



Provider of Choice Workshop

May 7, 2024

PROVIDER OF CHOICE

**POST
2028**





Non-Federal Resources Consumer-Owned Resources

Objectives

Continue discussion started at the April 10, 2024 Non-Federal Resource Workshop RE: the Regional Dialogue Contract definition of Consumer-Owned Resources.





Consumer-Owned Resources under Provider of Choice Contracts

Regional Dialogue Contract Concerns to Address

Customers and their consumers have expressed concern that Regional Dialogue Contract definitions of on-site resources on the customer's "distribution system" may inhibit consumers' resource plans

BPA has not proposed a solution to this concern but is aware that it requires attention

- More conversation, starting today, is needed before preparing contract language.

Administration Challenge – “distribution”

- Consumer-Owned Resources and On-Site Consumer Load in Regional Dialogue Contracts both refer to “distribution system.”
- Section 2.11 Defines Consumer-Owned Resource as,
 - “a Generating Resource connected to [Customer’s] distribution system that is owned by a retail consumer, has a nameplate capability greater than 200 kilowatts, is operated or applied to load, . . . []”

“Distribution” (cont)

On-Site Consumer Load in Regional Dialogue Contracts; “distribution system”

- Section 2.4.3 defines on-site load as interconnected on the same portion of the distribution system as the resource.
 - “Onsite Consumer Load” means the electric load of an identified retail consumer of [Customer] that is directly interconnected or electrically interconnected on the same portion of [Customer’s] distribution system with a Consumer-Owned Resource of that same identified retail consumer such that no transmission schedule is needed to deliver the generation from the Consumer-Owned Resource to the consumer load.”

“Distribution”

The term “distribution” in the definitions of consumer-owned resource and onsite consumer loads has led to questions.

- Commonly distribution system refers to low voltage facilities (less than 34.5 kV) but also can mean any facilities used to deliver energy to consumers
 - Distribution system appears repeatedly, but is not a defined term in, Regional Dialogue Contracts
 - From the Energy Information Administration (EIA), Distribution System is, “The portion of the transmission and facilities of an electric system that is dedicated to delivering electric energy to an end-user.”

Administration Challenge – “distribution”

For POC contracts BPA expects to revisit the definitions of Consumer-Owned Resources and On-Site Consumer Load currently in Regional Dialogue Contracts

- Goal is to clarify the use of, or substitute language for, “distribution system” in respect to Consumer-Owned Resources
 - This will make the application of consumer-owned resources to consumer loads clearer
 - This issue will be addressed in the Contract Drafting phase, and Parties will have opportunity to review and comment on proposed language

Potential Clarification

For Consumer-Owned Resources serving On-Site Consumer Load, BPA intends to clarify in Contracts that:

- On-Site resources of Consumers need to be co-located with and connected to the Consumer load in a meaningful way
 - Perhaps at the same Point of Delivery from a Transmission Provider
- Such resources are not wheeled by a Transmission Provider, and
- Are not scheduled from another location

Next Steps

Assuming no additional significant discussion remains, BPA will initiate contract drafting based on concepts shared today, and bring to future contract drafting workshops.



Appendix: Consumer-Owned Resources under Regional Dialogue Contracts

Consumer-Owned Resources Historically

Prior to Regional Dialogue Contracts, Consumer-Owned Resources typically were co-generators within industrial plants.

- Generators turned by waste heat or steam
- Other generation using by-product fuels from manufacturing processes

That paradigm changed with the advent of solar generation, available to many modestly-sized consumer loads.

- Solar generation started appearing early during the Regional Dialogue period

Consumer-Owned Resources in the RD Contract

Consumer-Owned Resources are listed in Section 7 of Exhibit A NET REQUIREMENTS AND RESOURCES of Regional Dialogue (RD) Contracts

- Including all resources exceeding 200 kW Nameplate

In RD Contracts, customers elect from three options for how their consumers will apply their Consumer-Owned Resources:

- Serving Onsite Consumer Load
- Serving Other than Onsite Consumer Load, or
- Serving both Onsite and Other than Onsite Consumer Load

These elections are for how Consumer-Owned Resources are treated in the Power Sales Agreement between BPA and the Customer