

**DRAFT – WORK IN PROGRESS**  
**BPA’s Conceptual “Slice” Options**  
8/7/98 (Revised 8/24/98)

	<b>Option 1 Surplus Slice</b>	<b>Option 2 Slice of FELCC</b>	<b>Option 3 Slice of Products</b>	<b>Option 4 Partial Service</b>
<b>Product</b>	power sale to mimic the shape of FCRPS output including secondary energy, storage and flexibilities	% of FCRPS FELCC in monthly blocks; blocks exceeding monthly Requirements are surplus sales	a combination of Subscription products to mimic PGP proposal (purchaser chooses products)	monthly requirements net of purchaser’s resources; blocks or load following
<b>Schedule or Signal</b>	schedule only	schedule only	schedule; signal for certain products	schedule if outside control area; direct service if inside
<b>What the “product” is intended to do</b>	product as close as possible to the PGP Slice concept, while meeting statutory requirements and BPA’s principles	give purchaser a first-in-line Subscription right (at a modest price) plus advance sale of surplus firm blocks in some months	give purchaser all of the flexibilities of PGP’s proposed Slice, within the Subscription framework	give purchaser a net Requirements service comparable to full Requirements service
<b>Use of Product</b>	at purchaser’s discretion	Requirements portion for purchaser’s firm loads; <del>cannot be unclear if can be</del> pooled; surplus portion is at purchaser’s discretion	Requirements portion meets purchaser’s firm loads; <del>cannot be unclear if can be</del> pooled; surplus products at purchaser’s discretion	meets purchaser’s firm loads; <del>cannot be unclear if</del> <u>can be</u> pooled
<b>Subscription Priority</b>	Surplus; after load defined requirements are subscribed	portion meeting Requirements is first priority; rest is surplus	Requirements, first priority; plus surplus products	Requirements; first priority
<b>Determination of amount</b>	remaining inventory	annual net requirements, (including planned surplus)	monthly and hourly net requirements for power blocks	monthly and hourly net requirements
<b>Product Choices</b>	<del>can only be combined with BPA firm blocks</del> <u>OK with any BPA Requirements products</u>	OK to combine with any other BPA products	OK to purchase in combination with other BPA products	can only be combined with BPA firm blocks
<b>Price/Cost</b>	a % of certain FCRPS costs, with cost adders	posted monthly demand and energy charges	posted rates for blocks; surplus product prices negotiated	posted rates
<b>Customer Resources Support</b>	purchaser can manage product to complement resources	none	available	none
<b>Noteworthy Features</b>	power received varies with actual output and capability of the FCRPS	purchaser would use its own resources to shape the Requirements portion to its load	choice to purchase desired products only	choice of block purchase or actual load-following services

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**PGP Proposal and BPA Comments**

	<b>Current PGP Slice Proposal</b>	<b>BPA Concerns with PGP Proposal</b>	<b>Potential Changes to meet BPA Concerns</b>
<b>Product</b>	power sale that reflects attributes of FCRPS generation including secondary energy, storage and flexibilities		
<b>Schedule or Signal</b>	option to operate by schedule or dynamic signal	signal could intensify use of FCRPS resources by non-Federal parties; and add risk of not meeting other obligations	operate by schedule only
<b>What the “product” is intended to do</b>	assume various financial and operating risks	<del>does not</del> must meet BPA statutes and principles	include premiums to avoid shifting costs or risks to other customers or Treasury
<b>Use of Product</b>	firm portion to meet purchaser’s requirements loads; can be pooled; discretionary use of nonfirm	BPA’s Requirements obligation is to customers individually	<del>uncertain if</del> Requirements service can <del>not</del> be pooled
<b>Subscription Priority</b>	first priority	does not meet BPA’s interpretation of Requirements (monthly and hourly)	first priority might be maintained if product was interruptible to serve other requirements loads
<b>Determination of amount</b>	annual net requirements for firm portion	(see Concern directly above)	
<b>Product Choices</b>	can only be combined with BPA firm blocks		
<b>Price/Cost</b>	a % of PBL costs except short-term power purchases, transmission, net revenues for risk, new resources not for “public purposes”; plus actual implementation costs	may increase some short-term power purchases; may diminish ability to build financial reserves; new resources or purchases may be needed to meet requirements loads (including Slice)	add costs for: power purchases attributable to Slice; lost surplus power revenues that would have gone to reserves and public purposes; other cost shifts to PF rates (if any) [costs or Slice power may need adjustment for expansion of FCRPS inventory]
<b>Resource Support</b>	purchaser can manage the product to complement resources		(see note above regarding operation by schedule only)
<b>Noteworthy Features</b>	power received varies with actual output and capability of the FCRPS		