Public Notice FY 2018 Net Requirements

BPA is seeking comments about the Slice/Block and Block customers' FY 2016 actual and FY 2018 forecast of Total Retail Load and Dedicated Resource data or process. Comments will be considered in BPA's Net Requirements calculations as specified in the Regional Dialogue Contracts. BPA will publish final Total Retail Load and Dedicated Resource data no later than Sept. 30, 2017, and will describe any changes from these initially published data. Information is posted on the website below under “Net Requirements Transparency." BPA will use this data to calculate Slice/Block and Block customers’ Net Requirements for Fiscal Year 2018.

Cowlitz PUD has indicated that one of its consumers is evaluating a reduction in operations by 100 annual aMW effective Oct. 1, 2017. BPA is concerned that the proposed forecast would significantly underestimate the load, and that the facility may continue to take service and operate at current levels. The financial impact of losing 100 annual aMW of load places additional costs on other BPA customers when BPA loses a PF Tier 1 sale and then is forced to sell into the short-term market at a lower price. BPA recognizes many factors influence a consumer’s operational decisions in addition to electricity costs. BPA expects to continue providing PF Tier 1 Power to Cowlitz to support operations while the consumer determines the appropriate operating level for the facility.

BPA is seeking comment on options we are evaluating for the final decision on Net Requirements for Cowlitz:

Option 1: BPA could accept the new Cowlitz forecast of 80 annual aMW.

Option 2: BPA includes the 180 annual aMW forecast of the load in our final forecast for Cowlitz.

Option 3: To balance the load uncertainty with potential take-or-pay impact, BPA would seek settlement with Cowlitz including a liquidated damages contract provision that will offer BPA financial protection in the event the actual load at the facility exceeds Cowlitz’s load forecast of 80 annual aMW. This would be designed to retain PF equivalent revenue for load amounts above 80 annual aMW.

Option 4: Cowlitz’s forecast is based on one of three lines at the facility not operating. Under this option BPA would require that Cowlitz purchase power at a PF equivalent price to serve the full amount of the third line load for the remainder of the fiscal year were it to operate prior to April 2018. If the line does not operate prior to April 2018 then there would be no requirement to purchase power for it during FY 2018.

BPA and Cowlitz will establish the load level expected from the two operating paper lines. For these two operating paper lines this could be accomplished by agreeing to a specific load number or the liquidated damages concept stated in option 3. In addition, BPA and Cowlitz would need to agree on the amount of energy Cowlitz would purchase from BPA if NORPAC were to decide to operate the third paper line prior to April 2018

The Slice/Block and Block 2016 Actual Total Retail Load and 2018 Forecast of Total Retail Load and Dedicated Resource are available in the Net Requirements Transparency section at:

<https://www.bpa.gov/power/pl/regionaldialogue/implementation/documents/>

Comments are due no later than 5:00 PM local time Portland, Oregon on August 24, 2017.