5 aMW.

<sup>2</sup> Propose using between 10 to 30 percent.

<sup>3</sup> Propose using between 10 to 30 percent.



## PUBLIC UTILITY DISTRICT NO. 1 of Cowlitz County, Washington

during any consecutive three (3) year period from FY 2012 through FY 2023. Such combined retail consumers will also constitute one retail consumer for purposes of 2 and 3.

2. **Adjustments to CHWM.** The Adjustment Amount added to the BPA's customer's PoC CHWM will be the difference between highest average annual metered load for the retail consumer during the consecutive twelve-month period from FY 2012 through FY 2022 determined pursuant to 1.a or 1.b less such retail consumer's FY 2023 average metered load, expressed in aMW.
3. **Retention.** The Adjustment Amounts added to a BPA customer PoC CHWM pursuant to section 2 above will be evaluated to determine the portion, if any, of the Adjustment Amount that will be used to calculate such BPA customer's permanent PoC CHWM. The amount of each such Adjustment Amount that will be retained for purposes of calculating the BPA customer's permanent PoC CHWM will be the lesser of:
  - a. the load Adjustment Amount calculated under item 2 above; or
  - b. the positive difference, if any, between (i) the largest average metered load(s) during any six (6) consecutive months within FY 2024-2025 of the retail consumer load used to calculate the Adjustment Amount and (ii) such retail consumer's FY 2023 average metered load, all of the foregoing expressed in aMW.
4. **Limitation.** Any portion of adjustment(s) made pursuant to the above that causes a BPA customer's final PoC CHWM to exceed its FY 2024 RHWM shall be subject to BPA's proposed 25 percent load growth adjustment.

The District appreciates BPA's consideration of this proposal and looks forward to working together with BPA and other preference customers in the coming months.