



Department of Energy

Bonneville Power Administration
P.O. Box 3621
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POWER SERVICES

August 3, 2020

In reply refer to: PS-6

To Regional Customers and Interested Parties:

Bonneville Power Administration (Bonneville) kicked off the Rate Period High Water Mark (RHWM) Process with a customer workshop on May 19, 2020. Following the workshop, Bonneville opened a public comment period from May 20 to June 3, 2020. Bonneville issued a letter in response to several comments received on July 14, 2020. In a letter dated July 23, 2020, Northwest Requirements Utilities (NRU) followed up with two additional questions. NRU's letter can viewed at

</Finance/RateCases/RHWM/RHWM/NRU%20RHWM%20Letter%2007232020.pdf> .

Bonneville's responses to these questions are included below.

Question 1:

In complying with the court ordered CRSO EIS, the co-lead agencies worked together, with input from cooperating agencies, to identify a suite of measures to form a balanced Preferred Alternative (See Chapter 7 of the CRSO EIS). Each of these operational changes in the Preferred Alternative were closely examined and included in our BP-22 RHWM studies if the change aligned with the FY 2022 and FY 2023 time frame. The Sliding Scale Summer Draft was included in each Management Objective and the Preferred Alternative of the EIS. Note that the specific operational change associated with the Sliding Scale Summer Draft is only one of the many changes included in our BP-22 RHWM studies. The final decision on whether or not to adopt the operation as defined by the Preferred Alternative will be made through the Records of Decision for the EIS and the BiOps when they are issued in September 2020.

Question 2:

The operations at Libby and Hungry Horse continue to be modeled in a coordinated fashion with all the other regulated hydro projects. The use of a local forecast is not unique to Libby and Hungry Horse; many other regulated projects have been using local forecasts for quite some time, including Brownlee, Grand Coulee, Dworshak, Lower Granite, a few Canadian projects, Libby and Hungry Horse (for specific constraints other than the Summer Sliding Scale).

As stated above, the change from a system-wide water forecast to a local forecast does not change the modeled coordination of the regulated system. BPA continues to model and operate the FCRPS as a single system.

Operational constraints and practices have always been used to inform our planned expectation of the output of the system. Reflecting operational changes in modeling the amount of draft at Libby and Hungry Horse is consistent with this long standing practice.

Bonneville will hold a customer workshop on August 4, 2020 to discuss the draft final RHWM TISFCO and draft final RHWM outputs for FY 2022 – FY 2023. The final public comment period extends from August 5 through August 19. The Final BP-22 RHWM outputs are scheduled to be made available on September 30, 2020.

Please contact Kathryn Patton (kbpatton@bpa.gov, 206-220-6785) for further information.

Sincerely,

Kim Thompson
Vice President, Northwest Requirements Marketing