

Bonneville Power Administration
Provider of Choice Contract
Record of Decision
August 14, 2025



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1. Introduction

The Bonneville Power Administration (Bonneville) Provider of Choice (POC) Contract High Water Mark (CHWM) Contracts are made pursuant to section 5(b) of the Pacific Northwest Electric Power Planning and Conservation Act¹ (Northwest Power Act). 16 U.S.C. § 839 et seq. (2023). The term of the POC CHWM Contracts is 19 years with power service commencing October 1, 2028, and ending September 30, 2044. The POC CHWM Contracts are offered to Bonneville’s public body, electric cooperative, tribal, and federal agency customers to serve their firm power load in the region, sometimes referred to as Priority Firm Power (PF) customers in this record of decision (ROD) as they are eligible to purchase power at a PF rate. The contracts reflect the outcome of an extensive, multi-year public process that involved customers and interested parties that worked with Bonneville to help craft and design policies, products, and contract language. The POC CHWM Contracts build off the Provider of Choice Policy, dated March 2024² (POC Policy), which addresses the agency’s power marketing policy for the POC contract period.

Section 5(b) of the Northwest Power Act requires that “[w]hen requested, the Administrator shall offer to sell to each requesting public body and cooperative . . . and to each requesting investor-owned utility [IOU] electric power to meet the firm power load of such public body, cooperative or investor-owned utility in the Region to the extent that such firm power load exceeds . . .” the utilities’ resources. 16 U.S.C. § 839c(b)(1). Over one hundred utilities have a right to request a contract under section 5(b).

The first set of contracts developed to implement section 5(b) under the Northwest Power Act were negotiated and offered nine months after the passage of the Northwest Power Act on December 5, 1980. These contracts expired in 2001. Like other federal power marketing administrations, Bonneville develops power marketing policies prior to the commencement of negotiating and offering new long-term power sales contracts to guide key power marketing and product details. For example, in 1999 Bonneville issued its Power Subscription Strategy, to describe how Bonneville intended to meet its section 5(b) obligations in a deregulated energy market environment for fiscal year (FY) 2001 through FY 2011. *See generally* Power Subscription Strategy, 64 Fed. Reg. 149 (Jan. 4, 1999). The Power Subscription Strategy was followed up by the Long-Term Regional Dialogue Final Policy, dated July 19, 2007³ (RD Policy), which set the parameters for developing the Regional Dialogue (RD) CHWM Contracts and tiered rate construct. *See* Notice of Final Policy; Bonneville Power Administration Long-Term Regional Dialogue Policy, 72 Fed. Reg. 45,238 (Aug. 13, 2007). Bonneville’s most recent power marketing

¹ The Northwest Power Act is included in BPA’s Statutes manual, which is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/gi-BPA-Statutes.pdf>.

² The POC Policy is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/provider-of-choice-policy-march-2024.pdf>.

³ The RD Policy is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/07-19-07-rd-policy.pdf>.

policy providing the foundation for its contracts is the POC Policy. This policy built on the RD Policy and established Bonneville's power marketing paradigm, that then guided the development of the POC CHWM Contracts for power deliveries for FY 2028 through FY 2044.

In this ROD, Bonneville addresses issues raised during the public comment period on the POC CHWM Contracts held between March 12, 2025, and April 9, 2025. A list of commenters, affiliations, and comment numbers is provided in Appendix B. The issues discussed in this ROD are organized based on corresponding sections in the POC CHWM Contract.

The POC Policy also mentioned section 5(b) contracts for IOUs but did not provide a detailed framework like it did for the POC CHWM Contracts. Bonneville developed the New Resource Rate Block Policy (NR Block Policy) in lieu of an NR Block contract. Bonneville describes its decision to draft this policy and associated process in Section 26 of this ROD, where Bonneville closes out the NR Block Policy process.

Public Process

In 2016, Bonneville initiated discussions with its regional firm power customers regarding the future of Bonneville's products, services and rates upon which to lay the foundation for the successor agreements to RD CHWM Contracts.

Focus 2028. Bonneville's Focus 2028 effort involved conversations around the region regarding Bonneville's future competitiveness. Among the multiple issues confronting the agency, it was clear that to be competitive, Bonneville would need to address its costs and ultimately future rate levels. Through these conversations Bonneville developed and issued its 2018 – 2023 Strategic Plan, wherein Bonneville committed to hold periodic regional conversations to understand the challenges customers face. The first conversations about future policy and contracts were held in this forum.

Provider of Choice Early Engagement. Following Focus 2028, Bonneville held a series of power customer meetings beginning in late 2019 through summer 2020. Bonneville received customer input on their post-2028 needs for products, services, contract terms and rate structure. Bonneville released its findings from these discussions in the Provider of Choice 2020 Customer Engagement Summary⁴ published in October 2020. In March 2021, Bonneville released the Provider of Choice Initial Staff Leanings⁵ that built off the early engagement and served as a starting point for further customer discussions.⁶ These discussions explored policy issues to promote understanding of foundational issues ahead of Bonneville's planned concept paper.

⁴ The Provider of Choice Customer Engagement Summary is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/final-2020-prov-of-choice-customer-engagement-summary-10-07-2020.pdf>.

⁵ The Provider of Choice Initial Staff Leanings is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/post-2028-initial-leanings-03-9-21.pdf>.

⁶ Meeting materials from the 2021 forum are available at <https://www.bpa.gov/energy-and-services/power/provider-of-choice/resources>.

Concept Papers. In October 2021, Bonneville received a request to pause the release of its concept paper from three of its power customer organizations: the Public Power Council⁷ (PPC), Northwest Requirements Utilities⁸ (NRU), and the Western Public Agencies Group⁹ (WPAG). The purpose of the pause was to give public power customers time to collaborate and produce a public power concept paper. In March 2022, Bonneville received the Public Power Post-2028 Concept Paper,¹⁰ a submittal by several customer organizations, as well as another paper¹¹ submitted by Pacific Northwest Generating Cooperative (PNGC), representing the interests of its electric cooperative utility members. These concept papers identified customer perspectives on key issues such as whether to tier rates. The papers also identified areas where customers wanted to start policy conversations. These public power concept papers helped inform Bonneville's policy development of concepts raised in Bonneville's own concept paper as well as alternatives considered during policy development workshops.

Provider of Choice Concept Paper. Bonneville published its Provider of Choice Concept Paper¹² on July 14, 2022 (POC Concept Paper). The concept paper served as a starting point for policy development workshops by outlining Bonneville's initial conceptualization of what would ultimately be encompassed in the POC Policy. The concept paper focused on service to publicly owned utilities and provided some discussion of section 5(b) service for IOUs.

Policy Workshops. Between April 21, 2022, and April 20, 2023, Bonneville held 25 public workshops attended by hundreds of interested parties to provide grounding in the policy issues, invite deliberation and proposals, and discuss the intent and design of policy elements. Bonneville encouraged active workshop participation and invited informal comments that were considered in the development of the POC Policy. Bonneville publicly noticed workshops on Bonneville's public event page and through Bonneville's Tech Forum email distribution list, which reaches customers and other interested parties. Initial workshops were virtual-only due

⁷ PPC is the umbrella trade association representing the interest of the Northwest's non-profit, public power utilities that have preference rights to the output of the federal system. POCCT-32-PPC at 1.

⁸ NRU represents the interests of 56 mostly small, mostly rural load following customers and one generation and transmission cooperative, which together account for roughly 37% of Bonneville's Tier 1 load. POCCT-14-NRU at 1.

⁹ The 27 utilities comprising WPAG include Benton Rural Electric Association, Eugene Water and Electric Board, Umatilla Electric Cooperative, Hood River Electric Cooperative, the Cities of Port Angeles, Ellensburg and Milton, Washington, the Towns of Eatonville and Steilacoom, Washington, Elmhurst Mutual Power and Light Company, Lakeview Light & Power, Ohop Mutual Light Company, Parkland Light and Water Company, Peninsula Light Company, Central Lincoln People's Utility District, Public Utility Districts No. 1 of Clallam, Clark, Cowlitz, Franklin, Grays Harbor, Jefferson, Kittitas, Lewis, Mason and Skamania Counties, Washington, Public Utility District No. 3 of Mason County, Washington and Public Utility District No. 2 of Pacific County, Washington. The WPAG utilities collectively make up more than 33% of Bonneville's Tier 1 load. POCCT-17-WPAG at 1. Benton REA joined POCCT-17-WPAG but did not join POCCT-34-WPAG.

¹⁰ The Public Power Post-2028 Concept Paper is available at <https://www.ppcpdx.org/wp-content/uploads/FINAL-Post-2028-Concept-Paper-3-30-22.pdf>.

¹¹ The Post-2028 BPA Contract and Framework Concept Paper is available at <https://www.pngcpower.com/wp-content/uploads/PNGC-Post-2028-Framework-Concept-Paper-03-31-22.pdf>.

¹² The Provider of Choice Concept Paper is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/bpa-provider-of-choice-concept-paper-final-july-2022.pdf>.

to the ongoing COVID-19 pandemic. Starting December 8, 2022, many workshops were offered as hybrid meetings with the opportunity to attend in-person or remain virtual.

Bonneville's policy workshops concluded in a series of public meetings conducted throughout the region in April 2023. These meetings were led by senior executives from Bonneville Power Services and were held in Burley, Idaho, Spokane, Wash., Missoula, Mont., Tacoma, Wash., Eugene, Ore., and Portland, Ore. The meetings offered attendees an overview of the draft policy direction based on feedback from earlier policy workshops. The meetings were largely listening sessions and gave Bonneville the opportunity to engage at a local level and hear voices from around the Pacific Northwest region.

Bonneville also actively participated in a technical Peak Net Requirements (PNR) Task Force from August 19, 2022, through February 6, 2023. Customers requested that Bonneville form the task force to learn about and discuss Bonneville's approach to how it would determine the peak net requirements of its power customers. The goal of this task force was to coalesce on a peak net requirements calculation. Bonneville proposed a peak net requirements calculation in workshops in spring 2023 and indicated that implementation would be discussed as part of the POC policy implementation and contract development phase.

Release of the draft Provider of Choice Policy, dated July 2023¹³ (draft POC Policy). Bonneville released its draft POC Policy on July 20, 2023. Bonneville published a notice in the Federal Register on July 24, 2023, and opened a public comment period from July 20, 2023, to October 13, 2023.

On July 26, 2023, Bonneville held a public meeting to provide an overview of the draft POC Policy and answer clarifying questions. On August 1, 2023, Bonneville held an additional public meeting to give the region an opportunity to ask clarifying questions. Bonneville also answered questions during the comment period when requested.

Bonneville received and considered over 16,800 written comments from customers, interested parties, and the general public. A list of commenters, affiliations, and comment numbers is provided in Appendix B of the Provider of Choice Policy Record of Decision, dated March 2024¹⁴ (POC Policy ROD). All comments received during the public comment period are posted to Bonneville's public comment webpage.

Planned Products Workshops. Bonneville did not provide detailed product design in the draft POC Policy. After multiple requests for further discussion, Bonneville hosted three workshops in late 2023 that focused on planned products. These workshops were limited in scope, with objectives that included: (1) discussing the intent and features of a proposed Block with

¹³ The draft POC Policy is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/draft-provider-of-choice-policy.pdf>.

¹⁴ The POC Policy ROD is available at <https://www.bpa.gov/-/media/Aep/about/publications/records-of-decision/2024-rod/rod-20240321-bonneville-power-administration-provider-of-choice.pdf>.

Shaping Capacity option product, (2) working towards a shared understanding of the impact of a day-ahead market on power products, and (3) promoting an understanding of the detailed processes and timelines that follow the final POC Policy and ROD release. Bonneville specified that these workshops were pre-decisional in nature and were not part of the formal public comment process. For purposes of the workshops, Bonneville based product design discussions on the draft POC Policy positions, recognizing that final POC Policy could necessitate adjustments to the product design discussed.

Publication of the POC Policy and POC Policy ROD. Bonneville published the POC Policy and the accompanying ROD on March 21, 2024. The POC Policy ROD responded to comments, addressed changes made to the POC Policy, made a number of final decisions, and provided commitments to further discussion on several topics in the policy implementation and contract development phase. The POC Policy ROD was amended twice, on March 26, 2024, and April 17, 2024, to address minor edits that were documented in a new Appendix D, ROD Revision History. The edits were a result of clarifications that arose during the first policy implementation and contract development workshops.

Policy implementation and contract development phase. Between April 9, 2024, and February 20, 2025, Bonneville held 37 public workshops attended by interested parties to discuss implementation of policy elements and invite review and negotiation of contract language. Bonneville publicly noticed these workshops on its event page and through Bonneville Tech Forum email distribution lists. Interested parties were encouraged to attend and participate in workshops. Many of the workshops were held as hybrid meetings, as were adopted at the end of the policy development phase. In addition, Bonneville leveraged virtual meetings to provide additional workshops on contract language.

To help reach consensus with customers, Bonneville adopted a “three-touch” approach on contract language with the goal of providing interested parties the opportunity to review and deliberate on contract language three times. This approach included raising language or concerns in workshops or by providing informal comments after workshops. Ahead of workshops, Bonneville posted relevant contract language as Word documents to the Provider of Choice webpage¹⁵ (POC webpage) for review. Informal comments were often submitted as electronic redlines provided in a copy of the posted Word document. This comprehensive approach ensured interested parties had ample time to review and contemplate contract language.

In October 2024, Bonneville consolidated all workshoped contract language into a single template. Bonneville provided a holistic review of the contract template starting October 31, 2024, and published additional versions on December 19, 2024, January 17, 2025, and February

¹⁵ The POC webpage is available at <https://www.bpa.gov/energy-and-services/power/provider-of-choice>.

11, 2025. Bonneville accepted workshop feedback and written comments on all versions except the one published on February 11, 2025, where Bonneville only accepted workshop feedback.

The January 2025 and February 2025 releases were followed by multi-day intensive workshops. Bonneville and interested parties negotiated contract changes in the workshops and Bonneville staff caucused after the workshops to deliberate on whether additional changes were warranted before the issues were re-evaluated the next morning. Bonneville published updates to the January 17, 2025, and February 11, 2025, versions to capture edits made during each day of the workshop series. The goal of these workshops was to negotiate resolutions for the major remaining issues ahead of Bonneville publishing a template for formal comment.

Draft Provider of Choice Master Contract Template, dated March 12, 2025¹⁶ (draft Master Template), posted for comment. Bonneville released the draft Master Template for formal comment on March 12, 2025, and opened a public comment period from March 12, 2025, to April 9, 2025. Bonneville received and considered 33 written comments from customers, trade associations, interested parties, and the general public. The comments came from 28 unique commenters, as some submissions came as both a written comment and electronic redline edits to Word document versions of the draft Master Template. A list of commenters, affiliations and comment numbers is provided in Appendix B of this ROD. All comments received during the public comment period are posted to Bonneville's public comment webpage.

Bonneville did not receive comments on the following sections of the draft Master Template: Section 1 Term, Section 2 Definitions, Section 6 Public Rate Design Methodology, Section 12 Billing Credits and Residential Exchange, Section 15 Metering, Section 16 Billing and Payment, Section 18 Uncontrollable Forces, Section 19 Governing Law and Dispute Resolution, Section 24 Termination, Section 25 Signatures, Exhibit E Metering, Exhibit I Notices and Contact Information, Exhibit K Annual Slice Percentage and Firm Slice Amounts, Exhibit L Provider of Choice Slice Application, and Exhibit M Slice Operating Procedures.

Comments on POC public process. Many commenters expressed their support for the public process that led to the publication of the draft Master Template. Benton Rural Electric Association (Benton REA), Big Bend Electric Cooperative, Inc. (Big Bend), Columbia Basin Electric Cooperative, Inc. (Columbia Basin), Columbia Rural Electric Association (Columbia REA), NRU and United Electric Co-op, Inc. (United) appreciated "the collaborative effort" provided by Bonneville staff and executives. POCCT-10-Benton-REA at 1; POCCT-12-Big-Bend at 1; POCCT-04-Columbia-Basin at 1; POCCT-02-Columbia-REA at 1; POCCT-14-NRU at 2; POCCT-20-United at 1. NRU further emphasized its gratitude for "the clear priority that BPA has placed on collaborative engagement throughout this process." POCCT-14-NRU at 1. The New Large Single

¹⁶ The draft Master Template is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250312-poc-master-template.docx>.

Load (NLSL) Group¹⁷ (NLSL Group) also expressed appreciation for the “collaborative effort that resulted in the” draft Master Template. POCCT-26-NLSL-Group at 1.

The Public Utility District #1 of Okanogan County (Okanogan) expressed appreciation for Bonneville’s “commitment to transparency and stakeholder engagement.” POCCT-28-Okanogan at 1. Salmon River Electric Cooperative, Inc. (Salmon River) commented that it had been a “good public process” and that the draft Master Template “shows the culmination of all the good work.” POCCT-23-Salmon-River at 1. Alliance of Western Energy Consumers¹⁸ (AWEC), Mason Public Utility District 3 (Mason 3), Seattle City Light (Seattle), Public Utility District No. 1 of Snohomish County (Snohomish) and Tacoma Power (Tacoma) also supported the public process and engagement. POCCT-25-AWEC at 1; POCCT-27-Mason-3 at 1; POCCT-22-Seattle at 1; POCCT-31-Snohomish at 1; POCCT-15-Tacoma at 1.

Commenters expressed their appreciation for Bonneville’s willingness to consider changes during the contract drafting process. Eugene Water & Electric Board (EWEB) commented “that BPA’s process, willingness to listen and incorporate feedback, and attention to detail have resulted in robust draft documents that should not need major substantive revision.” POCCT-05-EWEB at 1. PPC acknowledged that “BPA made several changes throughout the contract that will benefit customers throughout the duration of the contract and public power is grateful for BPA’s partnership.” POCCT-32-PPC at 2. The Planned Product Group¹⁹ (PPG) thanked Bonneville staff for their time, stating that the “process has been collaborative and transparent, affording stakeholders opportunities to present diverse perspectives and propose both detailed and high-level revisions.” POCCT-11-PPG at 1.

Several commenters acknowledged that both Bonneville and interested parties compromised during the public process to reach resolutions that are now reflected in the Master Template. Idaho Falls Power (Idaho Falls) commented, “[i]t has been a long journey with much give and take on all sides, but the process has been transparent and collaborative which gave customers the opportunity to be heard.” POCCT-09-Idaho-Falls at 1. Lost River Electric Cooperative (Lost River) acknowledged “the sincere effort that BPA staff have invested in both listening to customer input and balancing the varied needs of a very broad customer base in order to develop product offerings that fairly meet those needs.” POCCT-29-Lost-River at 1. WPAG similarly stated:

¹⁷ The NLSL Group is comprised of BPA preference customers who serve or expect to serve retail members and customers that the Northwest Power Act categorizes as NLSLs. Member utilities include Northern Wasco County PUD, Grant PUD, PNGC Power, Clatskanie PUD, Harney Electric Cooperative, Klickitat PUD, Eugene Water and Electric Board, and Benton Rural Electric Association. POCCT-26-NLSL-Group at 1.

¹⁸ AWEC is a trade organization representing the interests of its members that include large energy consumers located within the region. POCCT-25-AWEC at 1.

¹⁹ The PPG includes Clark Public Utilities, Clatskanie PUD, Cowlitz PUD, EWEB, Franklin PUD, Grant PUD, Idaho Falls, Lewis PUD, Tacoma Power, and Seattle City Light. POCCT-11-PPG at 1.

Although we may not agree with every decision made by BPA in the draft templates, we firmly believe that BPA provided ample opportunity for all stakeholders to be heard; listened to, if not always agreed with, its customers; and made many improvements to the draft templates based on customer input.

POCCT-17-WPAG at 1. PPC further elaborated that “[w]hen BPA was unable to incorporate comments, justifications were offered to inform customers of BPA’s reasoning.” POCCT-32-PPC at 2.

PPG concluded that the “contract drafting process exemplifies how a federal agency can operate with transparency, inclusivity, effectiveness, and efficiency.” POCCT-11-PPG at 2.

Comments not addressed in ROD. Bonneville does not address every edit received in comments in the issues included in this ROD. Bonneville determined there were three categories of issues identified in comments that did not warrant a formal response in this ROD. In the remainder of this ROD, Bonneville will not refer to comments in these categories.

The first category is for those comments that addressed minor edits but did not result in a change to either language or intent. These edits included text corrections, such as removing extraneous dashes or aligning section references. The changes did not impact the meaning or operation of the terms of the contract and so did not warrant treatment as ROD issues requiring responses.

The second category is for comments that recommended minor edits to contract language, but Bonneville determined it would not make the edits. This category includes requested edits that would not have significantly altered the meaning of the contract section but were determined not to be necessary or warranted. The recommended edits from comments in this category were insubstantial enough to not warrant a response from Bonneville in this ROD.

The final category of comments Bonneville does not address in the ROD is comprised of those comments outside the scope of the POC CHWM Contract. Dean Enell, a private citizen, commented:

The policy must give more emphasis and support to the development of non-hydro renewable energy. A continued high reliance on hydro power during our increasingly warm summers will not provide the flexibility and capacity to meet our energy needs or allow the recovery of abundant fish runs specified in the September 27 memorandum by President Biden. For too long there has been failure to meet Tribal treaty obligations.

POCCT-03-Enell at 1. Bonneville thanks Enell for the comment but declines to address it in the POC CHWM Contract or this ROD as the POC Policy and memorandum are outside the scope of the Master Template. The POC Policy was finalized in March 2024 and was not the subject of the March 2025 comment period. Bonneville responded to comments on the September 27 memorandum in Issue 22 of the POC Policy ROD on page 68.

Comments requesting additional discussion. Some comments requested that Bonneville hold additional opportunities to discuss certain sections and consider additional edits. POCCT-10-Benton-REA at 1; POCCT-12-Big-Bend at 1; POCCT-04-Columbia-Basin at 1; POCCT-02-Columbia-REA at 1; POCCT-19-Grant at 128 and 137; POCCT-27-Mason-3 at 2; POCCT-14-NRU at 2 and 41; POCCT-11-PPG at 1; POCCT-20-United at 1. Bonneville declined these requests in light of the extensive public process Bonneville conducted regarding the contract language ahead of the formal comment period.

Comments in support of other commenters. Bonneville received many comments that expressed support for other comments. Benton REA, Big Bend, Columbia Basin, Columbia REA, Lost River, Mason 3, Salmon River, and United, expressed support for NRU's comments. POCCT-10-Benton-REA at 1; POCCT-12-Big-Bend at 2; POCCT-04-Columbia-Basin at 1; POCCT-02-Columbia-REA at 1; POCCT-29-Lost-River at 1; POCCT-27-Mason-3 at 1; POCCT-24-Salmon-River at 1; and POCCT-20-United at 1.

Tacoma and EWEB expressed support for PPC's and PPG's comments. POCCT-15-Tacoma at 1; POCCT-05-EWEB at 1.

Big Bend, Fall River and Harney Electric Cooperative Inc. (Harney) expressed support for PNGC's April 9, 2025 comment numbered POCCT-08-PNGC. POCCT-12-Big-Bend at 1; POCCT-30-Fall-River at 1; POCCT-18-Harney at 1.

Mason 3 and EWEB expressed support for WPAG's April 9, 2025 comment numbered POCCT-17-WPAG. POCCT-27-Mason-3 at 1; POCCT-05-EWEB at 1.

May 21, 2025, workshop. Bonneville held a workshop on May 21, 2025, to inform customers and interested parties of the changes it made to the POC CHWM Contract as a result of the draft Master Template comments. Bonneville published an updated draft Master Template, dated May 21, 2025 ²⁰ (May 21 draft template) ahead of the workshop. The workshop also provided another overview of the upcoming contract offer process, as described below. Bonneville received comments during the May 21 workshop that resulted in two contract changes. See Issue 26 and Issue 38 for details.

Publication of the Provider of Choice Master Contract Template, dated June 18, 2025²¹ (Master Template). Bonneville released the Master Template on June 18, 2025. In addition to the Master Template, Bonneville made available separate Load Following, Block, and Slice/Block templates. After the publication of this ROD, Bonneville will not maintain a master template version and will use the product-specific templates to track any contract changes made post-2025.

²⁰ The May 21 draft template is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/draft-contract/20250521-poc-master-template-workshop.docx>.

²¹ The Master Template is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250618-poc-final-master-template-external.docx>.

Joint operating entity (JOE) and planned product contract language. Bonneville did not initially draft JOE-specific provisions for either of the planned products. Instead, Bonneville focused its attention on the JOE-specific provisions for the Load Following product because, throughout the multi-year process discussed above, no JOE or process participant expressed interest in the potential contract terms for a JOE taking a planned product. In late February 2025, Bonneville received inquiries about JOE-specific provisions for planned products, at which time Bonneville committed to developing template language expeditiously.

Bonneville drafted JOE-specific planned product language for Section 4, Section 5, Section 17.6, Exhibit A, Exhibit C, and Exhibit K of the POC CHWM Contract. Bonneville shared these redlined sections at the May 21, 2025 workshop. Bonneville took feedback on the contract sections in the workshop and responded to requests for clarification. Bonneville published updated sections on the POC webpage on May 23, 2025, and opened a formal comment period that ran through June 6, 2025. Bonneville received two comments. Because party interest in JOE planned product offerings were expressed late in the contract development window, Bonneville necessarily streamlined the introduction, deliberation and review processes around the provisions.

Bonneville published the final JOE planned product contract language as part of the Master Template release on June 18, 2025.

Contract Request and Offer Process

Bonneville published a letter²² on February 10, 2025, from Kim Thompson, Bonneville's vice president of Northwest Requirements Marketing, addressed to power customers. The February 2025 letter outlined the contract process from February 2025 through December 2025, including contract language finalization, the contract request process, and the contract offer process, and outlined the contract counter signing and authentication procedures.

Request for a contract offer and product selection. Bonneville sent a follow up letter²³ from Kim Thompson to prospective POC CHWM Contract customers on the week of March 17, 2025. The March 2025 letter informed prospective customers that if they were interested in a POC CHWM Contract, they should send a letter to Bonneville and include (1) their request for a contract offer and (2) the product they wished to select for the start of the POC contract period. The product options customers could select included Load Following, Slice/Block, and several variations of Block. The letter specified that a JOE request must include a list of their members and informed JOE members that they must request a preservation agreement in lieu of

²² The February 2025 letter is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/Implementation/poc-contract-offer-letter-2025-02.pdf>.

²³ The March 2025 letter is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/solicitation-for-requests-for-offer.pdf>.

requesting a contract offer if they wish to be served as part of a JOE customer's requested contract offer.

Customers were asked to submit their requests for a contract offer or preservation agreement between April 1, 2025, and June 18, 2025. Bonneville recognized that some customers may want to review the final contract template prior to making their product selection. The letter alerted customers that they could request an extension on their product selection by submitting a request by March 31, 2025. Bonneville received seven requests for an extension. Bonneville granted all requests and extended the deadline for product requests to no later than July 31, 2025.

Bonneville did not distribute the letter beyond existing and returning (as identified in the POC Policy) customers, as no other public body or cooperative participated or presented itself during any phase of the POC process. Bonneville received 110 contract offer requests and 24 preservation agreement requests by the June 18, 2025 deadline.

Contract offers and signing. Bonneville will offer contracts on a rolling basis after this ROD is published with a goal of making all contract offers to customers by September 30, 2025. Customers will have the opportunity to review their contract offers and work with Bonneville to resolve any customer-specific issues that arise. Customers that want to accept Bonneville's offer of a POC CHWM Contract will need to sign and return their contract offers by December 5, 2025. Customers that do not sign by December 5, 2025, are not guaranteed a POC CHWM Contract and may be offered an alternative section 5(b) power sales contract. Bonneville will authenticate all returned contracts and plans to countersign by the end of December 2025.

After the release of the Master Template Bonneville identified minor edits to the POC CHWM Contract and will include those edits in the contract offers provided to customers. The edits include: (1) ensuring that the start and end of contract options are appropriately marked; (2) minor word deletions where language had been edited and an extra "of" was not removed; (3) minor formatting changes like bolding words; (4) edits associated with Issue 52; and (5) correcting a unit designator for documenting firm energy amounts of Contracted For/Committed To (CF/CT) loads. Bonneville will publish the updated POC CHWM Contract template coincident with this ROD, which will be accompanied by a list of edits.

2029 Public Rate Design Methodology

The 2029 Public Rate Design Methodology Final Proposal, dated July 2025²⁴ (PRDM), is the "rate methodology BPA will use beginning FY 2029-30 to develop the Section 7(b) rate for the general requirements of Publics with Contract High Water Mark (CHWM) Contracts." PRDM, PRDM-26-

²⁴ The PRDM is available at <https://www.bpa.gov/-/media/Aep/rates-tariff/PRDM/PRDM-26-A-03.pdf>.

A-03 § 1 at 1. The PRDM was established in an administrative hearing conducted under section 7(i) of the Northwest Power Act.²⁵

The PRDM replaces Bonneville’s expiring Tiered Rate Methodology. PRDM ROD, PRDM-26-A-02, at 1. The PRDM states that section 7(b) rates are referred to as PF rates and establishes “how PF rates will be developed by BPA . . .” PRDM, PRDM-26-A-03 § 1 at 1. The POC CHWM Contract and the PRDM are designed to work in tandem. PRDM ROD, PRDM-26-A-02, at 8. Customers that elect to purchase their section 5(b) power under a POC CHWM Contract will also agree to have their PF power rate set pursuant to the PRDM. *Id.*

2. Power Purchase Obligation

Section 3 of the POC CHWM Contract establishes the purchase obligations for the Load Following, Block, and Slice/Block products. The section establishes the take-or-pay provision of the POC CHWM Contract, which requires a customer to pay for the amount of power it is obligated to purchase in Section 3.1 regardless if the customer takes delivery of the power. Section 3 also addresses non-federal resource obligations and establishes how such resources are applied to the customer’s total retail load (TRL) including the available shapes and schedules. The section includes provisions regarding statutory insufficiency, decrements due to Northwest Power Act section 9(c) exports, statutory discontinuance, and resource additions for annexed loads.

PPC acknowledged areas where Bonneville “responded to customer feedback by adjusting contract language when prompted by customers.” POCCT-32-PPC at 2. PPC commented that “WPAG and other stakeholders expressed concerns with BPA’s proposed shaping treatment for Committed Power Purchases (CPP) – formally Unspecified Purchases – for Load Following customers which only allowed a Flat Within Month Shape. In response BPA updated the shaping options in Section 3.4.3.2 to allow for a HLH Diurnal Shape.” *Id.* at 3.

Bonneville received multiple comments on Section 3.

Issue 1: Should Bonneville specify energy and/or peak before any reference to non-federal resource amounts?

Contract Proposal

Block Section 3.1 Option 1 and Option 2 of the draft Master Template stated, in part:

On a planning basis «Customer Name» shall serve the portion of its Total Retail Load that is not served with Firm Requirements Power with Dedicated Resources listed in sections 2, 3, and 4 of Exhibit A and Consumer-Owned Resources listed in

²⁵ See 2029 Public Rate Design Methodology, PRDM-26 Proceeding, Administrator’s Final Record of Decision, PRDM-26-A-02, at 8-11 (July 7, 2025) (PRDM ROD).

sections 7.1, 7.3, and 7.4 of Exhibit A. Such amounts listed in Exhibit A are not intended to govern how «Customer Name» shall operate its Dedicated Resources.

Draft Master Template § 3.1 at 28.

Load Following Section 3.3 of the draft Master Template stated, in part:

«Customer Name» shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A in determining «Customer Name»'s Net Requirement. The amounts listed are not intended to govern how «Customer Name» operates its Specified Resources, except for those resources applied to the Tier 1 Allowance Amount and those resources supported with RSS from BPA.

Draft Master Template § 3.3 at 29.

Block and Slice/Block Section 3.3 of the draft Master Template stated, in part:

«Customer Name» shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A to determine «Customer Name»'s Net Requirement for each Fiscal Year. The amounts listed are not intended to govern how «Customer Name» operates its Specified Resources.

Draft Master Template § 3.3 at 31.

Public Comments

Seattle suggested Bonneville add: (1) “energy and peak” in Block Section 3.1 Option 1 of the draft Master Template, and (2) “energy and capacity” in Block Section 3.1 Option 2 of the draft Master Template. POCCT-22-Seattle at 28. Seattle explained both edits are “to clarify that neither amounts are intended to govern Customer’s resource operations.” *Id.* Seattle included the following edit to the second paragraph of Block Section 3.1 Option 1 and Option 2:

On a planning basis «Customer Name» shall serve the portion of its Total Retail Load that is not served with Firm Requirements Power with Dedicated Resources listed in sections 2, 3, and 4 of Exhibit A and Consumer-Owned Resources listed in sections 7.1, 7.3, and 7.4 of Exhibit A. Such energy and peak amounts listed in Exhibit A are not intended to govern how «Customer Name» shall operate its Dedicated Resources.

*Id.*²⁶

Tacoma requested Bonneville add “energy and peaking” to Block and Slice/Block Section 3.3 of the draft Master Template. POCCT-16-Tacoma at 31. Tacoma explained “[i]t should be made clear that this sentence applies to both the energy and peaking capability, not one or the other.” *Id.* Tacoma clarified in a subsequent comment that it intended the redline addition of “energy and peaking” made in the Block and Slice/Block product to apply to Section 3.3 for all products. POCCT-33-Tacoma at 1. Tacoma requested the following edit to Block and Slice/Block Section 3.3 of the draft Master Template:

«Customer Name» shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A in determining «Customer Name»’s Net Requirement for each Fiscal Year. The energy and peaking amounts listed are not intended to govern how «Customer Name» operates its Specified Resources.

POCCT-16-Tacoma at 31.

Seattle requested Bonneville add “energy” and “energy and peak” to Block and Slice/Block Section 3.3 of the draft Master Template “to clarify that PNR is not being calculated for Block and Slice/Block customers and the resource energy and peak amounts listed in Exhibit A are not intended to govern a customer’s resource operations.” POCCT-22-Seattle at 31. Seattle requested the following edit to Block and Slice/Block Section 3.3 of the draft Master Template:

«Customer Name» shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the energy amounts listed in Exhibit A to determine «Customer Name»’s Net Requirement for each Fiscal Year. The energy and peak amounts listed are not intended to govern how «Customer Name» operates its Specified Resources.

Id. PPG also requested Bonneville add the terms “energy and peak” to the last sentence of Block and Slice/Block Section 3.3 of the draft Master Template. POCCT-11-PPG at 1. PPG explained the addition would reinforce “BPA’s stated intent that amounts listed in Exhibit A will not impact customer resource operations.” *Id.*

²⁶ Seattle’s comment requested Bonneville add “energy and capacity” to Section 3.1 Option 2 of the draft Master Template. However, Seattle’s redline edits in the template added “energy and peak” to both Option 1 and Option 2. POCCT-22-Seattle at 28.

Evaluation and Decision

Seattle requested that Bonneville add the terms “energy” and “peak” to Block Section 3.1 Option 1 and 2. POCT-22-Seattle at 28. Seattle, Tacoma, and PPG requested that Bonneville add similar terms to the last sentence of the Block and Slice/Block Section 3.3 of the draft Master Template. POCT-22-Seattle at 31; POCT-16-Tacoma at 31; POCT-11-PPG at 1. Tacoma requested Bonneville add the terms to Section 3.3 for all products in the Master Template. POCT-33-Tacoma at 1. Bonneville declines to make the edit as energy and peak are inherent in the definition of a dedicated resource.

In the POC CHWM Contract, Bonneville defined a dedicated resource as “a Specified Resource or a Committed Power Purchase Amount listed in Exhibit A that «Customer Name» is required by statute to provide or obligates itself to provide under this Agreement for use to serve its Total Retail Load.” Master Template § 2.45 at 9. Exhibit A lists both energy and peak amounts in the specified resource and committed power purchase (CPP) amount tables. The term dedicated resource is also consistent with the requirements in section 5(b)(1) of the Northwest Power Act.

Bonneville clarifies that the POC CHWM Contract does not govern how a customer operates its non-federal resources, see Issue 2. The language in both options of Block Section 3.1 stated: “[s]uch amounts listed in Exhibit A are not intended to govern how «Customer Name» shall operate its Dedicated Resources.” Master Template § 3.1 at 27-28. The purpose of the second paragraph in Block and Slice/Block Section 3.1 of the POC CHWM Contract is to clarify that Bonneville uses amounts in Exhibit A on a planning basis to calculate the customer’s planned net requirement.

Tacoma requested a similar addition to add “energy and peak” to the last sentence of Section 3.3 of the draft Master Template for all products. POCT-16-Tacoma at 31. Bonneville does not govern the operation of customers’ dedicated resources, either energy or peak, under the Block or Slice/Block contracts. Only under the Load Following contract there may be operational requirements that the customer provides specified energy from such a dedicated resource, as it generates, to serve load. Bonneville declines to make the edit to the Master Template because it does not apply to planned product customers.

Seattle requested the term “energy” be added to Block and Slice/Block Section 3.3 of the draft Master Template. POCT-22-Seattle at 31. Block and Slice/Block Section 3.3 stated “BPA shall use the amounts listed in Exhibit A to determine «Customer Name»’s Net Requirement for each Fiscal Year.” Master Template § 3.3 at 31. Adding the term “energy” would negate Bonneville’s ability to calculate a customer’s net requirement under the flat monthly block with PNR shaping capacity product or the flat monthly block with PNR shaping capacity with peak load variance service (PLVS) product. Exhibit A peak amounts are necessary to determine the customer’s net requirement for those two Block product options. The peak amounts from Exhibit A otherwise have no effect on the other Block product options or the Slice/Block product.

Seattle requested Bonneville “clarify that PNR is not being calculated for Block and Slice/Block customers and the resource energy and peak amounts listed in Exhibit A are not intended to govern a customer’s resource operations.” POCCT-22-Seattle at 31. Bonneville only calculates PNR if a customer has selected the flat monthly block with shaping capacity with PNR shaping capacity product or the flat monthly block with PNR shaping capacity with PLVS product.

Bonneville did not change Block Section 3.1, Load Following Section 3.3, or Block and Slice/Block Section 3.3 of the Master Template.

Issue 2: Should Bonneville retain statements of intent and clarify why they are included in the POC CHWM Contract?

Contract Proposal

Block Section 3.1 Options 1 and 2 of the draft Master Template, the “Purchase Obligation” provision noted that the dedicated resource amounts and consumer-owned resource amounts listed in Exhibit A “are not intended to govern how «Customer Name» shall operate its Dedicated Resources.” Draft Master Template § 3.1 at 28. In Load Following Section 3.3 and Block and Slice/Block Section 3.3 of the draft Master Template, the “Application of Dedicated Resources” provision noted that the dedicated resource amounts listed in Exhibit A “are not intended to govern how «Customer Name» operates its Specified Resources. . . .” Draft Master Template § 3.3 at 29 and 31.

Public Comments

Public Utility District No. 2 of Grant County, Washington (Grant) commented on Block Section 3.1 Option 1 and Option 2, Load Following Section 3.3, and Block and Slice/Block Section 3.3 of the draft Master Template that “statements of intent are not standard in commercial contracts.” POCCT-19-Grant, Attachment at 28-29, 31. Grant contended that such statements “create ambiguity [...] and raise questions about the differences between intentions and actions.” *Id.*

Evaluation and Decision

Grant commented that statements of intent are not usually found in commercial contracts; Bonneville disagrees and notes that recitals often contain statements of intent along with background and context. *Id.* Contracts can include statements of intent or additional context where it is beneficial or helpful to the understanding of the contract. Bonneville included such statements here to clarify the scope of the customer’s duties and Bonneville’s rights with regard to dedicated and specified resources and non-federal resource amounts listed in Exhibit A.

Block Section 3.1 Options 1 and 2, prior to the statement of intent, states:

On a planning basis «Customer Name» shall serve the portion of its Total Retail Load that is not served with Firm Requirements Power with Dedicated Resources listed in sections 2, 3, and 4 of Exhibit A and Consumer-Owned Resources listed in sections 7.1, 7.3, and 7.4 of Exhibit A.

Master Template § 3.1 at 27-28. Load Following Section 3.3, prior to the statement of intent, states:

«Customer Name» shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A in determining «Customer Name»'s Net Requirement.

Id. § 3.3 at 29. The Block and Slice/Block Section 3.3 provides identical language but adds “for each Fiscal Year.” *Id.* at 31.

Exhibit A Section 1 for Load Following and for Block and Slice/Block customers states:

BPA shall establish «Customer Name»'s Net Requirement based on its Total Retail Load minus: (1) «Customer Name»'s Dedicated Resources determined pursuant to section 3.3 of the body of this Agreement and listed in sections 2, 3, and 4 of this exhibit, and (2) Consumer-Owned Resources determined pursuant to section 3.6 of the body of this Agreement and listed in sections 7.1, 7.3, and 7.4 of this exhibit.

Master Template Exhibit A § 1 at 1.

The statements of intent found in Sections 3.1 and 3.3 express that the inclusion of a resource amount in Exhibit A does not commit the customer to operate the resource in compliance with the listed resource amounts. Bonneville believes the statements of intent Grant identified do not create ambiguity, but provide an explicit limitation on the duties and rights stemming from the data in Exhibit A. The customer has a duty to serve its particular load with non-federal resources up to the amount in Exhibit A but does not have a duty to operate such resources so that their output matches the listed resource amounts at any given point in time. Bonneville has a right to use the listed resource amounts to calculate the customer's net requirement.

Bonneville did not change Block Section 3.1 Option 1 and Option 2, Load Following Section 3.3, or Block and Slice/Block Section 3.3 of the Master Template.

[Issue 3: Should Bonneville clarify the timing of calculations and revisions for planned product customers in Section 3 of the POC CHWM Contract?](#)

Contract Proposal

Block and Slice/Block Section 3.3.2.2 of the draft Master Template stated:

By March 31 concurrent with BPA's calculation of «Customer Name's Net Requirement forecast, as provided in section 1.1 of Exhibit A, BPA shall calculate and fill in the tables in section 3.1 of Exhibit A with «Customer Name's Committed Power Purchase Amounts for the remaining year(s) of the Rate Period.

Draft Master Template § 3.3.2.2 at 31.

Block and Slice/Block Section 3.5.1.3 of the draft Master Template stated: "BPA shall determine amounts for any Specified Resources added under sections 3.5.1.1 and 3.5.1.2 above in accordance with section 3.3.1.2." Draft Master Template § 3.5.1.3 at 34.

Public Comments

Tacoma commented that the dates in Block and Slice/Block Sections 3.3.2.2 and 3.5.1.3 were unclear and asked for edits to clarify deadlines. POCCT-16-Tacoma at 31, 34. Tacoma requested the following edit to Block and Slice/Block Section 3.3.2.2 of the draft Master Template:

By March 31 of the Forecast Year concurrent with BPA's calculation of «Customer Name's Net Requirement forecast, as provided in section 1.1 of Exhibit A, BPA shall calculate and fill in the tables in section 3.1 of Exhibit A with «Customer Name's Committed Power Purchase Amounts for the remaining year(s) of the Rate Period.

Id. at 31.

Tacoma requested the following edit to Block and Slice/Block Section 3.5.1.3 of the draft Master Template:

BPA shall determine amounts for any Specified Resources added under sections 3.5.1.1 and 3.5.1.2 above in accordance with section 3.3.1.2. BPA shall revise Exhibit A accordingly annually by March 31 following «Customer Name's elections under this section 3.5.1.

Id. at 34.

Evaluation and Decision

Tacoma requested Bonneville make two clarifying edits. First, Tacoma requested Bonneville state that it would determine committed power purchase amounts under the Block and Slice/Block Section 3.3.2.2 by March 31 "of the Forecast Year." *Id.* at 31. Second, Tacoma requested Bonneville state that it would revise Exhibit A "annually" to reflect customer's election under Block and Slice/Block Section 3.5.1. *Id.* at 34.

Block and Slice/Block Section 17.6.2 of the POC CHWM Contract allows a customer to "submit an updated Total Retail Load forecast for use in establishing «Customer Name's Net Requirement, consistent with section 1 of Exhibit A, for the remaining year(s) of that Rate

Period.” Master Template § 17.6.2 at 111. Because planned product customers may submit an updated TRL forecast, Bonneville’s obligation under Block and Slice/Block Section 3.3.2.2 could occur annually, as opposed to by March 31 of each forecast year. Bonneville declines to add “of the Forecast Year” to Block and Slice/Block Section 3.3.2.2 of the Master Template. Bonneville will update the Block and Slice/Block Section 3.3.2.2 by changing the reference from “section 1.1” to “section 1” to align with Block and Slice/Block Section 17.6.2.

Under Block and Slice/Block Section 3.5.1.3 of the POC CHWM Contract, Bonneville is obligated to revise Exhibit A by March 31 following the customer’s election under Section 3.5.1.1 and to do so on a rate period-basis rather than annually. Additionally, adding “annually” may not be accurate depending on the customer’s load forecast and resource election, which could lock in a resource for the term of the rate period or be subject to other limitations. Bonneville will keep its obligation to revise Exhibit A tied to March 31 following the customer’s election under Block and Slice/Block Section 3.5.1. Bonneville declines to add “annually” to Block and Slice/Block Section 3.5.1.

Bonneville changed the Block and Slice/Block Section 3.3.2.2 of the Master Template as follows:

By March 31 concurrent with BPA’s calculation of «Customer Name»’s Net Requirement forecast, as provided in section 1 of Exhibit A, BPA shall calculate and fill in the tables in section 3.1 of Exhibit A with «Customer Name»’s Committed Power Purchase Amounts for the remaining year(s) of the Rate Period.

Master Template § 3.3.2.2 at 31.

Bonneville did not change the Block and Slice/Block Section 3.5.1 of the Master Template.

Issue 4: Should Bonneville delete “temporarily” in Block and Slice/Block Section 3.5.3?

Contract Proposal

Block and Slice/Block Section 3.5.3 of the draft Master Template stated:

If BPA provides «Customer Name» a notice of insufficiency and reduces its purchase obligation, in accordance with section 20.2, then «Customer Name» may temporarily add Dedicated Resources to replace amounts of Firm Requirements Power BPA will not be providing due to insufficiency.

Draft Master Template § 3.5.3 at 38.

Public Comments

Grant requested the following edits to Block and Slice/Block Section 3.5.3 of the draft Master Template:

If BPA provides «Customer Name» a notice of insufficiency and reduces «Customer Name's» its purchase obligation, in accordance with section 20.2, then

«Customer Name» may temporarily add Dedicated Resources for the period of the insufficiency to replace amounts of Firm Requirements Power BPA will not be providing due to insufficiency. The Parties shall revise Exhibit A to reflect such additions.

POCCT-19-Grant, Attachment at 38. Grant stated the term “temporarily” used in Block and Slice/Block Section 3.5.3 of the draft Master Template is vague, undefined, and “could mean any length of time.” *Id.* Grant stated that the language assumed the “dedication of resources is concurrent with the insufficiency” and proposed language to connect the addition of dedicated resources with the period of insufficiency. *Id.*

Evaluation and Decision

Grant requested Bonneville remove “temporarily” and clarify that dedicated resources may be added “for the period of the insufficiency.” *Id.* Bonneville declines to make the requested change and clarifies its intent is for the contract to be flexible in the event of insufficiency. Bonneville will not know the extent of an insufficiency until such time as it may be forecasted to occur including when and for how long it may last. Bonneville also cannot foresee what accommodation, if any, may be reasonable in the event of an insufficiency. For example, if an insufficiency is expected to resolve during a rate period, it may be reasonable for a customer to continue to apply its dedicated resource through the end of the rate period in which the insufficiency ends. The contract should be flexible so the parties can align the application of a dedicated resource added pursuant to Block and Slice/Block Section 3.5.3 of the POC CHWM Contract with overall contract and rate timelines if the provision is triggered.

Bonneville did not change Block and Slice/Block Section 3.5.3 of the Master Template.

Issue 5: Should Bonneville specify notice and timing requirements for implementation of Section 20.6 through Section 3.5.4?

Contract Proposal

Block and Slice/Block Section 3.5.4 of the draft Master Template stated:

If BPA determines, in accordance with section 20.6, that an export of a Specified Resource listed in section 2 of Exhibit A requires a reduction in the amount of Firm Requirements Power BPA sells «Customer Name» then BPA shall notify «Customer Name» of the amount and duration of the reduction in «Customer Name»’s Firm Requirements Power purchases from BPA. Within 20 calendar days of such notification «Customer Name» may temporarily add a Specified Resource to section 2 of Exhibit A in the amount and for the duration of such decrement. If «Customer Name» does not add a Specified Resource to meet such decrement, then within 30 calendar days of such notification BPA shall add Committed Power

Purchase Amounts to section 3.2 of Exhibit A in the amount and for the duration of such decrement.

Draft Master Template § 3.5.4 at 38. Section 20.6 addressed the use of regional resources. Draft Master Template § 20.6 at 128-130.

Public Comments

Grant proposed new language for Block and Slice/Block Section 3.5.4 as follows:

If BPA determines, in accordance with section 20.6, that an export of a Specified Resource listed in section 2 of Exhibit A requires a reduction in the amount of Firm Requirements Power (measured only in MWh) BPA sells «Customer Name» then BPA shall notify «Customer Name» of the amount and duration of the reduction in «Customer Name»'s Firm Requirements Power purchases from BPA. The notification by BPA will include (a) start and stop dates and hours and (b) the hourly amount of such reduction. «Customer Name» may request a modification of any parameter contained in the notification except for the total reduction in the amount of Firm Requirements power, and BPA will not unreasonably withhold its consent for such modification. Within 20 calendar days of such notification «Customer Name» may temporarily add a Specified Resource to section 2 of Exhibit A in the amount and for the duration of such decrement. If «Customer Name» does not add a Specified Resource to meet such decrement, then within 30 calendar days of such notification BPA shall add Committed Power Purchase Amounts to section 3.2 of Exhibit A in the amount and for the duration of such decrement

POCCT-19-Grant, Attachment at 38. Grant explained that its proposal was generally discussed in a POC workshop and “Grant understood that additional detail on the reduction was a reasonable request.” *Id.*

Evaluation and Decision

Grant requested Bonneville add language to Block and Slice/Block Section 3.5.4 that would require Bonneville to identify timing and start and stop dates in its notice of a reduction to the amount of firm requirements power made pursuant to Section 20.6. *Id.* Grant also requested language that would permit a customer to request a modification to the parameters included in the notice, which Bonneville could “not unreasonably withhold its consent” to. *Id.*

Bonneville declines to make the proposed changes to Block and Slice/Block Section 3.5.4 of the POC CHWM Contract because the language already requires Bonneville to notify the customer of the amount and the duration of the reduction of firm requirements power a customer can purchase from Bonneville. This is consistent with the Northwest Power Act, which directs that the Administrator may not supply firm power to a customer that exports its resources in contravention of section 9(c) of the Northwest Power Act. If Bonneville determines a customer

has triggered section 9(c), Bonneville will accordingly decrement such firm power amount. Bonneville will not include the proposed granular terms, such as the start date, stop date, and hours and hourly amounts of reduction in its notice to customers. Bonneville believes the parties should not be limited to those terms and should be able to avail themselves to agree upon different terms and conditions to rectify and/or address the export. If Bonneville notifies a customer of a decrement under Section 3.5.4, the customer may request to work with Bonneville to determine how the reduction will apply. Bonneville will determine whether it can accommodate such a request on a case-by-case basis.

Bonneville did not change Block and Slice/Block Section 3.5.4 of the Master Template.

Issue 6: Should Bonneville specify what occurs for Above-Contract High Water Mark (Above-CHWM) load service elections in the event of annexed load?

Contract Proposal

Load Following Section 3.5.7.2 of the draft Master Template stated:

For all Rate Periods after the Rate Period when «Customer Name» acquires an Eligible Annexed Load, «Customer Name» shall serve such load pursuant to «Customer Name»'s elections and either (1) apply Dedicated Resources or (2) purchase Firm Requirements Power at the applicable rates or charges as established in the Power Rate Schedules and GRSPs.

Draft Master Template § 3.5.7.2 at 38.

Public Comments

NRU commented it was “concerned about the impact that the one-time Tier 2 election may have on customers with annexed load . . .” POCCT-14-NRU, Attachment at 39. NRU requested an opportunity to discuss what alternatives may be offered to customers. *Id.*

Evaluation and Decision

NRU requested Bonneville commit to discussing alternatives regarding annexations and the one-time Above-CHWM load service election. *Id.* Under the POC CHWM Contract, if a customer annexes load, the customer's original Above-CHWM load service election applies to serving any annexed Above-CHWM load. A customer cannot change its Above-CHWM load service election because it annexed and intends to serve additional load. However, Bonneville recognizes that there are scenarios where it could be mutually beneficial to allow a customer to serve its Above-CHWM load following an annexation differently than its original election.

Load annexation always creates a unique situation, and it is difficult to identify in contract or policy precisely what approach to each variable will best fulfill the policy goals of POC. For example, if the annexed load had originally been served at a PF Tier 2 long-term rate and the annexing customer had elected the flexible option to serve its Above-CHWM load, this would

result in a reduction in the amount of power purchased under a PF Tier 2 long-term rate. Bonneville may need to assess and determine whether to apply the one-time exit fee to ensure costs are not shifted to other customers in that cost pool or allow for the annexing customer to adapt its Above-CHWM load service election to allow the PF Tier 2 long-term purchase to continue.

Bonneville will maintain that a customer's original Above-CHWM load service election will apply to serving any Above-CHWM load that is a result of annexation but will work with customers on a case-by-case basis if requested to consider alternative approaches that may result in mutually beneficial results. Bonneville did not change Load Following Section 3.5.7.2 of the Master Template.

Issue 7: Should Bonneville require planned product customers to attribute the non-federal resources actually used to serve load?

Contract Proposal

Section 3.5.8.2 of the draft Master Template stated:

If «Customer Name» elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then «Customer Name» shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that «Customer Name» plans to use to serve the NLSL. «Customer Name» shall establish such firm energy amounts and BPA shall state such amounts in section 4 of Exhibit A for each month beginning with the date the resource was dedicated to the Planned NLSL or NLSL through the earlier of the date the resource will be removed or September 30, 2044. «Customer Name» shall serve the actual load of the Planned NLSL or NLSL up to such maximum amounts with such Dedicated Resource amounts. To the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, «Customer Name» shall have no right or obligation to use such amounts to serve PF-eligible load. Specific arrangements to match such resources to the Planned NLSL or NLSL on an hourly basis shall be established in Exhibit D.

Draft Master Template § 3.5.8.2 at 39-40.

Public Comments

Grant commented that it is unreasonable for Bonneville to require a planned product customer to comply with the same NLSL requirements established for a Load Following customer. POCCT-19-Grant at 1. Grant argued that it “assume[s] sole responsibility for managing all power supplies to NLSLs” and that there is “no apparent need” to document those arrangements. *Id.* Grant stated that each NLSL has its own unique service arrangement that should have no effect on Bonneville's obligations to Grant. *Id.*

Grant stated that Section 3.5.8.2 of the draft Master Template “prohibits the Customer from using a Dedicated Resource identified as a power supply for an NLSL to serve other ‘PF-eligible’ retail load of the Customer, even if such PF eligible load is not covered by the Customer’s Block or Slice/Block rights” *Id.* Grant commented “as long as their Block or Slice/Block purchases from BPA are not disturbed,” customers purchasing the Block or Slice/Block product should have no impediments or constraints to serving their NLSL with non-federal resources, “including all hours during which the actual NLSL exceeds the maximum specified in Exhibit A.” *Id.*, Attachment at 40.

In addition, Grant stated that “[a] requirement for hourly matching is inconsistent with Grant PUD’s understanding that the POC contract will not dictate the hourly operation of non-federal power supplies.” *Id.* at 2. Grant explained that its use of non-federal resources to serve its NLSL does not affect its Block or Slice/Block purchase obligation from Bonneville and therefore “Grant PUD should be allowed to schedule and dispatch its non-federal power supplies in the least-cost, lowest-carbon manner without any matching obligations between individual power supplies and individual end-use loads.” *Id.*

Grant requested Bonneville delete the two last sentences in Section 3.5.8.2 “because the Customer must be able to plan, manage and dispatch non-federal power supplies that are not actually needed to serve NLSL loads.” *Id.*, Attachment at 40. Grant requested the following edit to Section 3.5.8.2 of the draft Master Template.

If «Customer Name» elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then «Customer Name» shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that «Customer Name» plans to use to serve the NLSL. «Customer Name» shall establish such firm energy amounts and BPA shall state such amounts in section 4 of Exhibit A for each month beginning with the date the resource was dedicated to the Planned NLSL or NLSL through the earlier of the date the resource will be removed or September 30, 2044. «Customer Name» shall serve the actual load of the Planned NLSL or NLSL up to such maximum amounts with such Dedicated Resource amounts. To the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, «Customer Name» shall have no right or obligation to use such amounts to serve PF eligible load. Specific arrangements to match such resources to the Planned NLSL or NLSL on an hourly basis shall be established in Exhibit D.

Id., Attachment at 39-40.

Evaluation and Decision

Grant commented that planned product customers should have different requirements for NLSLs compared to Load Following customers. *Id.* at 1. The POC CHWM Contract contains different NLSL data requirements and service terms for planned product customers compared

to Load Following customers. For example, just like there is a Load Following Section 3, a Block Section 3 and a Slice/Block Section 3, there are separate versions of Exhibit D. The requirements for NLSLs vary between the products to account for the difference in planning and operations by product. The planned product NLSL requirements ensure that the load will be served by the customer and not inadvertently served with power priced at a PF rate. Bonneville did not remove any of the NLSL requirements for a planned product customer from the Master Template.

Grant requested Bonneville remove the last two sentences from Section 3.5.8.2 of the draft Master Template because (1) customers purchasing a planned product should have no impediments to using non-federal resources to serve planned NLSLs or NLSLs, and (2) the POC CHWM Contract for customers purchasing a planned product should not require non-federal resources to match planned NLSLs or NLSLs on an hourly basis. *Id.*, Attachment at 39-40. Bonneville agrees the language cited is not intended to operationally limit or govern how a planned product customer uses its non-federal resource to serve planned NLSLs or NLSLs. The purpose of the requirements in Section 3.5.8.2 is to ensure the customer is meeting its contractual obligation to serve the planned NLSL or NLSL with non-federal resources.

In light of Grant's comments, Bonneville determined Section 3.5.8.2 should have a version for the Load Following product and a separate version for planned products. The Load Following version and Block and Slice/Block version would retain the sentence "[t]o the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, «Customer Name» shall have no right or obligation to use such amounts to serve PF-eligible load." Draft Master Template § 3.5.8.2 at 40. This sentence captures the take-or-pay concept that a customer cannot displace its purchase of power priced at a PF Tier 1 rate and/or PF Tier 2 rate by using its NLSL resource to serve its general requirements load. Bonneville determined it would modify this sentence by replacing "PF-eligible load" with "load other than a Planned NLSL or an NLSL" for language consistency because Bonneville no longer uses the term "PF-eligible load" in the POC CHWM Contract.

While this section applies to customers purchasing the Load Following, Block or Slice/Block products, Bonneville clarified that the requirement in Block and Slice/Block Section 3.5.8.2 is planning-based for planned product customers. By removing the word "actual," this change reinforces that customers purchasing planned products are not obligated to apply their resources to "actual" load or in any particular manner during operations. The application of dedicated resource amounts used to serve planned NLSLs and NLSLs is for forecast purposes only. Bonneville uses the amounts to ensure customers have sufficient resources to meet their contractual obligation to serve their planned NLSLs and NLSLs.

Bonneville also clarified the language and removed the last sentence from the Block and Slice/Block Section 3.5.8.2 because Bonneville does not require customers purchasing the Block or Slice/Block product to identify hourly matching of non-federal resources to planned NLSL or NLSLs.

Bonneville retained Load Following Section 3.5.8.2 of the draft Master Template with one change as follows:

To the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, «Customer Name» shall have no right or obligation to use such amounts to serve load other than a Planned NLSL or an NLSL.

Master Template § 3.5.8.2 at 40.

Bonneville added Block and Slice/Block Section 3.5.8.2 to the Master Template as follows:

If «Customer Name» elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then «Customer Name» shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that «Customer Name» plans to use to serve the NLSL. «Customer Name» shall establish such firm energy amounts and BPA shall state such amounts in section 4 of Exhibit A for each month beginning with the date the resource was dedicated to the Planned NLSL or NLSL through the earlier of the date the resource will be removed or September 30, 2044. «Customer Name» shall serve the Planned NLSL or NLSL up to such maximum amounts with such Dedicated Resource amounts. To the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, «Customer Name» shall have no right or obligation to use such amounts to serve load other than a Planned NLSL or an NLSL.

Master Template § 3.5.8.2 at 40.

Issue 8: Should Bonneville eliminate the requirement to identify maximum resource amounts for NLSL resources?

Contract Proposal

Section 3.5.8.2 of the draft Master Template stated, in part:

If «Customer Name» elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then «Customer Name» shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that «Customer Name» plans to use to serve the NLSL.

Draft Master Template § 3.5.8.2 at 39.

The Exhibit A Block and Slice/Block Section 7.3(1)(D) of the draft Master Template included the following table:

(D) **Maximum Resource Amounts Serving On-Site Consumer Load**

Expected Output – Energy (aMW)								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
Annual aMW								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
Annual aMW								
<u>Note:</u> Fill in the table above with annual Average Megawatts rounded to three decimal places.								

Draft Master Template Exhibit A § 7.3(1)(D) at 17.

Public Comments

Grant requested the following edit to Section 3.5.8.2 of the draft Master Template:

If «Customer Name» elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then «Customer Name» shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that «Customer Name» plans to use to serve the NLSL.

POCCT-19-Grant, Attachment at 39. Grant commented that “[m]aximum amounts are not needed for Block or Slice/Block customers.” *Id.*

Grant also noted in Exhibit A Block and Slice/Block Section 7.3(1)(D), Maximum Resource Amounts Serving On-Site Consumer load, “these maximum amounts are unnecessary for Block and Slice/Block customers, which must serve all NLSLs with non-federal resources.” *Id.*, Attachment, Exhibit A at 17.

Evaluation and Decision

Grant commented that Section 3.5.8.2 of the draft Master Template should not include maximum amounts. *Id.*, Attachment at 39. Bonneville declines to make the change.

Section 3.5.8.2 requires a customer serving a planned NLSL or an NLSL with a dedicated resource to specify the “the maximum monthly and Diurnal Dedicated Resource amounts that «Customer Name» plans to use to serve the NLSL” in Exhibit A Section 4. Master Template § 3.5.8.2 at 39. Bonneville requires customers to provide their resource’s maximum amounts for two reasons. First, to ensure the customer dedicates sufficient resource amounts to serve its NLSL. Second, to ensure the customer does not plan to use non-federal resources in excess of

the expected load of the planned NLSL or NLSL to serve its general requirements load or to avoid take-or-pay obligations.

Grant commented that Exhibit A Section 7.3(1)(D) requirements, “are unnecessary for Block and Slice/Block customers, which must serve all NLSLs with non-federal resources.” POCCT-19-Grant, Attachment, Exhibit A at 17. This comment reflects a misunderstanding of the consumer-owned resource sections of Exhibit A. Exhibit A Section 7.3 is “Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load.” Master Template Exhibit A § 7.3 at 17. The accompanying table in the Block and Slice/Block Section 7.3(1)(D) lists the maximum amount of a resource serving on-site load consistent with the requirements in Section 3.6 of the POC CHWM Contract. Load Following and Block and Slice/Block Exhibit A Section 7.4 lists consumer-owned resources serving planned NLSLs or NLSLs and the accompanying table only lists annual average expected output of the resource. Grant commented on the Section 7.4 table noting “[i]nformation on expected (i.e. planned) output is reasonable.” POCCT-19-Grant, Attachment, Exhibit A at 18.

Bonneville did not remove “maximum” from either the Load Following or Block and Slice/Block Section 3.5.8.2 of the Master Template nor did Bonneville change Exhibit A Block and Slice/Block Section 7.3(1)(D) of the Master Template.

[Issue 9: Should Bonneville remove Tier 1 allowance amount language in the context of resource support services \(RSS\) for a Public Utility Regulatory Policies Act \(PURPA\) resource?](#)

Contract Proposal

Load Following Section 3.5.9 Option 1 of the draft Master Template stated:

«Customer Name» shall purchase RSS from BPA (or equivalent service) to support such resources, including any PURPA resources added to «Customer Name»’s Tier 1 Allowance Amount, for the term of this Agreement.

Draft Master Template § 3.5.9 at 40.

Load Following Section 3.5.9 Option 2 of the draft Master Template stated:

«Customer Name» shall purchase RSS from BPA (or equivalent service) to support such resources, including any PURPA resources added to a «Customer Name» Member’s Tier 1 Allowance Amount, for the term of this Agreement.

Draft Master Template § 3.5.9 at 40.

Public Comments

NRU requested Bonneville edit Load Following Section 3.5.9 Option 1 of the draft Master Template to remove “including any PURPA resources added to «Customer Name»’s Tier 1

Allowance Amount,” and “including any PURPA resources added to a «Customer Name» Member’s Tier 1 Allowance Amount,” respectively. POCCT-14-NRU, Attachment at 40. NRU stated that “[s]aying ‘all’, and then listing a single example, implies exemptions, of which there should be none.” *Id.*

Evaluation and Decision

NRU requested Bonneville explain why it was necessary to include a specific example to the PURPA section regarding requirements to purchase RSS in the Load Following Section 3.5.9 Option 1 of the draft Master Template and requested Bonneville remove such language. *Id.*

When a customer is required by law to purchase the output of a PURPA resource, Bonneville contractually agrees to allow the customer to apply the resource to serve its load and reduce its Bonneville purchase obligation. To ensure the customer is taking the output from a PURPA resource to serve its load, Bonneville requires the customer to specify such resources in their POC CHWM Contract and purchase RSS, or an equivalent service, to support it.

In Section 2.3.3.1 of the POC Policy, Bonneville introduced the concept of a PF Tier 1 non-federal allowance. This section stated:

Bonneville would not require a customer to purchase and apply resource support services (RSS) to support the non-federal resources that qualify for this allowance, but the customer could be subject to any additional capacity costs created by the addition of such resources.

POC Policy § 2.3.3.1 at 13. Section 3.5.2.2 of the draft Master Template established the criteria for this policy concept that must be met for a non-federal resource to be added to a customer’s “Tier 1 Allowance Amount.”

Under the POC CHWM Contract, a customer could add an eligible PURPA resource to its Tier 1 allowance amount, but the contract term requiring the customer purchase RSS for the PURPA resource would supersede the policy statement exempting a resource added to the Tier 1 allowance amount from the requirement to purchase RSS. Bonneville intended for the language in Load Following Section 3.5.9 of the draft Master Template to clarify and emphasize that a customer would be required to purchase RSS for its PURPA resource, regardless of its application to the customer’s Tier 1 allowance amount.

Bonneville agrees with NRU, however, that including a single example in the contract language is unnecessary and could imply other exemptions to requiring RSS. The specific contract requirement in Load Following Section 3.5.9 that a customer must purchase RSS for its PURPA resources overrides any general policy requirements. Bonneville deleted the PURPA RSS language from Load Following Section 3.5.9 Option 1 specific to the Tier 1 allowance amount. This deletion does not change a customer’s obligation to purchase RSS for any PURPA resources applied to the Tier 1 allowance amount.

While NRU commented only on Option 1, Load Following Section 3.5.9 Option 2 also included the language at issue. Bonneville deleted the phrase from Option 2 as well.

Bonneville changed the Load Following Section 3.5.9 Option 1 and Option 2 of the Master Template language at issue to read, “«Customer Name» shall purchase RSS from BPA (or equivalent service) to support such resources for the term of this Agreement.” Master Template § 3.5.9 at 40-41.

Issue 10: Should Bonneville delete Section 3.6 and 3.7 from the POC CHWM Contract for planned product customers?

Contract Proposal

The Block and Slice/Block Section 3.6 of the draft Master Template described the terms that apply to consumer-owned resources. Draft Master Template § 3.6 at 40. The Block and Slice/Block Section 3.7 of the draft Master Template covered the transfer of renewable energy credits. Draft Master Template § 3.7 at 46. The Load Following Section 3.7 of the draft Master Template discussed an hourly dedicated resource schedule for dedicated resources. Draft Master Template § 3.7 at 45.

Public Comments

Grant and PPG provided comments on Sections 3.6 and 3.7 of the draft Master Template. PPG requested “an opportunity to further discuss . . . the applicability of §§3.6 and 3.7 of the body of the template to Block and Slice/Block customers.” POCCT-11-PPG at 1. Grant requested the Block and Slice/Block Section 3.6 be deleted. POCCT-19-Grant, Attachment at 41. Grant commented that consumer-owned resources should be “irrelevant to this agreement” as they do not impact a customer’s obligation to purchase power. *Id.* Grant also requested that the Load Following Section 3.7 of the draft Master Template be deleted for planned product customers. *Id.*, Attachment at 45.

Evaluation and Decision

PPG requested Bonneville provide an opportunity for further discussion on the applicability of Block and Slice/Block Sections 3.6 and 3.7 of the draft Master Template. POCCT-11-PPG at 1. Bonneville provided a minimum of three opportunities to discuss Sections 3.6 and 3.7 during the policy implementation and contract development workshops. The comment period was Bonneville’s last consideration of contract changes for this section and Bonneville will not hold further workshops as it provided ample opportunity through workshops and informal comment periods for customers to raise concerns. If a customer has additional questions about the applicability of a section, Bonneville encourages the customer to work with their Power Services account executive.

Grant requested that Bonneville delete Block and Slice/Block Section 3.6 of the POC CHWM Contract. POCCT-19-Grant, Attachment at 41. Bonneville described its reasoning for requiring

the information included in Section 3.6 for Block and Slice/Block customers during the RD CHWM Contract development phase, which took place from 2007 to 2008. In Issue 5 of Section III.H of the Long-Term Regional Dialogue Record of Decision, dated July 19, 2007,²⁷ (RD ROD) Bonneville discussed requirements for consumer-owned resources. The ROD stated, “BPA intends for utilities to establish whether existing consumer resource output, in whole or in part, is applied to serve load or sold into the market” and explained that the resource arrangements are for service to the customer, not a consumer, so Bonneville needs to know the established load obligations. RD ROD § III.H at 75. In Issue 2 of Section 2.1.2 of the Long-Term Regional Dialogue Contract Policy ROD, dated October 31, 2008²⁸ (RD Contract ROD), Bonneville expanded on this point. Issue 2 stated: “BPA believes the contract reasonably accommodates the use and application of consumer-owned generation, while balancing the cost and benefits of making such allowances without adversely affecting BPA’s other customers.” RD Contract ROD § 2.1.2 at 26. Bonneville’s reasoning for including consumer-owned resources in its 5(b) power sales contracts for all customers is unchanged.

Grant included a comment on Load Following Section 3.7, which covered the hourly dedicated resource schedule, and requested deletion of the section for planned product customers. POCCT-19-Grant, Attachment at 45. The section in question is only included in the Load Following template; Bonneville assumes that Grant’s comments were to ensure the Load Following Section 3.7 would not be included for planned products. For planned product customers, Section 3.7 references the transfer of renewable energy credits. Master Template §3.7 at 47. Bonneville clarifies that the Block and Slice/Block templates will not include language similar to the Load Following Section 3.7 and declines to delete the Block and Slice/Block Section 3.7.

Bonneville did not delete the Block and Slice/Block Sections 3.6 and 3.7 or Load Following Section 3.7 of the Master Template.

Issue 11: Should Bonneville provide customers with an opportunity to change their consumer-owned resource designation?

Contract Proposal

Section 3.6 of the draft Master Template outlined the requirements regarding consumer-owned resources. Draft Master Template § 3.6 at 40.

Public Comments

AWEC requested that Bonneville “allow a one-time option for customers to change elections for Consumer-Owned Resources if extraordinary circumstances can be demonstrated” and

²⁷ The RD ROD is available at <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/7-19-07-rd-rod.pdf>

²⁸ The RD Contract ROD is available at <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/cp-rod-final-version-10-31-08-web.pdf>.

document that one-time right in the POC CHWM Contract. POCCT-25-AWEC at 3, 5. AWEC requested that Bonneville allow a redesignation “if one or more of the following circumstances can be demonstrated: (1) a significant regulatory or legislative change materially impacting the Consumer-Owned Resource, (2) a Provider of Choice contract amendment impacting BPA’s or Customers’ obligations under the Provider of Choice contracts, or (3) a material change of control adversely impacting the intended use of the Consumer-Owned Resource.” *Id.* at 4.

Grant commented that “designations for the entire term of the agreement are unreasonable.” POCCT-19-Grant, Attachment at 41.

Evaluation and Decision

AWEC requested a change right for customers to redesignate whether a consumer-owned resource serves on-site consumer load. POCCT-25-AWEC at 3. Grant commented that requiring one designation for consumer-owned resources for the POC contract period was “unreasonable.” POCCT-19-Grant, Attachment at 41.

Bonneville contemplated a similar request from the Industrial Customers of Northwest Utilities²⁹ (ICNU) in Issue 2 of Section 2.1.2.1 of the RD Contract ROD and stated:

Providing a utility the ability to control the option of whether or not to take the amount of power it is eligible to purchase at Tier 1 rates creates several types of risk for BPA and its other customers. Market prices forecast in a rate case likely will be different from market prices that actually occur in a particular rate period. BPA sets rates in advance of when a rate period begins and must build into rate design various contingencies for risk. Adding another type of risk mitigation for this very limited situation is not reasonable. ICNU’s suggestion would diminish the resource planning benefit of negotiating and executing long-term power contracts with knowable supply obligations, which are designed to provide BPA and the customers with certainty for future resource planning.

RD Contract ROD § 2.1.2.1 at 27.

Bonneville continues to be concerned about the financial risks described during the development of the RD CHWM Contract and will maintain the one-time designation for whether a consumer-owned resource will serve on-site consumer load for the POC contract period. However, Bonneville will consider requests to change such designation on a case-by-case basis if there is an extraordinary circumstance and compelling reason to change the designation. Any decision to allow such a change will be at Bonneville’s sole discretion.

²⁹ In 2018, ICNU joined with Northwest Industrial Gas Users to become AWEC.

Bonneville did not change Section 3.6 of the Master Template. Bonneville will work with customers on a case-by-case basis if a customer requests to change the designation of a consumer-owned resource.

Issue 12: Should Bonneville edit Section 3.6.2 of the POC CHWM Contract?

Contract Proposal

Section 3.6.2 of the draft Master Template covered new consumer-owned resources and included, in part:

«Customer Name» shall designate the extent that each Consumer-Owned Resource commencing commercial operation after the Effective Date will or will not serve On-Site Consumer Load.

Draft Master Template § 3.6.2 at 41.

Public Comments

Grant proposed an edit for Section 3.6.2 of the draft Master Template as follows:

«Customer Name» shall designate or describe the extent that each Consumer-Owned Resource commencing commercial operation after the Effective Date will or will not serve On-Site Consumer Load.

POCCT-19-Grant, Attachment at 41.

Evaluation and Decision

Grant proposed to add the language “or describe” in Section 3.6.2 on the application of consumer-owned resources. *Id.* The term “designate” in Section 3.6.2 obligates the customer to commit to how each consumer-owned resource will or will not serve on-site consumer load. The term “describe,” in contrast, would not obligate the customer to commit to how the new consumer-owned resource would be used and does not provide Bonneville certainty for planning purposes.

Bonneville did not change Section 3.6.2 of the Master Template.

Issue 13: Should Bonneville delete the Block and Slice/Block Sections 3.6.3 and 3.6.5 from the POC CHWM Contract?

Contract Proposal

Block and Slice/Block Section 3.6.3 of the draft Master Template covered the application of consumer-owned resources serving on-site consumer load. Draft Master Template § 3.6.3 at 42. Block and Slice/Block Section 3.6.5 of the draft Master Template covered the application of

consumer-owned resources serving both on-site consumer load and load other than on-site consumer load. Draft Master Template § 3.6.5 at 44.

Public Comments

Grant requested that the Block and Slice/Block Section 3.6.3 of the draft Master Template be deleted. POCCT-19-Grant at 2. Grant asserted the provision was too restrictive and that “non-federal resources, even if consumer-owned, used to supply power to NLSLs may also serve other loads.” *Id.*, Attachment at 42.

Grant requested that the Block and Slice/Block Section 3.6.5 of the draft Master Template be deleted. *Id.* at 2. Grant argued the “Purchase Obligation for Block and Slice/Block customers should be indifferent to these amounts, and the restrictions here could interfere with least-cost operations.” *Id.*, Attachment at 44.

Evaluation and Decision

Grant requested striking the Block and Slice/Block Section 3.6.3 of the draft Master Template because they believe it is too restrictive. *Id.*, Attachment at 42. Grant also requested Bonneville delete Block and Slice/Block Section 3.6.5, mirroring the arguments it made regarding Section 3.6.3. *Id.*, Attachment at 44. Bonneville declines to delete either section.

If consumer-owned resources are not acquired and designated to serve specific consumer loads, they can become de facto customer resources that are not documented in the customer’s POC CHWM Contract. As such, resources that are not documented in the POC CHWM Contract could create cost shifts to Bonneville’s other customers that purchase power at a PF Tier 1 rate. Such cost shifts should not be borne by such customers. Bonneville’s inclusion of the sections in the contract is reasonable to ensure consumer-owned resources are appropriately documented.

Bonneville does not agree with Grant’s claim that “the restrictions here [in 3.6.5] could interfere with least-cost operations.” *See id.*, Attachment at 44. Bonneville does not monitor actual operations of a planned product customer’s resource. As with Section 3.6.3, these resources must be identified in the contract to avoid potential cost shifts and that identification does not create operational obligations for the customer.

Bonneville did not delete Block and Slice/Block Sections 3.6.3 or 3.6.5 from the Master Template.

Issue 14: Should Bonneville remove “on-site” from the definition of on-site consumer load?

Contract Proposal

Section 3.6.4 of the draft Master Template covered the application of consumer-owned resources serving load other than on-site consumer load. Draft Master Template § 3.6.4 at 43.

Public Comments

Grant recommended that Section 3.6.4 of the draft Master Template “apply to any consumer-owned resource” and requested that “On-Site” be struck from the title and from Section 3.6.4. POCCT-19-Grant, Attachment at 43.

Harney requested for Bonneville to confirm that the definition of “On-Site Consumer Load” does not “unintentionally limit the expanded definition of Consumer-Owned Resource provided in Provider of Choice.” POCCT-18-Harney at 1. Harney asked if its understanding was correct “that the point of electrical interconnection of On-Site Consumer Load and a Consumer-Owned Resource serving that load within HEC’s system need not be the same point of interconnection on HEC’s system, provided both are on HEC’s side of the Point of Delivery[.]” *Id.*

Evaluation and Decision

Grant requested “On-Site” be removed from Section 3.6.4 of the draft Master Template to indicate Section 3.6.4 applies to any consumer-owned resources. POCCT-19-Grant, Attachment at 43. In the POC CHWM Contract, the phrase “On-Site” is part of the defined term as follows:

‘On-Site Consumer Load’ means the load of an identified retail consumer of «Customer Name» that is electrically interconnected at the same Point of Delivery to «Customer Name»’s system with a Consumer-Owned Resource of that same identified retail consumer. Such load does not utilize BPA or Third-Party Transmission Provider transmission facilities to deliver the generation from the Consumer-Owned Resource to the consumer load.

Master Template § 2.114 at 16. By removing on-site from Section 3.6.4 the section would no longer reference the defined term and would change the intent to limit Section 3.6.4 to on-site consumer load. Bonneville declines to make the edit.

Harney requested Bonneville clarify its understanding “that the point of electrical interconnection of On-Site Consumer Load and a Consumer-Owned Resource serving that load within HEC’s system need not be the same point of interconnection on HEC’s system, provided both are on HEC’s side of the Point of Delivery[.]” POCCT-18-Harney at 1. Harney’s understanding of the terms governing a consumer-owned resource serving on-site consumer load is correct. Point of delivery is defined in the POC CHWM Contract as “the point where power is transferred from a transmission provider to «Customer Name».” Master Template § 2.132 at 17. The definition of on-site consumer load in the POC CHWM Contract refers to the defined term point of delivery therefore Bonneville is not concerned with interconnection of an on-site consumer load and a consumer-owned resource within Harney’s system.

Bonneville did not change Section 3.6.4 of the Master Template, nor did it change Section 2.114 of the Master Template.

Issue 15: Should Bonneville edit Section 3.6.6 of the POC CHWM Contract?

Contract Proposal

Section 3.6.6 of the draft Master Template stated:

Prior to each Fiscal Year «Customer Name» shall notify BPA in writing of any changes in ownership, expected resource output, or other characteristic of Consumer-Owned Resources identified in section 7 of Exhibit A. If a Consumer-Owned Resource has permanently ceased operation and «Customer Name» notifies BPA of such cessation, then BPA shall revise section 7 of Exhibit A to reflect such change as long as BPA agrees the determination is reasonable.

Draft Master Template § 3.6.6 at 45.

Public Comments

Grant commented that Section 3.6.6 of the draft Master Template should be a planning standard and “apply only to Specified Resources, not to CPPs.” POCCT-19-Grant, Attachment at 45. Grant proposed the following edits:

Prior to each Fiscal Year «Customer Name» shall notify BPA in writing of any expected changes in ownership, expected resource output, or other characteristic of Consumer-Owned Resources that is identified in section 7 of Exhibit A. If a Consumer-Owned Resource has permanently ceased operation and «Customer Name» notifies BPA of such cessation, then BPA shall revise section 7 of Exhibit A to reflect such change as long as BPA agrees the determination is reasonable.

Id.

Evaluation and Decision

Grant proposed adding the language “expected” and “that is” to Section 3.6.6. *Id.* Bonneville intended that “any expected changes” include all changes, known, expected, or anticipated. Bonneville does not agree that adding “that is” improves the language or adds clarity. Bonneville notes that Section 3.6.6 only applies to consumer-owned resources and does not address CPPs.

Bonneville did not change Section 3.6.6 of the Master Template.

Issue 16: Should Bonneville align the POC CHWM Contract with Bonneville’s Open Access Transmission Tariff (OATT)?

Contract Proposal

The draft Master Template did not address Bonneville’s implementation of Bonneville’s OATT or other Bonneville Transmission Services’ functions.

Public Comments

Harney stated, “[w]ith the commencement of a new long-term Power Sales Agreement period, dedicating some Staff time to ensuring consistency in concepts, terms, and application between Business Lines would be time well spent.” POCCT-18-Harney at 2. Harney commented that Bonneville’s Transmission Services should support customers’ development and use of consumer-owned resources by “netting Consumer-owned Resources against the determination of a Network Integration Transmission service customers’ Network Load.” *Id.*

Evaluation and Decision

Harney commented that Bonneville should dedicate staff time to ensure consistency between Bonneville’s business lines. *Id.* Bonneville stated in the POC Policy ROD, “Bonneville acknowledges the importance of coordination between its Power and Transmission business lines.” POC Policy ROD § 7 at 234. Bonneville staff and executives have engaged in coordination between its two business lines throughout the POC process to ensure Transmission Services visibility to POC Policy and contract provisions, from the policy development phase through the policy implementation and contract development phase. This includes coordination on the review and development of this ROD. Bonneville remains committed to continuing this engagement after contract execution and through the POC contract period.

Harney requested Bonneville’s Transmission business line net consumer owned resources serving TRL against customers’ network load. POCCT-18-Harney at 2. Under transmission deregulation, Bonneville separated into two business lines and coordinates across the organization while respecting that separation. The POC CHWM Contract does not address implementation details of Bonneville’s OATT. Power Services, which is responsible for the POC CHWM Contracts, cannot set terms for Transmission Services. Revisions to the tariff or to tariff-related transmission policies are out of scope for POC and must be proposed through the appropriate Transmission Services’ forums.

Bonneville did not change the Master Template.

3. Block Product

Section 4 of the POC CHWM Contract establishes the parties’ obligations for the block portion of the Slice/Block product and includes the following subsections: block product general description, block amount shapes, annual and monthly PF Tier 1 block amounts, annual PF Tier 2 block amounts, and displacement of block portion for RSS. There are no provisions in Section 4 for a Load Following or Block customer and the section is “intentionally left blank.” Bonneville received comments on Section 4.5; Bonneville did not receive comments on any other subsection of Section 4.

Issue 17: Should Bonneville modify the drafter's notes in Section 4.5?

Contract Proposal

Section 4.5 of the draft Master Template establishes how a customer must schedule its specified renewable resources and when the customer must reduce its block portion of the Slice/Block product schedule if Bonneville provides RSS for specified renewable resources. Draft Master Template § 4.5 at 48. The following drafter's notes preceded Section 4.5:

Drafter's Note: Include the following language if customer purchases RSS.

Drafter's Note: Delete this section for all customers at contract offer.

Id.

Public Comments

Two commenters sought clarification about the pair of drafter's notes preceding Section 4.5 of the draft Master Template. Grant commented that the drafter's notes "appear contradictory" and sought clarification on how the section could be deleted for all customers but also be included if a customer purchases RSS. POCCT-19-Grant, Attachment at 49. NRU requested clarification on the second drafter's note, which states "[d]elete this section for all customers at contract offer." POCCT-14-NRU, Attachment at 48. NRU stated, "[t]his was not included in the last version shared with customers, nor was it discussed in the last set of Workshops." *Id.*

Evaluation and Decision

Grant and NRU requested Bonneville provide clarity on a pair of drafter's notes preceding Section 4.5 of the draft Master Template. POCCT-19-Grant at 52; POCCT-14-NRU at 50. Bonneville appreciates Grant's and NRU's comments and will change the drafter's notes to clarify how the notes apply.

Bonneville discussed Section 4.5 during February 2025 workshops as part of broader discussions on RSS and other support services. At that time, the template only included the first drafter's note included in the draft Master Template reading: "[i]nclude the following language if customer purchases RSS." February 11, 2025 draft template § 4.5 at 52.³⁰ Interested parties commented on the language, asking whether it was premature to include any terms related to RSS given that the RSS provisions would be drafted in 2026 (see Issue 24 for more on RSS timeline). Bonneville added the second drafter's note "[d]elete this section for all customers at contract offer" in the draft Master Template to convey that Section 4.5 would not be included in any customer's initial POC CHWM Contract offering but would be added only to the applicable customers' contracts after RSS provisions are drafted and finalized. Draft Master

³⁰ The February 11, 2025 draft template is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250211-poc-master-template.docx>.

Template § 4.5 at 47. Bonneville agrees that the drafter's notes included in the draft Master Template could be clearer and should be updated.

Bonneville changed the drafter's note preceding Section 4.5 of the Master Template to read:

Drafter's Note: Include the following language if customer purchases RSS.

Drafter's Note: Delete this section for all customers at contract offer as RSS provisions will be drafted in 2026. This section will be added to applicable contracts after RSS provisions are finalized and customers elect RSS.

Master Template § 4.5 at 51.

4. Slice Product

Section 5 of the POC CHWM Contract establishes the parties' obligations for the slice portion of the Slice/Block product and includes the following subsections: slice product general description, determination of amounts of slice output made available, annual calculation of slice percentage, firm slice amount, disposition of surplus slice output, disposition of requirements slice output (RSO) and RSO Test, Northwest Power Act section 6(m) resource acquisitions, displacement of Columbia Generating Station (CGS), Provider of Choice Slice Application (POCSA) functionality and simulator performance tests, POCSA access and use agreement, POCSA development schedule, slice operations forum (SOF), creditworthiness, and slice true-up adjustment charge. There are no provisions in Section 5 for a Load Following or Block customer and the section is "intentionally left blank."

Bonneville received comments on Sections 5.3, 5.6, 5.12, and 5.13. Bonneville did not receive comments on any other subsection of Section 5.

Issue 18: Should Bonneville remove the "forecast of Total Retail Load" from the calculation for slice percentage determination in Section 5.3?

Contract Proposal

Section 5.3(1)(B) Option 1 of the draft Master Template directs Bonneville to calculate a customer's slice percentage by, in part:

- (1) multiplying 50 percent by the lessor of:
 - (A) «Customer Name's Provider of Choice FY 2026 CHWM, including an increase for «Customer Name's Annexed Load from a CHWM Customer, and a decrease for «Customer Name's load annexed by another customer or a third party; or
 - (B) «Customer Name's forecast of Total Retail Load minus its Preliminary Net Requirement

Draft Master Template § 5.3 at 50-51.

Public Comments

WPAG requested Bonneville edit Section 5.3(1)(B) Option 1 of the draft Master Template to read, “«Customer Name»’s ~~forecast of Total Retail Load minus~~ its Preliminary Net Requirement, and.” POCCT-17-WPAG at 1. WPAG stated that the language is incorrect and unnecessary “given the definition of Preliminary Net Requirements.” *Id.* at 2.

Evaluation and Decision

WPAG requested Bonneville remove the redundancy that is created from subtracting the customer’s preliminary net requirement from its forecast TRL. *Id.* Bonneville agrees that a customer’s preliminary net requirement is already equal to its forecasted TRL by definition. In the POC CHWM Contract, the definition of preliminary net requirement includes that it is determined as the “forecasted annual Total Retail Load less Existing Resources, NLSLs, Specified Resources added to Tier 1 Allowance Amount, and Consumer-Owned Resources serving On-Site Consumer Load, as determined in the Above-CHWM Load Process.” Master Template § 2.137 at 18.

Bonneville changed Section 5.3(1)(B) Option 1 of the draft Master Template to read: “«Customer Name»’s Preliminary Net Requirement, and” Master Template § 5.3 at 54.

Issue 19: Should Bonneville change commitments for how and when changes to the RSO test are made in the POC CHWM Contract?

Contract Proposal

Section 5.6 of the draft Master Template set the terms for the disposition of RSO and the RSO test. Section 5.6.1 of the draft Master Template stated:

Reviewer’s Note: RSO Test will be revised for BPA participation in a day-ahead market.

5.6.1 Disposition of Requirements Slice Output

Requirements Slice Output (RSO) purchased by «Customer Name» under this Agreement and made available by BPA shall be used solely for the purpose of serving «Customer Name»’s Total Retail Load. «Customer Name» shall maintain monthly documentation demonstrating that RSO was used to serve its Total Retail Load. Acceptable methods of documentation may include, but are not limited to, schedules and E-Tags. «Customer Name» shall make such documentation available to BPA upon request.

Draft Master Template § 5.6.1 at 55. Section 5.6.4 of the draft Master Template, which is included only for customers served by transfer service outside of Bonneville's balancing authority, stated:

If «Customer Name's service territory is located in a Balancing Authority Area that joins a day-ahead market in advance of BPA's participation in that day-ahead market or the Balancing Authority joins a different day-ahead market than BPA, then BPA and «Customer Name» shall revise the RSO test in section 11 of Exhibit M for day-ahead market implementation.

Draft Master Template § 5.6.4 at 56.

Public Comments

Grant commented on Section 5.6.1 of the draft Master Template and stated: "provisions for RSO should include specific language identifying the need for cooperation in any modifications" and that "this is more important than a Note would suggest." POCCT-19-Grant, Attachment at 55.

WPAG requested the following changes to Section 5.6.4:

~~Option: Include the following for customers served by Transfer Service outside of the BPAT Balancing Authority.~~

5.6.4 Day-Ahead Market

If BPA decides, or has decided, to join a day-ahead market, then BPA and «Customer Name» shall revise the RSO Test in section 11 of Exhibit M prior to BPA's participation. If «Customer Name's service territory is located in a Balancing Authority Area that joins a day-ahead market in advance of BPA's participation in that day-ahead market or the Balancing Authority joins a different day-ahead market than BPA, then BPA and «Customer Name» shall revise the RSO test in section 11 of Exhibit M for day-ahead market implementation.

POCCT-17-WPAG at 2. WPAG suggested its edits incorporate the intent of the reviewer's note preceding Section 5.6.1 "into the body of the agreement" and would "apply to all Slice/Block customers." *Id.*

Evaluation and Decision

Grant and WPAG commented looking for a stronger, broader commitment to work with Slice/Block customers on RSO test updates if Bonneville were to join a day-ahead market. Grant requested clarification of the reviewer's note preceding Section 5.6.1 and WPAG requested language be added to Section 5.6.4. POCCT-19-Grant, Attachment at 55; POCCT-17-WPAG at 2. Bonneville will not change the reviewer's note preceding Section 5.6.1 or the language in Section 5.6.4 but will remove the drafter's note preceding Section 5.6.4.

During the policy implementation and contract development phase, Bonneville and interested parties discussed how the RSO test could function under a day-ahead market. Conversations acknowledged that actual market dispatches could skew the results of the RSO test due to market dispatch and not from a customer failing to appropriately schedule their slice output to load. Bonneville may need to determine whether the RSO test should continue to be based on the slice scheduled to serve TRL. For example, workshops explored whether it should change to a different metric that evaluates the market dispatch and the Slice/Block customer's bilateral sales. Bonneville acknowledged that the determination could depend on which market Bonneville joined, if any, and was best discussed at a later date.

Grant commented that any changes to the RSO test should be made in cooperation with customers. POCCT-19-Grant, Attachment at 55. Bonneville agrees and intends to collaborate with customers to develop and consider potential changes to the RSO test. Section 23 of the POC CHWM Contract, which discusses day-ahead market implementation, requires a public process to determine contract amendments if Bonneville decides to join a day-ahead market, as discussed in Issue 44. Such public process would allow for future discussions with interested parties about the RSO test relative to Bonneville's decision to join a day-ahead market. Grant's concerns regarding RSO test design can be adequately addressed through the Section 23 public process.

WPAG requested additional language to Section 5.6.4 that would obligate Bonneville to revise the RSO test pursuant to Exhibit M Section 11 if Bonneville decides to join a day-ahead market. POCCT-17-WPAG at 2. The drafter's note preceding Section 5.6.1 in tandem with Section 23 reasonably indicates Bonneville's intent to consider the RSO test relative to the day-ahead market at such time the public process under Section 23 is initiated. Given the existing reference to Exhibit M Section 11 in Section 5.6.3, the additional language is not needed.

WPAG requested that Bonneville include Section 5.6.4 of the draft Master Template in all Slice/Block customers' contracts. *Id.* Bonneville agrees the language should apply to all customers purchasing the Slice/Block product because a Slice/Block customer outside of Bonneville's balancing authority area may: (1) start to participate in a day-ahead market before Bonneville, (2) participate in a different day-ahead market than Bonneville, or (3) both (1) and (2). In all three scenarios, Bonneville would need to work with customers in those balancing authority areas to determine what changes, if any, are required to maintain the efficacy of the RSO test. For example, if a Slice/Block customer is located in a balancing authority area participating in a day-ahead market and Bonneville is not, Bonneville anticipates there would need to be changes to the RSO test to ensure the customer is not penalized for market dispatches that may change the determination of how much slice the customer takes to load.

Bonneville retained the reviewer's note preceding Section 5.6.1 of the Master Template. Bonneville deleted the reviewer's note preceding Section 5.6.4 of the Master Template. Bonneville did not change the language in Section 5.6.4 of the Master Template.

Issue 20: Should the POC CHWM Contract provide additional detail about the adoption of the SOF charter?

Contract Proposal

Section 5.12.2 of the draft Master Template stated, “Slice Customers shall propose a draft SOF charter for BPA review and recommendations no later than February 28, 2026. . . . Slice Customers shall provide a SOF charter to BPA for its approval no later than March 31, 2026.” Draft Master Template § 5.12.2 at 59-60.

Public Comments

PPG and Tacoma requested additional clarification around the adoption of the SOF charter. They requested the following change to Section 5.12.2 of the draft Master Template:

BPA shall review the draft charter and provide comments and recommendations to the SOF by March 21, 2026. If no comments are received, Slice Customers shall provide a SOF charter to BPA for its approval no later than March 31, 2026. If BPA does provide comments or recommendations to the draft charter, then the SOF shall have until April 30, 2026, to revise and submit a final charter to BPA for approval.

POCCT-11-PPG at 1; POCCT-16-Tacoma at 60.

Evaluation and Decision

PPG and Tacoma requested additional details surrounding the adoption of the SOF charter, specifically the deadline for Bonneville’s review and recommendations and the process to finalize the charter. *Id.* Bonneville welcomes the suggestions and will accept the edit.

The SOF replaces the RD CHWM Contract’s Slice Implementation Group. The SOF’s primary purpose is to discuss the operations of the slice portion of the Slice/Block product through the POCSA. Bonneville negotiated the scope of the SOF and timeline to establish the forum, as well as the POCSA, during the policy implementation and contract development phase. The negotiation included discussions regarding what should be documented in the contract versus the SOF charter. Bonneville and customers recognized some decisions were better left to the future Slice/Block customers to determine in the charter instead of the POC CHWM Contract, such as defining how many members must vote in the affirmative to request a change to the POCSA.

Bonneville and customers negotiated some details around the adoption of the SOF charter, but PPG’s and Tacoma’s comments sought clarification. Bonneville reviewed the proposed language and found the proposed timeline and finalization process is reasonable. Bonneville will make the edit but changed the due date from the proposed March 21, 2026, to March 23, 2026, so that the date falls on a business day.

Bonneville changed Section 5.12.2 of the Master Template to read:

BPA shall review the draft SOF Charter, and provide comments and recommendations to the SOF, no later than March 23, 2026. Slice Customers shall provide the final SOF charter to BPA for its approval no later than April 30, 2026.

Master Template § 5.12.2 at 66.

Issue 21: Should Bonneville append the slice creditworthiness agreement to the POC CHWM Contract?

Contract Proposal

Section 5.13 of the draft Master Template stated, “«Customer Name» shall execute a creditworthiness agreement with BPA prior to or coincident with execution of this Agreement.” Draft Master Template § 5.13 at 61.

Public Comments

Grant asked whether the slice creditworthiness agreement should be “appended” to a Slice/Block customer’s POC CHWM Contract. POCCT-19-Grant, Attachment at 61.

Evaluation and Decision

Grant asked Bonneville to consider appending the slice creditworthiness agreement to a Slice/Block customer’s POC CHWM Contract. *Id.* Bonneville published the Provider of Choice Final Slice Creditworthiness Agreement, dated June 18, 2025³¹ (POC SCA), to the POC webpage. The POC SCA is an updated version of the Regional Dialogue Slice Creditworthiness Agreement, dated October 29, 2008.³² Bonneville did not make material changes; instead the updates align the agreement with the POC CHWM Contract.

Given the structure of the POC SCA and the non-material changes, Bonneville did not provide an opportunity to comment on the POC SCA nor does it intend to take edits. If a customer would like to take the Slice/Block product, one of the requirements will be to sign the POC SCA, as drafted, and comply with the terms of the agreement.

Bonneville will not append the POC SCA to a Slice/Block customer’s POC CHWM Contract.

5. Contract High Water Marks

Section 7 of the POC CHWM Contract establishes how a customer’s CHWM will be determined and when it will be included in the customer’s POC CHWM Contract. It also states that a

³¹ The POC SCA is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20250618-poc-final-slice-creditworthiness-agreement.docx>.

³² The Regional Dialogue Slice Creditworthiness Agreement is available at <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/2008-10-29-slice-creditworthiness-agreement.pdf>.

customer's CHWM will only be updated pursuant to the customer's Exhibit B. Bonneville received no direct comments on Section 7 contract language but did receive a comment related to CHWM's generally.

Issue 22: Should Bonneville modify the treatment of CHWMs for JOEs?

Contract Proposal

Section 7 of the draft Master Template described Bonneville's obligation to establish a customer's CHWM. Draft Master Template § 7 at 63. The draft Master Template includes an option applicable to a JOE established under section 5(b)(7) of the Northwest Power Act and its member utilities. *Id.* Section 7 option 2 of the draft Master Template stated:

BPA shall establish «Customer Name»'s CHWM in the FY 2026 CHWM Calculation Process by September 30, 2026. BPA shall calculate «Customer Name»'s CHWM as the sum of its Members' CHWMs. By September 30, 2026, BPA shall revise Exhibit B to state «Customer Name»'s CHWM and each Member's CHWM. Once established, BPA may only adjust «Customer Name»'s CHWM or a Member's CHWM as permitted pursuant to Exhibit B. After any adjustment, BPA shall revise Exhibit B to state «Customer Name»'s adjusted CHWM and the adjusted Member's CHWM.

Id.

Public Comments

PNGC, Big Bend, Idaho Falls and Lost River submitted comments regarding a JOE's status and/or the benefits a JOE could bring to the region.

PNGC commented that it believed a JOE "should be treated as a single preference power customer of Bonneville for all purposes" and disagreed with the POC Policy ROD conclusion "that a JOE should be treated by Bonneville as the summation of individual members." POCCT-08-PNGC at 1. Big Bend supported this argument. POCCT-12-Big-Bend at 1. PNGC argued that by treating a JOE as a summation of members it will "impair rather than facilitate much needed regional investments, including in non-federal generation." POCCT-08-PNGC at 1. PNGC requested that Bonneville "recognize and honor the relationship that was established during the Regional Dialogue contract." *Id.* Big Bend also argued that Bonneville should not "change its relationship with PNGC Power as a Joint Operating Entity from one contract period to another" as it undermines Bonneville's ability to meet its "stated goals under tiered rates." POCCT-12-Big-Bend at 2. Big Bend commented that Bonneville's approach "undermines a JOE's ability, and statutory right, to aggregate loads and resources for the benefit of its rural members." *Id.* Big Bend supported "PNGC's related contract and policy comments and urges the Administrator to correct such matters in the Draft Provider of Choice Contract Record of Decision." *Id.*

Idaho Falls and Lost River commented that there is a benefit to having multi-party investment in the development of new generating resources and that a JOE could provide that benefit. POCCT-09-Idaho-Falls at 1; POCCT-29-Lost-River at 1. Idaho Falls commented that a “JOE allows smaller utilities to aggregate up to get the needed economies of scale to develop new generation resources” POCCT-09-Idaho-Falls at 1. Lost River also noted the benefit a “multi-utility generation resource” could bring and sought clarity on “how participation in such a project may be impacted by terms of a Provider of Choice contract.” POCCT-29-Lost-River at 1.

Idaho Falls and Lost River also advocated that a JOE could provide regional benefits to Bonneville as well as other customers. POCCT-09-Idaho-Falls at 1; POCCT-29-Lost-River at 1. Idaho Falls commented that a JOE could benefit “the regional power grid” and a “more diverse mixture of customers between load following and planned products” would lower Bonneville’s risk. POCCT-09-Idaho-Falls at 1. Lost River stated it believed a JOE “may provide a benefit to the customer base as a whole while promoting regional economic development and relieving, to a degree, constraints in the East Idaho transfer service area.” POCCT-29-Lost-River at 1.

Big Bend rejected Bonneville’s POC Policy and POC Policy ROD stance that a JOE’s CHWM would be determined based on the CHWM’s of its individual members. POCCT-12-Big-Bend at 2. Big Bend argued the annexed load provisions in Exhibit B Section 1.2.2 of the draft Master Template “should be used to separate the Contract High Water Marks for both the JOE and individual utility” in the event that the JOE membership changes over time. *Id.*

Evaluation and Decision

To understand this issue, a brief description of a JOE and the underlying purpose of a CHWM are needed.

Section 5(b)(7) of the Northwest Power Act defines a JOE as:

[A]n entity that is lawfully organized under State law as a public body or cooperative prior to the date of enactment of this paragraph, and is formed by and whose members or participants are two or more public bodies or cooperatives, each of which was a customer of the Bonneville Power Administration on or before January 1, 1999.

16 U.S.C. § 839c(b)(7)(A). Entities seeking to request a contract for the sale of power from Bonneville as a JOE are subject to meeting the standards for service applicable to a JOE. If these standards are met, Bonneville is authorized to sell power to a JOE for service to meet its members’ requirements.

Importantly, a JOE’s right to purchase power from Bonneville is derivative. That is, the JOE’s right to purchase power from Bonneville is derived from the individual members’ rights to purchase power directly from Bonneville. Joining a JOE, then, neither expands – nor contracts – a utility’s rights to supply from Bonneville.

CHWMs are a foundational component of tiered rates, which were first adopted under RD. Tiered rates and the CHWMs were created because of a desire by regional PF customers and Bonneville to achieve three, interrelated tenets:

1. Protect the value of the existing federal system from unbound acquisition costs;
2. Enable customer resource choice for meeting load growth; and
3. Insulate customers from costs associated with other customers' resource choices.

POC Policy § 2.2 at 9. Bonneville is statutorily directed to establish rates to recover its total system costs. Prior to establishing tiered rates, Bonneville's PF power rate was based on a "buy and meld" approach because Bonneville acquired resources to meet the collective load needs of its customers and would meld the cost of that power with its low-cost federal base system (FBS) resources.³³ The "buy and meld" approach is one way Bonneville can recover its costs consistent with its statutory obligations under section 7 of the Northwest Power Act. PRDM ROD, PRDM-26-A-02, at 4. Later experiences with melding high-cost acquisitions with Bonneville's existing low-cost power led regional customers and Bonneville to consider creating two "sub-cost pools" within the section 7(b) PF rate to preserve the value of the existing power system. *Id.* at 5. Separating costs into sub-pools would also incentivize resource development as customers receive a stronger price signal to acquire non-federal resources to meet their load growth. *Id.*

Tiered rates helped achieve these goals by creating two "tiers" of PF power rates. The first tier – called PF Tier 1 rate(s) – generally recovers the costs of Bonneville's existing power supply. The second tier – called PF Tier 2 rate(s) – generally recovers the cost of additional resources acquired to serve load above a customer's CHWM (on a forecast basis) and is generally the rate applied to load growth. *Id.*

To implement tiered rates, Bonneville must determine how much firm power supplied to a utility will be charged at PF Tier 1 power rates and how much may be charged at PF Tier 2 power rates. *Id.* at 18. For that calculation, Bonneville uses the "Contract High Water Mark" concept discussed throughout this ROD and in the POC Policy and POC Policy ROD. See POC Policy ROD § 3.4; POC Policy § 2.4. A customer's CHWM establishes the maximum amount of power that Bonneville will supply to the customer at PF Tier 1 rates subject to its net requirement. POC Policy § 2.4 at 15. If the customer's load exceeds its CHWM the additional load is called Above-CHWM load and is eligible to be supplied by Bonneville at a PF Tier 2 rate(s) (provided appropriate elections under the customer's POC CHWM Contract are selected). *Id.*

³³ See PRDM ROD, PRDM-26-A-02, at 4.

PNGC argued that it “expect[s] BPA to recognize and honor the relationship that was established during the Regional Dialogue contract.” POCCT-08-PNGC at 1. Big Bend made a similar comment, noting that it was very concerned with “BPA’s intent to change its relationship with PNGC Power as a Joint Operating Entity from one contract period to another.” POCCT-12-Big-Bend at 2. Big Bend further contended that Bonneville “should continue treating PNGC as a single customer (especially since it is a single contract), as has been done under the Regional Dialogue contract.” *Id.*

Bonneville disagrees that its proposed treatment of a JOE under the POC CHWM Contract is at odds with its past conduct in RD. As far back as the Long-Term Regional Dialogue Concept Paper, dated in September 2005³⁴ (RD Concept Paper), Bonneville maintained that High Water Marks (HWMs) should not be pooled. *See* RD Concept Paper at 11 (Sept. 2005) (“BPA is proposing that the HWM be established as an individual customer right to purchase at the lowest-cost-based rate for its individual utility net requirement and is reluctant to create a construct that muddies this distinction by having amounts shared among customers.”). The RD Policy formally adopted the non-pooling paradigm:

BPA will not allow customers to pool HWMs for the reasons articulated in the ROD. BPA’s assessment is that pooling of HWMs is not critical to customers’ ability to jointly develop new non-Federal resources.

RD Policy § II.B.4; *see also* RD ROD at 41-44.

Section 2.4 of the POC Policy stated, “[b]ecause a joint operating entity’s utility composition may change over time, its CHWM will be the combined individual CHWMs of its membership.” POC Policy § 2.4 at 15. Section 7 of the POC CHWM Contract creates Bonneville’s obligation to establish the CHWM for a JOE and its member utilities. The JOE will receive a CHWM that is equal to “the sum of its Members’ CHWM.” Master Template § 7 at 70. The individual member utility’s CHWM is, in turn, separately calculated and retained in Exhibit B. *Id.*

The CHWM calculation for both the JOE and for each individual utility aligns with Bonneville’s policy decision that CHWMs “are unique to each individual PF-eligible customer.” POC Policy § 2.4 at 15. Section 2.4 of the POC Policy describes a detailed process for establishing each utility’s CHWM, which includes, among other elements, consideration of each utility’s PF-eligible load in a base year, adjustments for conservation, economics, dedicated resources, and other adjustments. *See id.* Once completed, the CHWM establishes the “total amount of power that can be accessed at PF Tier 1 rates . . .” for a specific utility. *Id.* at 15. This customized and individualized calculation is an essential feature of the CHWM construct and tiered rates.

The “individualized” nature of the CHWM calculation does not change or detach from a PF-eligible utility because it joins a JOE. What that means is that each utility is entitled to purchase

³⁴ The RD Concept Paper is available at <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/2005-rd-concept-paper.pdf>.

firm power supplied from Bonneville at the PF Tier 1 rate up to its CHWM for its load. Thus, for instance, assume Utility X receives a CHWM of 200 average megawatts (aMW). Utility X may purchase up to 200 aMW from Bonneville for its general requirements load at PF Tier 1 rates. If Utility X's actual load is 190 aMW it would be served with firm power sold at the applicable PF Tier 1 rate(s). The 10 aMW of extra CHWM that was not used is colloquially referred to as "headroom." Having headroom means that if Utility X's load grows by 10 aMW in the future the utility has the right to purchase, and Bonneville has the obligation to supply, 10 aMW of power to meet the load at Bonneville's then applicable PF Tier 1 rate(s). Utility X may not sell or trade the 10 aMW of extra CHWM to any other utility.

This limitation does not change because the utility joins a JOE. If Utility X joins a JOE, its unique CHWM calculation will continue to be associated with that utility. If other utilities join the JOE, their unique CHWM remain with them as well; the JOE members are not permitted to share or swap CHWMs with each other. Returning to the above example, if another utility joins the JOE, (Utility Y), and it has a CHWM of 150 aMW, and a forecast load of 160 aMW, Utility X and Utility Y are not allowed to comingle or share their respective CHWMs. The headroom from Utility X's CHWM may not be shared with Utility Y. Utility Y would have 10 aMW of Above-CHWM load that would be served either by Bonneville with firm power at a PF Tier 2 rate(s) or with non-federal resources. The prohibition on "pooling" or "sharing" of CHWMs among JOE members is articulated in Issue 44 of the POC Policy ROD, which Bonneville incorporates herein by reference.

PNGC opposed the POC Policy ROD's decision "on this matter" POCCT-08-PNGC at 1. PNGC commented that it did "not agree that a JOE should be treated by BPA as the summation of individual members." *Id.* In other words, PNGC argued JOE members should be able to pool CHWMs with each other, providing the JOE membership greater access and use of power sold at PF Tier 1 rates than if the members were separately treated as Bonneville customers. PNGC contended JOEs exist to "level the playing field for rural utilities that lack the resources and individual load diversity to make necessary investments in resources to meet their future needs alone." *Id.* PNGC argued small and rural customers can only achieve scale and load diversity of larger Bonneville customers by pooling loads and resources through a JOE pursuant to "statutory preference rights." *Id.*

Bonneville disagrees that its policy stance opposing "pooling" of CHWM is unreasonable or otherwise inconsistent with the goals and purposes of a JOE. Fundamentally, allowing utilities within a JOE to "pool" CHWMs undermines all three tenets of tiered rates. First, pooling CHWMs within a JOE would allow customers within the JOE to convert load that should be served at a PF Tier 2 rate(s) (Above-CHWM load), to be served at PF Tier 1 rates. The above example proves Bonneville's point. Utility Y (CHWM 150 aMW, forecast load 160 aMW), *should* have 10 aMW of Above-CHWM load that should be served at PF Tier 2 rates, if served by Bonneville, or served with non-federal resources, if served by the utility. On its own, that would be the case. But, if Utility Y joins a JOE and is able to pool its load and CHWM with Utility X's

CHWM (which has 10 aMW of headroom), its 10 aMW of Above-CHWM load is now covered by Utility X's CHWM headroom and supplied by Bonneville with firm power subject to PF Tier 1 rates. While this may result in lower costs for Utility Y (and Utility X as part of the JOE), it could increase the costs of all other customers with CHWMs. That could be the case, for instance, if Bonneville had to acquire resources to meet the collective needs of all customers' CHWMs. The larger the load that can be covered by CHWM, the greater the chance Bonneville will have to acquire resources and meld such resource costs with the costs of the PF Tier 1 system. Such an outcome undermines both tenet 1 of tiered rates (protect the value of the existing federal system from unbound acquisition costs), and tenet 3 (insulate customers from costs associated with other customers' resource choices).

Second, allowing customers to "pool" CHWMs within a JOE undermines tenet 2 of tiered rates (enable customer resource choice for meeting load growth) by muting the price signal the utility should have when determining how to serve its Above-CHWM load. Setting clear and effective price signals to incentivize rational resource investment is an essential feature of the POC CHWM Contract, PRDM, and tiered rates. The CHWM construct, in conjunction with tiered rates, is designed to give utilities clear information from which they can choose how best to serve their individual load growth (*i.e.*, Above-CHWM load). When a utility has Above-CHWM load, it is given a clear economic choice: build/buy a non-federal resource or purchase from Bonneville at a PF Tier 2 rate(s). Because Above-CHWM load is a defined amount of load, and transparently calculated, each utility can tailor its resource acquisition plan to invest in non-federal resources it needs to meet its expected load growth. The marginal pricing of PF Tier 2 rates adds to this stability because it incentivizes customers to not simply rely on Bonneville, but to explore developing their own resources, or banding together with other customers to achieve economies of scale on acquiring larger resources.

But, if utilities are allowed to "pool" CHWMs within a JOE, the clear, transparent, information about how to serve Above-CHWM load growth becomes obscured. PNGC noted that JOEs are needed to allow small utilities to make "necessary investments in resources to meet future needs" and that Bonneville's policy will "impair rather than facilitate much needed regional investments, including in non-federal generation." POCCT-08-PNGC at 1. Idaho Falls and Lost River also advocated that a JOE could provide regional benefits to Bonneville as well as other customers. POCCT-09-Idaho-Falls at 1; POCCT-29-Lost-River at 1.

Bonneville does not agree with these commenters and has found that allowing pooling could yield value to the entity permitted to pool. However, examined broadly pooling would result in a redistribution of equity in favor of the pooling utilities and a shift in costs to other Bonneville customers. Bonneville serves the aggregate pool of all its customers' loads net of any non-federal resources a customer uses to serve its firm power load with the FBS. As noted, an underlying tenet of tiered rates is to spur non-federal resource infrastructure development. Bonneville fails to see how "pooling" will incentivize the JOE or any of its members to invest in future non-federal resources. To the contrary, pooling disincentivizes investment. Consider a

JOE with 12 members, half of whom have CHWM headroom equaling 400 aMW and the other half with 400 aMW of Above-CHWM load. Even though half of the JOE's members have Above-CHWM load – a clear indication that their loads are growing – the JOE would have no economic incentive to invest in any new non-federal resources because its other members' unused CHWM headroom can be utilized to make up the difference for a time.

As this example shows, pooling does not support resource development, it postpones it. Indeed, when pooling was originally considered in the RD ROD, proponents of pooling argued it was needed in order to “buy a little time” to defer making the economic choice between buying power from Bonneville at a Tier 2 rate(s) or purchasing power from non-federal resources. RD ROD § III.D at 42. Ultimately, the effect of pooling is to use up more of the PF Tier 1 system for loads and load growth, thereby delaying the “much needed regional investment” in resources PNGC supports. See POCCT-08-PNGC at 1.

PNGC also claimed that without pooling, rural customers cannot achieve the “scale and load diversity of larger Bonneville customers by pooling loads and resources through a JOE pursuant to its statutory preference rights.” *Id.* A JOE, such as PNGC, which is a generation and transmission cooperative, may acquire non-federal resources on behalf of its members and use those resources to meet the diverse needs of its members' loads. Nothing in the POC CHWM Contract or the related policies precludes that feature of a JOE, and indeed, many portions of the POC CHWM Contract and POC Policy are designed to support that outcome. Prohibiting pooling of CHWMs does not detract from these investments; rather, as explained above, Bonneville's policy decision encourages investment by not delaying the need for those investments.

PNGC argued that allowing pooling by a JOE will “benefit” other Bonneville customers because PNGC will make “regional investments” which reduce the amount of resource Bonneville is required to purchase to serve incremental load above its customers CHWM (*e.g.*, Bonneville would have to serve less JOE Above-CHWM load if the JOE's CHWM were pooled). *Id.* Lost River similarly stated it believed a JOE “may provide a benefit to the customer base as a whole while promoting regional economic development and relieving, to a degree, constraints in the East Idaho transfer service area.” POCCT-29-Lost-River at 1. Lost River also noted the benefit of a “multi-utility generation resource.” *Id.* Idaho Falls commented that a “JOE allows smaller utilities to aggregate up to get the needed economies of scale to develop new generation resources” POCCT-09-Idaho-Falls at 1.

These arguments are unpersuasive for several reasons. First, pooling is not guaranteed to reduce Bonneville's acquisition costs as it increases the likelihood that Bonneville will have to acquire more power to meet the collective CHWM requirements of all customers. With more load qualifying as CHWM (which is the case under a pooling arrangement for a JOE), it is more likely Bonneville will need to acquire resources and allocate those costs to the PF Tier 1 system. Second, the “savings” Bonneville would see from having to serve less of a JOE's Above-CHWM load would be due, in part, to the fact that some of the JOE's Above-CHWM load would be

converted to CHWM and served at a PF Tier 1 rate. In other words, while it is likely true that pooling will reduce a JOE's Above-CHWM load, this will be because some of that Above-CHWM load would be recharacterized as CHWM load and served at PF Tier 1 rates. Bonneville fails to see how "[a]ll BPA customers benefit" when Above-CHWM load is reclassified as CHWM load and supplied with power sold at the applicable PF Tier 1 rate(s). Third, as explained above, the JOE's incentive to make "regional investment" for new resources would appear to be reduced – not increased – if CHWMs were pooled.

PNGC next contended that Bonneville's rationale for prohibiting the "pooling" of CHWM is faulty. *Id.* PNGC cited the POC Policy's statement that "[b]ecause a joint operating entity's utility composition may change over time, its CHWM will be the combined individual CHWMs of its membership." *Id.* at 1-2. PNGC then argued that this statement could be true of any utility, not only a JOE, due to "population changes among its retail, residential and commercial customers, increased or decreased industrial loads, and/or mergers, etc." *Id.* at 2. PNGC then provided suggestions on how Bonneville should address changing JOE membership. *Id.* PNGC argued Bonneville should not "justify its current position based on the chance that PNGC's membership may change over time." *Id.* Big Bend raised a similar argument, contending that Bonneville should use the current POC CHWM Contract language on "Annexed Load" if a JOE's membership changes over time. POCCT-12-Big-Bend at 2.

It is important to note that the change in membership is not the sole reason for the policy decision. While the POC Policy includes a reason for not permitting pooling (JOE composition over time), that reason was not the sum total of the justification for Bonneville's position. See POC Policy § 2.4 at 15. As described in the POC Policy ROD, Bonneville identified numerous other reasons for opposing the pooling of CHWMs within the JOE. See POC Policy ROD, at Issue 44. The POC Policy ROD, in turn, referenced the reasons Bonneville had similarly opposed pooling of CHWM in the RD ROD. See *id.* at 101, *citing* RD ROD at 41-44. The reasons articulated in those documents remain relevant today and have been reiterated in this ROD.

Having said that, the administrative burden and complexity of calculating and tracking CHWM through the changing membership of a JOE is another valid reason to prohibit its use. As noted above, the CHWM for a utility is a highly individualized calculation that is dependent on the particular characteristics, resources, load profile, and location of the utility. No two utilities are the same. Once Bonneville calculates a CHWM for a utility, that value establishes a "PF customer's maximum eligibility to access power priced at a PF Tier 1 rate under the tiered rate construct." POC Policy § 2.4 at 15. Under the POC Policy, the individual utility has a right to that CHWM regardless of its membership in a JOE. Thus, no matter whether a utility originally is in a JOE, joins a JOE later, or leaves a JOE, Bonneville must calculate that utility's CHWM and track its load over time to ensure that Bonneville can differentiate between its CHWM load and Above-CHWM load for tiered rate purposes. As a matter of statute Bonneville is the sole agent for the marketing of federal power in the Pacific Northwest and cannot subvert its statutory obligation to serve the requirements of its customers – including those served via a JOE.

Allowing utilities within a JOE to share CHWM adds significant administrative complexity when there are changes in membership. Over the course of the RD contract, PNGC's membership has changed seven times, which demonstrates that changing membership is not a rare occurrence. PNGC asserted a JOE should be treated as a "single preference power customer . . . for all purposes." POCCT-08-PNGC at 1. Practically speaking, though, Bonneville cannot avoid tracking CHWMs down to the utility level. The initial individualized CHWM calculation would have to be supplemented with additional monitoring by Bonneville as Above-CHWM load and CHWM headroom merge together. This tracking would be necessary because Bonneville would need it to be able to calculate a CHWM for any member should it leave the JOE in the future. This, and other administrative complexities, would make tracking JOE membership a burdensome and laborious task with minimal benefits to all other customers.

PNGC attempted to compare utilities joining and leaving a JOE to retail consumer movements within existing utilities. *Id.* at 2. Such a comparison is inapposite. Retail customers within a utility are not provided a CHWM and, therefore, they are not comparable to a utility joining or leaving a JOE. Similarly, Big Bend's suggestion that Bonneville treat expansion or contractions of a JOE's membership the same as an annexation is inapposite. See POCCT-12-Big-Bend at 2. An annexation is an irrevocable acquisition of the territory of another utility that is legally recognized. From a calculation standpoint, if an annexation triggers a CHWM adjustment, the CHWM adjustment occurs once – at the time of annexation. Once the annexation is complete, Bonneville no longer needs to track the annexed load to ensure that Bonneville has the data necessary to calculate a future CHWM or a means of calculating the Above-CHWM load of the utility. For utilities joining a JOE, Bonneville must retain these monitoring responsibilities. JOE membership changes are, then, not comparable to either the fluctuation in retail load or an annexed load. Utilities joining a JOE do not lose their individual characteristics, and their decision to join the JOE is not irrevocable.

Bonneville's decision here to not permit pooling of CHWMs simply continues Bonneville's long-standing position on the treatment of CHWMs. Suggestions that Bonneville has departed from past practice or that Bonneville had previously permitted a JOE to pool its CHWM under RD are, therefore, incorrect.

Bonneville did not change Section 7 Option 2 of the Master Template.

6. Applicable Rates

Section 8 of the POC CHWM Contract identifies the rate schedules that may be applicable for power and services offered under the agreement. Section 9 also specifies that such rate schedules will be established in accordance with the PRDM and pursuant to a section 7(i) process. Section 8 of the POC CHWM Contract establishes how PF Tier 1 and PF Tier 2 rates apply to a customer's purchase of firm requirements power. Bonneville received one comment

on Load Following Section 8.1(1) regarding the applicability of PF Tier 1 rates to a Load Following customer.

Issue 23: Should Bonneville retain language in Load Following Section 8.1 referencing section 7(f) of the Northwest Power Act?

Contract Proposal

Load Following Section 8.1(1) of the draft Master Template stated the following:

Tier 1 Rates shall apply to Firm Requirements Power that «Customer Name» purchases under this Agreement, less: (A) amounts of Firm Requirements Power priced at Tier 2 Rates elected by «Customer Name» in section 2 of Exhibit C, (B) amounts of Firm Requirements Power priced at the NR or other applicable 7(f) rate purchased for Planned NLSLs and NLSLs pursuant to Exhibit D, and (C) amounts of Firm Requirements Power priced at any other applicable 7(f) rate not limited to either (A) or (B).

Draft Master Template § 8.1(1) at 63-64.

Public Comments

NRU commented that the language "...and (C) amounts of Firm Requirements Power priced at any other applicable 7(f) rate not limited to either (A) or (B)" is "highly confusing" and is new language that was not previously discussed. POCCT-14-NRU, Attachment at 64. NRU asked if the language was necessary and requested examples of what would fall under option (C). *Id.* NRU asked, "[w]hat risk is being managed with this new language?" *Id.*

Evaluation and Decision

NRU questioned the inclusion of part (C) in Load Following Section 8.1(1) of the draft Master Template and asked Bonneville to explain the intended function of the language. *Id.* Load Following Section 8.1 addresses the applicability of PF Tier 1 and PF Tier 2 rates under the POC CHWM Contract. The language explains that PF Tier 1 rates apply to the sale of firm requirements power made under the POC CHWM Contract after excluding certain other purchases of firm requirements power purchased at other rates. Section 8.1(1)(A) excludes amounts of firm requirements power purchased under the contract at PF Tier 2 rates, and Section 8.1(1)(B) excludes amounts of firm requirements power priced at the NR or other applicable 7(f) rate "purchased for Planned NLSLs and NLSLs" Master Template § 8.1(1)(A), (B) at 70.

Bonneville added (C) to clarify the amount of power a customer can purchase at a PF Tier 1 rate also excludes any amount of power purchased at the Northwest Power Act section 7(f) rate whether it is used to serve Above-CHWM load or a customer's planned NLSL or NLSLs under the terms of the POC CHWM Contract. 16 U.S.C. § 839e(f).

Bonneville has multiple section 7(f) rates, such as the Firm Power and Surplus Products and Services rate. Although rare, there may be instances where a customer is purchasing power at a 7(f) rate that is not used to serve a planned NLSL or NLSL. For instance, assume a customer with Above-CHWM load chooses to use a non-federal resource to serve that load. Assume also that, during the year, the non-federal resource became unavailable. If Bonneville has surplus power available, and if the customer and Bonneville agree on a price, Bonneville could sell the customer surplus power at a negotiated surplus rate under section 7(f) to make up for this lost resource. Surplus power (*i.e.*, power sold at a section 7(f) rate) purchased by that customer to serve Above-CHWM load would not fall under either Section 8.1(1)(A) or 8.1(1)(B) and, because PF Tier 1 rates apply to firm requirements power that is “net” of all other purchases serving that customer’s total retail load, Bonneville must have a contractual mechanism to net out such surplus power.

Bonneville must ensure there are no “gaps” in rate application under the POC CHWM Contract allowing a customer to claim application of PF Tier 1 rates to more power than contemplated by its POC CHWM Contract. For this reason, Bonneville added (C) to clarify that PF Tier 1 rates only apply to a customer’s firm requirements power purchases exclusive of the amounts of firm requirements power priced at the PF Tier 2 rate, New Resource (NR) rate, or 7(f) rate whether used to serve a planned NLSL, an NLSL, or Above-CHWM load.

Bonneville did not change Load Following Section 8.1(1) of the Master Template.

7. Elections to Purchase Power at Tier 2 Rates

Section 9 of the POC CHWM Contract establishes the parties’ obligation for Above-CHWM load service elections and PF Tier 2 rate election. This section also establishes the timing for a customer’s elections following Bonneville’s publication of final CHWMs from the FY 2026 CHWM calculation. Section 9 states the shape of any PF Tier 2 purchase. Bonneville received comments on Section 9.2 only.

Issue 24: Should Bonneville change the timing of Above-CHWM load service elections?

Contract Proposal

Section 9.2 Option 1 of the draft Master Template stated that a customer must make its Above-CHWM load service election within 60 calendar days of Bonneville’s publication of final CHWMs. Draft Master Template § 9.2 at 65. Section 9.2 Option 2 provided an identical notice timeline but requires a JOE to make an “election for each of its Members.” *Id.*

Public Comments

PNGC requested Bonneville change the election timing for Above-CHWM load service in Section 9.2 Option 2 to “60 days after the RSS contract amendment is made” POCCT-08-PNGC at 2. WPAG requested the following edits to Section 9.2 Option 1 of the draft Master Template:

Within 60 calendar days after the later of the date BPA publishes, to its publicly available website, «Customer Name»’s final CHWMs from the FY 2026 CHWM Calculation Process or the date BPA offers an amendment to this Agreement with RSS and other Support Services contract provisions, consistent with section 3.1 of Exhibit J, «Customer Name» shall determine and provide written notice to BPA of its Above-CHWM Load service election, including its election to purchase Firm Requirements Power at Tier 2 Rates, consistent with section 2.1 of Exhibit C.

POCCT-17-WPAG at 2. WPAG commented that customers need certainty about RSS before they make an election for Above-CHWM load service that may include non-federal resources. *Id.* at 2-3. WPAG proposed language that “will ensure that customers have a more complete picture of what their potential use of non-federal resources to serve their Above-CHWM Load will look like . . .” at the time of their Above-CHWM load service elections. *Id.* at 3.

Evaluation and Decision

PNGC and WPAG requested Bonneville delay the deadline for customers to make their Above-CHWM load service elections until after RSS provisions are determined. POCCT-08-PNGC at 2; POCCT-17-WPAG at 2-3. Bonneville will not change the timing of Above-CHWM load service elections due to the extension already reflected in the Above-CHWM load service election deadline and the acceleration of when RSS provisions will be available.

In the draft POC Policy, Bonneville proposed that customers make their Above-CHWM load service elections when contracts are offered, which would require an election no later than December 2025. Draft POC Policy § 3.5 at 25. Bonneville amended Sections 3.5 and 3.5.1 of the POC Policy to allow customers to make their elections within 60 days following Bonneville’s publication of final CHWMs. POC Policy § 3.5.1 at 33. Bonneville addressed the comments that motivated that amendment in Issue 92 of the POC Policy ROD, where Bonneville agreed that evaluating Above-CHWM load service options without knowing their final CHWMs could be challenging for customers. POC Policy ROD § 4.4 at 192. Based on Bonneville’s current timeline, Bonneville anticipates closing out the FY 2026 CHWM Calculation Process in April 2026 or, if dispute resolution is invoked, May 2026.

Bonneville needs to understand its load obligations in advance of power deliveries commencing in October 2028 to ensure it can meet its contractual obligations. By delaying Above-CHWM load service elections, Bonneville and customers shorten their time to determine whether they need to acquire resources. Further delay to the timeline could result in an inadequate supply of resources either from Bonneville-supplied power or if a customer lacks adequate time to procure a non-federal resource.

At the December 11, 2024 workshop,³⁵ Bonneville provided a timeline of when it proposed to draft and share the contract provisions for RSS and other support services; Bonneville proposed kicking off a process to develop the provisions in late 2026 and concluding the process by April 1, 2027. The December Master Template³⁶ included language in Exhibit J Section 2.1 stating, “BPA shall offer RSS contract provisions as a revision to this exhibit by July 31, 2027. Prior to that date, BPA shall provide «Customer Name» a reasonable opportunity to provide input into the development of the RSS products and the related contract provisions.” December Master Template Exhibit J § 2.1 at 1. Bonneville received feedback that 2027 was too late to determine RSS and related support service contract provisions, especially for Load Following customers that may be required to purchase services if they elected to serve their Above-CHWM load with a non-federal resource.

In response to the December feedback, Bonneville proposed in February 2025 workshops that it could adjust its previously discussed timeline and initiate discussion about RSS in January 2026. In the draft Master Template, Bonneville updated the date to July 31, 2026, in the Exhibit J timeline provision, which had been renumbered to Section 3.1. Draft Master Template Exhibit J § 3.1 at 3. Bonneville received no comments requesting the timeline be pulled in further. This updated timeline provides Bonneville and customers ample opportunity to discuss RSS terms and potentially review draft provisions before customers make their Above-CHWM load service elections.

Bonneville did not change Section 9.2 Option 1 or Option 2 of the Master Template.

8. Tier 2 Remarketing and Resource Removal

Section 10 of the POC CHWM Contract establishes the parties’ rights and obligations for temporary resource removal. It also addresses PF Tier 2 remarketing when a customer’s Above-CHWM load is forecasted to be less than the sum of its new non-federal resources serving Above-CHWM load and/or PF Tier 2 rate purchase obligation. Bonneville received a comment on Section 10.1 regarding new resource removal and remarketing of PF Tier 2 rate purchase obligation amounts for each rate period. Bonneville did not receive comments on any other subsections.

Issue 25: Should Bonneville specify a maximum duration for a “temporary” new resource removal?

Contract Proposal

³⁵ The December 11, 2024, workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/20241211-12-poc-agenda.pdf>.

³⁶ The December Master Template is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/contract-templates/20241219-template-release.zip>.

Section 10.1 of the draft Master Template stated, in part:

If «Customer Name»'s Above-CHWM Load as forecasted for each Fiscal Year of an upcoming Rate Period is less than the sum of: (1) «Customer Name»'s New Resource amounts serving its Above-CHWM Load, as stated in Exhibit A, and (2) Tier 2 Rate purchase obligation amounts, as stated in Exhibit C, then, except as permitted in sections 10.1.3 and 10.1.4 below and in the following order:

- (1) «Customer Name» shall temporarily remove its eligible New Resource amounts, and
- (2) BPA shall remarket «Customer Name»'s Tier 2 Rate purchase obligation amounts.

Draft Master Template § 10.1 at 66.

Public Comments

Grant asked if (A) the POC CHWM Contract should define the term temporarily as used in Section 10.1(1) and (B) a temporary removal applies to the entire upcoming rate period. POCCT-19-Grant, Attachment at 67.

Evaluation and Decision

Grant requested Bonneville define temporarily in Section 10.1(1) and to clarify the application of temporary removal. *Id.* The duration of a temporary removal of a new resource amount under Section 10.1 of the POC CHWM Contract is defined within the provision that any removal:

shall apply until either: (1) the removed New Resource amounts plus the remarketed Tier 2 Rate purchase obligation amounts equal the amount by which «Customer Name»'s New Resource amounts plus its Tier 2 Rate purchase obligation amounts exceed its Above-CHWM Load, or (2) all of «Customer Name»'s New Resources are removed and all of its Tier 2 Rate purchase obligation amounts are remarketed.

Master Template §10.1 at 73. Temporary new resource removal obligations are determined on a fiscal year basis ahead of each rate period:

If «Customer Name»'s Above-CHWM Load ***as forecasted for each Fiscal Year of an upcoming Rate Period*** is less than the sum of: (1) «Customer Name»'s New Resource amounts serving its Above-CHWM Load, as stated in Exhibit A, and (2) Tier 2 Rate purchase obligation amounts, as stated in Exhibit C, then, except as permitted in sections 10.1.3 and 10.1.4 below and in the following order:

(1) «Customer Name» shall temporarily remove its eligible New Resource amounts, and

Master Template § 10.1 at 73 (emphasis added).

Therefore, temporary removal could be for a single fiscal year or both fiscal years of a rate period. The duration of “temporarily” as used in Section 10.1 of the POC CHWM Contract will vary, but can be fully determined by the terms of Section 10.1. Bonneville will not further define the term “temporarily” as used in Section 10.1 of the POC CHWM Contract.

Bonneville did not change Section 10.1 of the Master Template.

9. Right to Change Purchase Obligation

Section 11 of the POC CHWM Contract addresses the customer’s right to change its purchase obligation during the POC contract period. The section includes notice and conditions for a customer to change its purchase obligation including limitations due to total monthly peak load increase, charges to change purchase obligation, change confirmation, and the process for contract amendments to reflect a new purchase obligation. The section also describes how the POC CHWM Contract accommodates a customer’s decision to join a JOE during the POC contract period. For Load Following and Block customers, a subsection describes restrictions to changing a purchase obligation to the Slice/Block product including the availability of the slice portion of the Slice/Block product and any applicable limitation on slice percentage. For Slice/Block customers, a subsection covers additional rights to change purchase obligations.

During the policy implementation and contract development phase, Bonneville developed a minimum and maximum threshold for participation in the Slice/Block product. On October 15, 2024, Bonneville introduced Section 11.9 of the POC CHWM Contract in a workshop. The section established that Bonneville would limit the amount of slice available for purchase to no more than 25% of the sum of FY 2026 CHWMs. Language was also introduced to establish what would happen if the number of customers requesting the Slice/Block product exceeded that percentage. The Load Following and Block Section 11.9 of the POC CHWM Contract stated: “The total Firm Slice Amount BPA offers to all customers purchasing the Slice/Block Product shall not exceed 25 percent of the sum of CHWMs established in the FY 2026 CHWM Process.” Master Template § 11.9 at 82.

During June 2024 workshops that focused on the Slice/Block product, customers advocated that Bonneville should not establish a minimum threshold for making the Slice/Block product available as a product option. At the October 15, 2024, workshop, Bonneville confirmed that it would not establish a minimum participation threshold but did propose that, if at any time over the POC contract period there were no customers participating in the Slice/Block product, it would cease to be offered as a product option. Interested parties argued that Bonneville should always offer the Slice/Block product regardless of whether a customer is actively taking the

product. Bonneville declined and highlighted that it would need to maintain the supporting infrastructure, such as staff and technology, needed to keep the product continuously available, which would not be an efficient use of its resources. The Load Following Section 11.4 and Block Section 11.4.1 of the POC CHWM Contract reads:

If, during the term of this Agreement, all customer purchases of the Slice/Block Product become reduced to zero percent, then BPA will retire the Slice/Block Product as a purchase obligation option under this Agreement. After such retirement, «Customer Name»'s right to change its purchase obligation will be limited to the Load Following or Block options as outlined in sections 3.1 and 11.1.

Master Template §§ 11.4 at 80, 11.4.1 at 81.

Interested parties also raised concerns about Bonneville's proposal to apply restrictions on the ability to change to the block with shaping capacity with PNR with PLVS product. PPC commented that Bonneville "initially proposed language in Section 11.4.2 which indicated that the PLVS option for the PNR Block with Shaping Capacity would be permanently discontinued if no customer elected the service by March 1, 2028." POCCT-32-PPC at 2. PPC acknowledged that Bonneville removed the language after receiving feedback during the policy implementation and contract development phase. *Id.* at 2-3.

Bonneville received comments on (1) whether a customer that operates a balancing authority may take the Load Following product, (2) clarifications around whether a utility joining a JOE constitutes the customer's use of its one-time right to change its purchase obligation, and (3) the notice period in Section 11.2 to request a change to a customer's purchase obligation. Bonneville did not receive comments on any other subsection.

Issue 26: Should Bonneville allow customers that operate a balancing authority to take the Load Following product?

Contract Proposal

The draft Master Template and the POC Policy did not include any product exclusions for customers that operate their own balancing authority. In Issue 75 of the POC Policy ROD, Bonneville explained "there would be significant challenges in offering the Load Following product to customers who operate their own balancing authority because the customer would be required to provide visibility of their resources to Bonneville and coordinate the operation of such resources." POC Policy ROD § 4 at 163. Bonneville noted "[t]here is no requirement for any customer to operate as a balancing authority." *Id.* Finally, Bonneville concluded that it "will not guarantee that all product and service offerings described in the Policy are available to balancing authorities." *Id.*

Public Comments

Tacoma requested Bonneville affirm that a customer that operates its own balancing authority can take the Load Following product. POCCT-15-Tacoma at 1. Tacoma stated that the draft Master Template is drafted to “allow any customer to select the load-following product” regardless of the balancing authority area it is located in or the type of transmission contract it holds. *Id.* However, Tacoma noted, the POC Policy ROD did not affirm that customers operating their own balancing authorities may elect the Load Following product. *Id.* To preempt conflict between the POC CHWM Contract and the POC Policy, Tacoma requested Bonneville affirm that “load following is a viable product choice for utilities that operate their own [Balancing Authority Area].” *Id.* Tacoma reiterated this request in an in-line comment on the draft Master Template. POCCT-16-Tacoma at 69.

Seattle supported Tacoma’s comments and stated that it “would appreciate clarity about whether it may choose the Load Following product during the POC contract period.” POCCT-21-Seattle at 4.

Evaluation and Decision

Seattle and Tacoma requested that Bonneville make an affirmative statement that a customer that operates a balancing authority may elect the Load Following product. POCCT-21-Seattle at 4; POCCT-15-Tacoma at 1; POCCT-16-Tacoma at 69.

Bonneville received a similar request from Seattle and Tacoma in their comments on the POC Policy. Bonneville responded in Issue 75 of the POC Policy ROD and stated, “Bonneville will not guarantee that all product and service offerings described in the Policy are available to balancing authorities.” POC Policy ROD § 4 at 163. Bonneville did not foreclose the possibility that a customer that operates a balancing authority would be eligible to take the Load Following product but acknowledged that there would be a number of complexities to be addressed to enable that election. During the policy implementation and contract development phase, Bonneville did not receive a request in workshops to affirm that the Load Following product would be made available to a customer that operates a balancing authority.

In light of the comments on the draft Master Template, Bonneville re-evaluated the possibility of addressing the identified complexities associated with offering the Load Following product to a customer that operates its own balancing authority. However, Bonneville continues to be concerned with the issues raised in the POC Policy ROD. Examples in the POC Policy ROD included that “the customer would be required to provide visibility of their resources to Bonneville and coordinate the operation of such resources” and it “would add significant complexity to balancing authority functions such as providing ancillary services and maintaining reserves.” *Id.* Bonneville has not resolved those issues and remains concerned about ensuring that it only serves the net requirement of a customer operating its own balancing authority with no cost or balancing authority driven shifts.

Given these concerns, Bonneville decided that a customer that operates a balancing authority may not elect the Load Following product in a POC CHWM Contract. At the May 21, 2025,

workshop, Bonneville presented that it had added Section 11.2.1 Sub-Option 2 to the May 21 draft template as follows:

No sooner than October 1, 2028, «Customer Name» may provide written notice to BPA to request a change to its purchase obligation pursuant to section 11.1 above. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. In order to elect and receive the Load Following purchase obligation pursuant to section 11.1 above, «Customer Name» must cease to operate its own Balancing Authority Area by the date the change to its purchase obligation is effective.

«Customer Name»'s notice shall state: (1) the purchase obligation request, (2) the Rate Period «Customer Name» requests the change to be effective, and (3) if the request is for the Load Following purchase obligation, a notice of intent to cease operating its own Balancing Authority Area. The latest date that «Customer Name» may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040.

May 21 draft template § 11.2.1 at 70.

In the May 21, 2025 workshop, Tacoma, Seattle, and PPC requested that Bonneville provide an additional comment period to respond to the change. Tacoma requested reconsideration and commented, and Seattle supported, that Bonneville should not limit the product options for a customer who operates a balancing authority. Tacoma suggested that a day-ahead Load Following product could address Bonneville's concerns. In the workshop, Bonneville declined to provide an additional comment period but acknowledged the comments.

Bonneville re-evaluated its position after the workshop. Bonneville still believes the Load Following product as written in the Master Template cannot be elected by a customer that operates a balancing authority given the issues described above. However, Bonneville will allow a customer that operates a balancing authority the right to change to the Load Following product during the POC contract period subject to (1) the resolution of all current and future identified issues relative to a customer operating its own balancing authority and purchasing the Load Following product, and (2) a public process leading to a viable contract template. Bonneville will not guarantee that a customer that operates a balancing authority can take the Load Following product.

During the first year of the three-year notice period required for any product change, Bonneville would work with the customer to identify issues such as barriers in product design and any operational concerns associated with a customer taking the Load Following purchase obligation and simultaneously operating a balancing authority along with any additional changes that would be required to offer the Load Following product. If Bonneville determines it can adequately address the concerns about separating out a balancing authority's obligations

from the product obligations, Bonneville would conduct a public process to create the Load Following template that would allow a customer that operates a balancing authority to take the product. This evaluation will be in addition to the other requirements and limitations identified in Section 11.

Customers that operate a balancing authority have several product options including the Slice/Block product and six variations of the Block product to choose from. These products can provide those customers with a planned amount of power and do not complicate the balancing authority functions of within day, within hour, or within minute coordination. Bonneville increased the Block product variations under POC to make more options available to customers seeking a planned product, given the changing energy landscape. As discussed in the POC Policy ROD, “[t]here is no requirement for any customer to operate as a balancing authority.” POC Policy ROD § 4 at 163. If a customer that operates a balancing authority ceases operating as a balancing authority, it could elect the Load Following product as described in the Master Template. The customer would need to submit a notice of intent to cease balancing authority operations as part of its product change request. Bonneville would work with the customer to establish the technical requirements needed to cease balancing authority operations including when operations must be transferred to Bonneville in order to ensure seamless service.

Bonneville notes that this decision is for the POC contract period. If requested, Bonneville would evaluate whether a customer that operates a balancing authority could purchase the Load Following product under a future contract. For example, the Regional Dialogue Guidebook, dated June 4, 2010,³⁷ stated that “[t]he Load-Following product is not available to a customer that is operating its own balancing authority area” Regional Dialogue Guidebook at 6. Bonneville reconsidered this stance under POC as evident in this ROD and the Master Template.

Bonneville changed Option 1 Sub-Option 2 Section 11.2.1 to the Master Template as follows:

No sooner than October 1, 2028, «Customer Name» may provide written notice to BPA to request a change to its purchase obligation pursuant to section 11.1 above. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. «Customer Name»’s notice shall state: (1) the purchase obligation request, and (2) the Rate Period «Customer Name» requests the change to be effective. The latest date that «Customer Name» may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040. Any «Customer Name» request for the Load Following purchase

³⁷ The Regional Dialogue Guidebook is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2010-06-04-rdproductsratesguidebook-revised.pdf>.

obligation under this section 11.2.1 shall be subject to the limitations in section 11.3.1 below.

Master Template § 11.2.1 at 76.

[Issue 27: Should Bonneville specify a notice period for a customer to join a JOE? Does joining or leaving a JOE constitute a customer's right to change its purchase obligation?](#)

Contract Proposal

The draft Master Template did not address whether a customer could join a JOE during the POC contract period, whether there were notification requirements for changing its JOE membership status, or whether changing its JOE membership status would constitute a product change if the customer held a POC CHWM Contract with a different product election than the JOE.

Public Comments

Idaho Falls, Lost River, Salmon River and United commented asking Bonneville to affirmatively state that customers may join a JOE at any point in the POC contract period. POCCT-09-Idaho-Falls at 2; POCCT-29-Lost-River at 1; POCCT-23-Salmon-River at 1; POCCT-20-United at 1. Idaho Falls, Lost River, and Salmon River requested that Bonneville allow utilities to join a JOE with notice 12 months prior to the start of a rate period. POCCT-09-Idaho-Falls at 2; POCCT-29-Lost-River at 1; POCCT-23-Salmon-River at 1.

Idaho Falls, Salmon River and United requested that a customer's election to join a JOE not be considered a product change. POCCT-09-Idaho-Falls at 2; POCCT-23-Salmon-River at 1; POCCT-20-United at 1.

Evaluation and Decision

Idaho Falls, Lost River, Salmon River and United requested Bonneville provide flexibility so that a customer could assign its POC CHWM Contract to a JOE and take service through such JOE during the POC contract period. POCCT-09-Idaho-Falls at 2; POCCT-29-Lost-River at 1; POCCT-23-Salmon-River at 1; POCCT-20-United at 1. The POC CHWM Contract does not prohibit or prevent an eligible customer from joining and taking service under a JOE. If a public body or cooperative customer with a POC CHWM Contract that was also a Bonneville customer on or before January 1, 1999, would like to receive its 5(b) requirements power through a JOE, the customer would request Bonneville's consent for assignment of its POC CHWM Contract to the JOE and Bonneville would prepare the necessary contract amendments, including those addressing any difference in purchase obligation between the customer and the JOE.

Idaho Falls, Lost River, and Salmon River requested Bonneville allow customer transitions to service through a JOE with 12 months' notice. POCCT-09-Idaho-Falls at 2; POCCT-29-Lost-River at 1; POCCT-23-Salmon-River at 1. Bonneville understands there may be a desire by some

customers to transition their service from individual POC CHWM Contracts to being served by a new JOE early in the POC contract period and potentially before power service commences on October 1, 2028. Bonneville supports customers' ability to develop a JOE and be served through a JOE, but must balance that flexibility with having sufficient notice to ensure staff can make the necessary contract changes and have an amended agreement signed ahead of any switch of power service obligations to the JOE.

For power service commencing October 1, 2028, Bonneville determined it could accommodate customers seeking to form or join a new JOE with written notice received by June 30, 2027. Bonneville believes this notice deadline provides Bonneville sufficient time to confirm the eligibility of the JOE to purchase power under section 5(b) of the Northwest Power Act, to prepare all necessary contract amendments, and to determine the appropriate rate treatment in the BP-29 Rate Case.

For requests made after June 30, 2027, the amount of notice required depends on whether the customer and the JOE have the same product or different products. If a customer choosing to join a JOE has the same purchase obligation as the JOE, Bonneville believes that it would be able to effectuate the transition of the customer to taking service under the JOE's POC CHWM Contract with less than three-year notice, as is usually required for a change in purchase obligation. Bonneville determined that it could accommodate a customer's change request with 15 months' notice. This is the minimum amount of time Bonneville would need to add the customer to a JOE's contract and make the appropriate adjustments through all of its processes and systems. If the customer and the JOE have different purchase obligations, Bonneville will require the same three-year notice needed for any change in purchase obligation. Bonneville added language, reproduced below, to describe the pre and post June 30, 2027, notice deadlines to join a JOE.

Idaho Falls, Salmon River and United argued that a customer's transition to taking power service under a JOE's POC CHWM Contract should not be considered a product change. POCCT-09-Idaho-Falls at 2; POCCT-23-Salmon-River at 1; POCCT-20-United at 1. The draft Master Template did not address whether joining or leaving a JOE would constitute a customer's one time right to request to change its purchase obligation under Section 11 of the POC CHWM Contract. As discussed above, Bonneville recognizes some customers may seek to receive power service through a JOE and determined it will provide an opportunity for that transition to occur ahead of October 1, 2028. If a customer notifies Bonneville by June 30, 2027, to request service under the JOE's POC CHWM Contract, such request will not constitute using its one-time right to change its purchase obligation under Section 11.

If a customer notifies Bonneville after June 30, 2027, that it has or will join a JOE, Bonneville will determine on a case-by-case basis if the customer has exercised its one-time right to change its purchase obligation.

If a JOE member requests to leave a JOE, the POC CHWM Contract will not articulate whether such change will constitute the customer's one-time right to change products. Bonneville will rely on the preservation agreement between it and the customer taking service through a JOE. The preservation agreement documents that the customer has agreed to become a JOE member and authorizes the JOE to purchase power from Bonneville that the JOE member has 5(b) rights to purchase. The preservation agreement will address that if a customer leaves the JOE, whether such action constitutes a product change based on the JOE's product election and the customer's product election. The preservation agreement will also address if the JOE exercises its right to change purchase obligation whether the customer retains their one-time right.

To implement the changes discussed above, Bonneville changed Section 11.2 Option 1 to add the following sections to the Master Template:

11.2.2. Joining a JOE For Service Effective October 1, 2028

If «Customer Name» requests to join a JOE for service under the JOE's CHWM Contract effective October 1, 2028, then «Customer Name»'s written notice to BPA to request to assign its contract to the JOE must be received no later than June 30, 2027, regardless of «Customer Name»'s and the JOE's purchase obligations. Receiving service under the JOE CHWM Contract will not constitute a change to «Customer Name»'s purchase obligation under this section 11.

11.2.3. If Customer and JOE Have Same Purchase Obligation

After June 30, 2027, if the BPA-JOE CHWM Contract and «Customer Name» have the same purchase obligation when «Customer Name» requests to join the JOE, then «Customer Name»'s written notice to BPA to request to assign its contract to the JOE must be received no later than June 30 of a Forecast Year for power sales under the BPA-JOE CHWM Contract to begin at the start of the following Rate Period.

11.2.4 If Customer and JOE Have Different Purchase Obligations

After June 30, 2027, if the BPA-JOE CHWM Contract and «Customer Name» have different purchase obligations, including different Block purchase obligations, when «Customer Name» requests to join the JOE, then «Customer Name»'s written notice to BPA to request to assign its contract to the JOE must be received no later than three years prior to when power sales under the BPA-JOE CHWM Contract will begin at the start of the subsequent Rate Period.

Master Template § 11.2.2-4 at 76-77.

Issue 28: Should Bonneville shorten the notice period a customer is required to give Bonneville ahead of a change in purchase obligation?

Contract Proposal

Section 11.2 of the draft Master Template stated:

No sooner than October 1, 2028, «Customer Name» may provide written notice to BPA to request a change to its purchase obligation pursuant to section 11.1 above. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. «Customer Name»'s notice shall state: (1) the purchase obligation request, and (2) the Rate Period «Customer Name» requests the change to be effective. The latest date that «Customer Name» may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040.

Draft Master Template § 11.2 at 69.

Public Comments

PNGC requested an exception to Section 11 to allow it to “request a change to its purchase obligation with shorter notice than three years” POCCT-08-PNGC at 2. PNGC commented it believes the “notification and election time requirements are overly restrictive and not necessary to eliminate cost shifts when customers switch from Load Following to Planned Products.” *Id.*

Okanogan expressed concern with the three-year notice requirement in Section 11.2 of the draft Master Template. POCCT-28-Okanogan at 1-2. Okanogan requested Bonneville “reduce this lead time requirement to two years” and explained two-year notice would (1) improve planning agility, (2) mitigate forecast uncertainty, (3) allow for Bonneville evaluation and transparency, and (4) support innovation and customer choice. *Id.* at 1. A change to a two-year notice, Okanogan explained, “balances the need for BPA's system planning certainty with the operational realities and agility required by customers. It also encourages more timely participation in product offerings while maintaining prudent safeguards through BPA's evaluation process outlined in Section 11.3.” *Id.* at 2.

Okanogan proposed the following edit to Section 11.2 of the draft Master Template: “Such notice to BPA must be at least two years ~~three years~~ prior to the start of the Rate Period the purchase obligation change would be effective. . . .” *Id.* at 2.

Evaluation and Decision

PNGC explained that it is actively working on resource development plans and requested that Bonneville consider supporting non-federal resource integration into the POC CHWM Contract

by shortening the notice period to change its purchase obligation. POCCT-08-PNGC at 2-3. Okanagan requested Bonneville shorten the notice period to two years. POCCT-28-Okanagan at 2. Bonneville considered this issue from two viewpoints: (1) whether Bonneville should change the notice period for all customers; and (2) whether Bonneville should consider a shorter notice period for a JOE.

In the POC CHWM Contract, Bonneville included a new approach to customers changing their purchase obligations that differs from the approach in RD. Under RD, contracts afforded a single opportunity for customers to request a change to their purchase obligation, with a defined election window and deadline for requests. Bonneville and customers found that the product change process timing did not align with customers' needs.

For POC, Bonneville determined that it would be an improvement to allow a customer the flexibility to make a request to change its purchase obligation any time within the contract period, within certain parameters. The parameters included in Section 11 help to manage the process associated with a customer request to change its purchase obligation and align changes with the start of a rate period so any impact can be accurately captured in rates. Bonneville requires the three-year notice so that it can complete an assessment of whether it can accommodate the product change and then take the necessary steps to amend the customer's POC CHWM Contract and implement the change, including but not limited to procurement of additional resources to cover new energy or capacity obligations. Bonneville believes a customer should have the flexibility to time its one-time right to change its purchase obligation to meet its non-federal resource needs during the POC contract period, however, Bonneville cannot accommodate a shorter notice period.

Bonneville contemplated whether it should provide a JOE with a shorter notice period. Bonneville believes the same logic regarding notice discussed above applies for the POC contract period relative to a JOE but Bonneville determined the POC CHWM Contract should provide an exception for a JOE. During the policy implementation and contract development phase, Bonneville focused on developing JOE-specific contract provisions for the Load Following product only. No JOE or other interested party indicated interest in having JOE-specific contract language developed for the Block or Slice/Block product. As such, Bonneville's intention was to focus its resources on developing the JOE Load Following product template language and not develop planned product templates customized for JOEs as discussed in Issue 75.

In February and March 2025, Bonneville received requests from its existing customers looking to clarify how a planned product would work for a JOE. In response, Bonneville developed JOE-specific contract language for the planned products and shared this language at the May 21, 2025, workshop and then posted the language for a formal two-week comment period. Given the late request for, and introduction of, this language, Bonneville recognizes that a JOE may not have had sufficient time to contemplate how it would operate under a planned product in order to make a fully informed product election in the summer of 2025. Bonneville believes it is reasonable to provide an early right to change purchase obligation opportunity to a JOE to

account for that. Bonneville will allow a JOE the opportunity to change its purchase obligation with an effective date of October 1, 2030, instead of October 1, 2032, with the required notice by October 1, 2028. This will count as the exercise of the JOE's one-time product change right.

Bonneville changed Section 11.2 Option 2 of the Master Template as follows:

11.2 Notice and Conditions to Change Purchase Obligation

Written notices sent under this section 11.2 must comply with section 1 of Exhibit I.

11.2.1 Notice to Change Purchase Obligation by October 1, 2028

By October 1, 2028, «Customer Name» may provide written notice to BPA to request a change to its purchase obligation, effective October 1, 2030, pursuant to section 11.1 above.

11.2.2 Notice to Change Purchase Obligation after October 1, 2028

After October 1, 2028, «Customer Name» may provide written notice to BPA to request a change to its purchase obligation, effective October 1, 2032 or beyond, pursuant to section 11.1 above. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. «Customer Name»'s notice shall state: (1) the purchase obligation request, and (2) the Rate Period «Customer Name» requests the change to be effective. The latest date that «Customer Name» may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040.

Master Template § 11.2 at 77.

10. Scheduling

Section 13 of the POC CHWM Contract includes a Load Following version and a Block and Slice/Block version. The Load Following version has three variations which address when Bonneville is obligated to offer transmission scheduling services (TSS) to a customer and the customer's obligation to purchase such services. The option that applies to a customer depends upon the product a customer selects and their transmission service arrangement. The Block and Slice/Block version obligates the customer to schedule power in accordance with Exhibit F. Bonneville only received comments on Load Following Section 13.

Issue 29: Should Bonneville clarify how and when TSS is offered in the POC CHWM Contract?

Contract Proposal

Load Following Section 13 of the draft Master Template includes three variations of scheduling terms:

Option 1: Include the following for customers served by Transfer Service.

From October 1, 2028, through September 30, 2044, Power Services shall provide and «Customer Name» shall purchase Transmission Scheduling Service. The Parties shall administer «Customer Name»'s Transmission Scheduling Service consistent with Exhibit F.

End Option 1

Option 2: Include the following for exclusively directly connected customers with a BPA NT Transmission Agreement.

Over the term of this Agreement, «Customer Name» may be required to purchase or may have the option to purchase Transmission Scheduling Service from Power Services in accordance with Exhibit F. If «Customer Name» is required or elects to purchase Transmission Scheduling Service from Power Services, then Exhibit F shall be replaced with the Transmission Scheduling Service exhibit. If «Customer Name» is not purchasing Transmission Scheduling Service from Power Services, then «Customer Name» shall comply with the scheduling requirements described in sections 2 and 3 of Exhibit F.

End Option 2

Option 3: Include the following for exclusively directly-connected customers with only BPA PTP Transmission Agreement(s).

«Customer Name» shall be responsible for any obligations associated with scheduling transmission to deliver any power sold under this Agreement to serve its Total Retail Load. In addition, «Customer Name» shall comply with the scheduling requirements described in Exhibit F.

End Option 3

Draft Master Template § 13 at 75.

Exhibit F Load Following Template Option 1 Section 1.3 Option 1, where TSS terms would be found for a customer exclusively served by transfer service, is “intentionally left blank.” Draft Master Template Exhibit F Transmission Scheduling Service § 1.3 at 3.

Public Comments

Harney commented that it was unclear what option under Load Following Section 13 applies to a customer “served with both Transfer Service and directly connected with a BPA NT Transmission Service Agreement” and requested clarification. POCCT-18-Harney at 2. Harney also requested Bonneville explain why a customer served by transfer service must purchase TSS from Bonneville. *Id.*

Snohomish requested the following edits to Load Following Section 13 Option 2 of the draft Master Template:

Over the term of this Agreement, «Customer Name» may be required to purchase or may have the option to purchase Transmission Scheduling Service from Power Services in accordance with Exhibit F. If «Customer Name» is required or elects to purchase Transmission Scheduling Service from Power Services, then customer shall comply with the scheduling requirements described in Exhibit F – Tran[s]mission Scheduling Service. Exhibit F shall be replaced with the Transmission Scheduling Service exhibit. If «Customer Name» is not purchasing Transmission Scheduling Service from Power Services, then «Customer Name» shall comply with the scheduling requirements described in sections 2 and 3 of Exhibit F - Scheduling.

POCCT-06-Snohomish at 75.

PNGC commented on Section 13 Option 1 of the draft Master Template for customers that are exclusively served by transfer service and noted that it “simply refers to Exhibit F” that was intentionally left blank. POCCT-08-PNGC at 3. PNGC stated it “looks forward to a reasonable opportunity to review and comment on proposed language for Section 13 of the POC contract template when BPA staff brings it forward, as well as the substantive language contemplated for Exhibit F, section 1.3.” *Id.* Regarding Exhibit F Load Following Template Option 1 Section 1.3, PNGC commented that Bonneville should see PNGC’s comment on Section 13. *Id.* at 6.

Evaluation and Decision

Harney, Snohomish, and PNGC sought clarification on the variations of TSS terms in Load Following Section 13.

Harney requested Bonneville clarify which option under Load Following Section 13 applies to a customer “served with both Transfer Service and directly connected with a BPA NT Transmission Service Agreement.” POCCT-18-Harney at 2. The section’s three options would apply depending on: (1) the power product the customer selects, (2) whether the customer has any points of delivery served by transfer service, and (3) the transmission service the customer is purchasing. Bonneville appreciates Harney’s comment that the options are unclear and clarifies that Load Following Section 13 Option 1 applies to transfer customers whether they are

entirely or partially served by transfer service. Bonneville changed the Load Following Section 13 Option 1 drafter's note of the Master Template as follows:

Option 1: Include the following for customers entirely or partially served by Transfer Service whether with a BPA NT Agreement or BPA PTP Transmission Agreement(s).

Master Template § 13 at 85. Bonneville also changed the drafter's notes for Exhibit F Load Following Template Option 1, Template Option 2, and Template Option 3, which are also reflected in the Master Template's table of contents, to clarify the application of transmission scheduling terms. Master Template Exhibit F Transmission Scheduling Service at 1, Master Template Exhibit F Scheduling Load Following Template Option 2 at 1, Master Template Exhibit F Scheduling Load Following Template Option 3 at 1.

Related to the Load Following Section 13 Option 1, Harney asked why a customer served by transfer service is required to purchase TSS. POCCT-18-Harney at 2. For customers served by transfer, Bonneville holds the third-party transmission service agreement to provide transfer service to that customer's transfer points of delivery. Bonneville must schedule the deliveries to those points of delivery under the terms of TSS because it holds the transfer service agreement and must ensure that all obligations under that agreement are met. Bonneville did not change Load Following Section 13 Option 1 of the Master Template.

Snohomish proposed edits to clarify that a customer purchasing TSS will do so pursuant to the scheduling provision in Exhibit F. POCCT-06-Snohomish at 75. Bonneville appreciates Snohomish's proposed changes that make clear that the customer is subject to the scheduling requirements stated in Exhibit F. Bonneville changed Load Following Section 13 Option 2 of the Master Template as follows:

Option 2: Include the following for exclusively directly connected customers with a BPA NT Agreement.

Over the term of this Agreement, «Customer Name» may be required to purchase or may have the option to purchase Transmission Scheduling Service from Power Services in accordance with Exhibit F. If «Customer Name» is required or elects to purchase Transmission Scheduling Service from Power Services, then «Customer Name» shall comply with the scheduling requirements described in Exhibit F, Transmission Scheduling Service. If «Customer Name» is not purchasing Transmission Scheduling Service from Power Services, then «Customer Name» shall comply with the scheduling requirements described in Exhibit F, Scheduling.

End Option 2

Master Template § 13 at 85-86.

PNGC commented that Exhibit F Load Following Template Option 1 Section 1.3 Option 1 of the draft Master Template is “intentionally left blank” for customers that are exclusively served by Transfer Service and that they looked forward to reviewing language for this section when it is available. POCCT-08-PNGC at 3. The referenced section is intentionally left blank because TSS-partial is not available to customers that are exclusively served by transfer service. Exhibit F Load Following Template Option 1 Section 1.3 Option 2, for TSS-Partial, is available for exclusively directly-connected customers or for customers that are both directly-connected and served by transfer service. For customers that are both directly-connected and served by transfer service, TSS-Partial allows for customer scheduling of resources to serve the portion of their load that is directly connected to Bonneville’s transmission system.

Under both Option 1 and Option 2, Bonneville does not offer TSS-Partial for dedicated resource(s) or consumer-owned resource(s) serving on-site consumer load that rely on transfer service. Bonneville schedules these resources using transmission rights it holds on third-party transmission systems. Bonneville incurs any penalties or charges related to scheduling these resources. As such, it is prudent for Bonneville to retain all scheduling responsibility for customers’ dedicated resource(s) and consumer-owned resource(s) serving on-site consumer load that rely exclusively on transfer service. For these reasons, Exhibit F Load Following Option 1, Section 1.3 Option 1 for customers that are entirely served by transfer service is intentionally left blank because TSS-Partial is not available.

Bonneville may, in its sole discretion and on a case-by-case basis, consider alternate scheduling arrangements for loads served by transfer service, especially in instances where a customer may contract for its own third-party transmission service.

Bonneville did not change Exhibit F Load Following Section 1.3 Option 1 of the Master Template.

11. Delivery

Section 14 of the POC CHWM Contract addresses the delivery of section 5(b) power sales to customers. It includes subsections on definitions, transmission service, liability for delivery, real power losses, and metering losses. The section also covers delivery by transfer service and delivery of non-federal resources over multiple transmission systems for applicable customers.

Since the Subscription contract, Bonneville has expressly omitted the delivery of power over Bonneville’s transmission system from the section 5(b) power sales contracts. This follows Bonneville’s decision to “unbundle” power and transmission services, meaning customers must enter into a separate transmission agreement with Bonneville for the delivery of power on or across Bonneville’s transmission system. Consistent with that approach, the POC CHWM Contract obligates Bonneville to “sell and make available” power at “Scheduling Points of Receipt” (Scheduling PORs). Master Template § 3.1 at 27-28; § 14.1.2 at 86. The customer, in turn, is responsible for acquiring transmission service through a separate agreement with

Bonneville to deliver power from the Scheduling PORs to the customer's loads. Master Template § 14.2.1 at 86.

Because the POC CHWM Contract is a power sales contract that concerns the selling or supplying of power to the customer, and not its delivery, the customer waives all "claims against BPA arising under this Agreement for non-delivery of power to any points beyond the applicable Scheduling [POR]" Master Template § 14.3 at 88. In this way, the POC CHWM Contract presumes a precondition that in making power "available" to the customer at the Schedule PORs, that the customer has acquired or otherwise made arrangements to obtain sufficient transmission to take possession of such power at the Scheduling PORs and deliver it to its load. Bonneville's obligation under the POC CHWM Contract, then, is to stand ready to supply the customer at the Scheduling POR with power consistent with the POC CHWM Contract's terms. It is the customer's responsibility to acquire transmission to ensure that power flows from the Scheduling POR to its point(s) of delivery.

This is consistent with other provisions in the POC CHWM contract that tie Bonneville's power supply obligation to the availability of transmission. For instance, the terms for transfer service state that Bonneville "shall have no obligation to deliver power under this Agreement to serve such [transfer] load until th[e] Third-Party Transmission Provider is able to provide transmission service" Master Template § 14.6.8.1 at 92. Elsewhere, in the context of service to an NLSL, the POC CHWM Contract terms for a Load Following customer, require a study process and state that the "NLSL service study summary report will state the conditions of BPA making power available to serve the NLSL such as: the anticipated date BPA could provide power" after it "coordinate[s] with Transmission Services . . . to identify anticipated timing of available transmission" Master Template § 20.3.7 at 122. The terms for Bonneville's support for transfer service eligible resources also acknowledge the potential unavailability of transmission: "If the Third-Party Transmission Provider has not agreed to provide firm transmission services for [the customer's] Network Resource . . . BPA shall not be obligated to obtain Transfer Service for such Network Resource." Master Template Exhibit G § 3.1.4 at 5.

Bonneville only received edits on Section 14.6 regarding delivery by transfer.

[Issue 30: Should Bonneville change its POC Policy on transfer service costs regarding NLSLs?](#)

Contract Proposal

Section 14.6 of the draft Master Template, included for customers served by transfer service, stated the following:

BPA shall pass through to «Customer Name» the cost of Transfer Service assessed by the Third-Party Transmission Provider for power sold at the NR Rate, including ancillary services and real power losses, in accordance with any applicable BPA Power Rate Schedules and GRSPs.

Public Comments

PNGC and Harney commented in opposition to the POC Policy decision to pass-through to the customer any costs associated with transfer service for power sold at the NR rate.

PNGC commented that it is “unaware of a legal or policy rationale for deviating from the long-standing policy of socializing the cost of transfer service through power rates or tying these product and service elections under the POC contract.” POCCT-08-PNGC at 3. Harney stated that Bonneville was not abiding by the “Transfer Service Agency Policy which was initially conceived as a deliberate decision to reduce transmission (FCRTS) investment and maintenance costs by purchasing transmission services from Third-Parties.” POCCT-18-Harney at 2. Harney argued that “BPA is inappropriately applying legislative direction associated with Power services to Transmission services, which alone is an abuse of the application of the costs and investments particular to these two distinct functions.” *Id.* Harney noted that:

BPA proposes to expand its cost allocation methods beyond transmission services and to include ancillary services, losses, as well as Energy Imbalance and Day-Ahead markets. While BPA shares some of these costs with some of its preference customers, depending upon service choice and how Transfer Service is used, it shares none of these costs with Transfer Service customers serving NLSLs.

Id.

PNGC further commented that Bonneville staff “failed to articulate the policy and legal nexus between a load that is served by BPA under Transfer Service through another Balancing Authority Area’s Open Access Transmission Tariff, and that preference customer’s election to have a portion of its non-CHWM load served by BPA at the NR rate.” POCCT-08-PNGC at 3.

Harney commented that while Bonneville’s “statutory authority directs BPA to treat New Large Single Loads’ power requirements in a certain manner, that authority does not justify discrimination against NLSL’s in term of transmission service, ancillary service, Real Power Loss compensation, or market services, whether provided by BPA or Third-Parties necessitated by BPA’s Transfer Service policy and rate-making.” POCCT-18-Harney at 3.

Evaluation and Decision

Given that stakeholder’s comments implicate technical terms and statutory concepts, Bonneville begins this evaluation with an overview of its transfer service policy and the statutory term “new large single load.” 16 U.S.C. § 839a(13).

I. Background on Transfer Service and NLSLs

Over half of Bonneville’s PF customers are not directly connected to the Federal Columbia River Transmission System. Instead, these customers’ systems are interconnected to an intervening

non-federal transmission system, also referred to as a third-party transmission system. To get Bonneville provided electric power to these customers, Bonneville obtains a transfer service agreement, which is a contract between Bonneville and the third-party transmission provider to deliver such power to Bonneville's customer. Transfer service agreements reflect the broad discretion afforded to Bonneville to determine the manner in which to provide power to its customers. This discretion has its roots in Bonneville's statutes and was reflected for many years in Bonneville's transmission planning policies.

Beginning with the Bonneville Project Act of 1937, the Administrator was given broad discretion in determining how to provide power to its customers, whether through new construction, acquisition of existing property, or interconnection to existing power systems.³⁸ Construction of federal transmission facilities was, in many instances, the preferred and, indeed, only option for transmitting power to Bonneville's power sales customers. Over time, Bonneville entered into transfer agreements with owners of intervening transmission systems when feasible to (1) deliver Bonneville power to customer points of delivery interconnected with the intervening system and (2) avoid costly duplicative federal transmission line builds.

Congress encouraged Bonneville to consider alternatives to new federal transmission construction when they were viable. In the Transmission System Act of 1974, Congress expressly authorized Bonneville to expend funds from the Bonneville fund for the "transmission over facilities of others and rental, lease, or lease-purchase of facilities[.]" 16 U.S.C. § 838i(b)(5).

Consistent with this direction, Bonneville has a long-standing practice of acquiring transfer services from third-party transmission providers to deliver Bonneville-provided power to its customers. As the contracting party, Bonneville administers the transmission contract, pays any transmission bills, and manages the complex contractual, scheduling, operational, and regulatory obligations that would normally apply to any other transmission customer of the third-party transmission provider.

How Bonneville recovers the costs of acquiring transfer service is not expressly stated in statute. However, Bonneville has historically included transfer service costs in the revenue requirement for its power rates. Prior to the passage of the Northwest Power Act, 16 U.S.C. § 839 *et seq.*, Bonneville had only one power rate for its PF customers. This rate recovered all costs associated with serving a PF customer's loads – *i.e.*, the costs of both generating the power as well as delivering that power over federal and third-party systems to the customer (including the transfer service costs).

³⁸ See 16 U.S.C. § 832a(c):

The administrator is authorized, in the name of the United States, to acquire, by purchase, lease, condemnation, or donation, such real and personal property, or any interest therein, including lands, easements, rights-of-way, franchises, electric transmission lines, substations, and facilities and structures appurtenant thereto, as the administrator finds necessary or appropriate to carry out the purposes of this chapter.

With the passage of the Northwest Power Act in 1980, Congress split Bonneville’s power costs between two primary power rate cost pools: the section 7(b) power rate pool, *see* 16 U.S.C. § 839e(b)(1), and the section 7(f) power rate pool, *see id.* § 839e(f). The section 7(b) rate (referred to as the PF rate) recovers the power and other related costs associated with serving a customer’s “general requirements.” *Id.* § 839e(b)(1). The term “general requirements” is defined as the power a PF customer purchases from Bonneville under section 5(b) of the Northwest Power Act excluding “any new large single load.” *Id.* § 839e(b)(4). A NLSL is a statutory term referring to any load “with a new facility, an existing facility, or an expansion of an existing facility” that grows by “ten average megawatts or more in any consecutive twelve-month period.” *Id.* § 839a(13). In simple terms, the section 7(b) power rate (*i.e.*, PF rate) applies to a PF customer’s purchases of Bonneville power for its base loads and normal load growth. Large single loads that locate in the customer’s service territory after 1980, or that grow within an existing facility, by 10 aMW or more in a twelve-month period (*e.g.*, a factory, data center) would be declared an NLSL, excluded from the customer’s “general requirements,” and not eligible to be served with power priced at the PF rate. Instead, if the customer requested Bonneville to serve its NLSL, that portion of the customer’s load would be served at a section 7(f) power rate, or NR rate. In most instances, the NR rate is higher than the PF rate.

Since 1980, Bonneville has included in its PF rate the costs of incurring transfer service for its PF customers. Importantly, during this period, the only firm power Bonneville sold to PF customers has been at the PF rate.³⁹ No PF customer served by transfer service had requested Bonneville to serve its NLSL at the NR rate prior to the BP-26 rate period. Consequently, the only transfer costs included in the PF rate have been for the delivery of power for a customer’s “general requirements.” Bonneville has never officially decided how it would address transfer costs associated with an NLSL served at the NR rate.⁴⁰

II. POC Policy and Transfer Service for NLSLs

In the POC Policy, Bonneville clarified its transfer service cost policy as it applies to power sold at the NR Rate. The POC Policy states: “Bonneville will pass-through the costs of transfer service associated with power sold at an NR rate, whether serving an NLSL or an IOU, to the individual customer serving the load.” POC Policy § 6.2.2 at 39. That is, Bonneville will acquire transfer service on behalf of a PF customer for its NLSL (if served by Bonneville at the NR rate or with non-federal resources), and Bonneville will initially pay for the resulting transfer costs, as it has

³⁹ Bonneville has, on occasion, sold surplus firm and secondary power to its customers. These sales, however, are discretionary and provided on an as-available basis.

⁴⁰ Bonneville recently issued its final power rates for FY 2026-2028. Administrator’s Final Record of Decision, BP-26-A-01 (July 24, 2025) (BP-26 ROD). During the BP-26 rate case, a customer with an NLSL, and served by transfer, elected to purchase federal power at the NR rate. The cost allocation treatment of the transfer costs associated with that NLSL was settled as part of a broader settlement of power rates for the BP-26 rate period. BP-26-ROD, Appendix A, A-4 (describing treatment of the NR rate).

done for all other transfer costs. However, Bonneville will then pass the transfer costs associated with the NLSL directly on to the customer through the POC CHWM Contract.

Bonneville received multiple comments on this policy position. In Issue 118 of the POC Policy ROD, Bonneville extensively discussed the factual, legal, and policy underpinnings of its decision to pass through the transfer costs associated with an NLSL directly to a customer under the POC CHWM Contract. POC Policy ROD § 7 at 238-46. Bonneville hereby incorporates that portion of the POC Policy ROD by reference. Briefly, in the POC Policy ROD, Bonneville explained that its policy proposal is reasonable because, among other reasons, it (1) is consistent with the Northwest Power Act and Congressional intent for cost separation between the section 7(b) and 7(f) rates, (2) more fully supports the tiered rate construct,⁴¹ and (3) does not reverse and is not in conflict with any prior policy. *Id.* at 240-46. In addition, Bonneville explained that its proposal is consistent with the POC Policy principles. *Id.* at 241.

III. Draft Master Template Comments

Harney commented that Bonneville's treatment of transfer service costs for an NLSL is inconsistent with Bonneville long-standing transfer policies. POCCT-18-Harney at 2. PNGC commented that Bonneville has failed to provide legal and policy rationale for "deviating from the long-standing policy of socializing the cost of transfer service through power rates" POCCT-08-PNGC at 3.

Bonneville disagrees that the POC Policy position diverges from long-standing transfer policies. Bonneville noted in the POC Policy ROD that it "has never incurred a cost for transfer service to transmit Bonneville NR power to a customer to serve an NLSL" and explained that previous policies did not address transfer service associated with delivering Bonneville power to serve a customer's NLSL. *Id.* at § 7 at 240, 242-43. Bonneville concluded that the POC Policy position to pass-through transfer costs for sales at the 7(f) rate "is not a reversal from prior, long-standing policies, but a logical clarification of Bonneville's existing policies that had largely gone unaddressed." *Id.* § 7 at 243.

PNGC further argues that Bonneville has not established the legal nexus, or connection, between a customer being served by transfer service and their election to serve a NLSL with power priced at the NR rate. POCCT-08-PNGC at 3. Bonneville disagrees and relies upon its previous response in the POC Policy ROD which contains an extensive discussion concerning the legal and policy nexus between charging a customer for both the power and transmission costs for its NLSL. POC Policy ROD § 7 at 240-246. As explained in the POC Policy ROD, there is a direct relationship between the NLSL and the assignment to the customer of the transmission costs that Bonneville incurred to serve such load. *Id.* at 240-41. Importantly, such cost assignment is needed to avoid flooding the PF Tier 1 rate with "unbounded NLSL transfer costs

⁴¹ For a fuller description of tiered rates, their background and purpose, see 2029 Public Rate Design Methodology (PRDM), Administrator's Final Record of Decision, PRDM-26-A-02, at 1-15, (July 7, 2025).

[. . .]” *Id.* at 241. This approach follows the logical extension of the principle that each rate pool should be responsible for its own transmission costs. In the case of general requirements load, Bonneville includes the cost of transfer service in the 7(b) cost pool that informs the rates for power sold at the 7(b) rate to meet a customer’s general requirements load. *Id.* at 241-42. Here, the POC Policy has determined Bonneville would not propose to include costs in the general requirements 7(b) cost pool associated with delivering power priced at the NR rate, which is established under section 7(f). Rather, Bonneville determined it was better supported and consistent with legislative intent to pass the cost of such transfer service to the customer that received such service. *Id.* at 240-41.

Harney expressed opposition to what it describes as “BPA’s inconsistent Transfer Service cost assignment treatment among federal power customers and power customer service choices.” POCCT-18-Harney at 2. As noted in the POC Policy ROD, Bonneville’s decision to assign transfer costs of an NLSL to the customer with the NLSL is a logical implementation of Bonneville’s statutory rate pool paradigm, the tiered rate construct, and Bonneville’s own transfer policies. POC Policy ROD § 7 at 240-43.

Harney further argued that “BPA is inappropriately applying legislative direction associated with Power services to Transmission services” POCCT-18-Harney at 2. This comment is not clear as to its meaning. Bonneville is statutorily required to set rates that “equitably allocate” the costs of the federal transmission system between federal and non-federal users of that system. 16 U.S.C. § 839e(a)(1); 16 U.S.C. § 838h. How that legislative direction – if that is what Harney is referring to – applies to transfer service costs is unclear. Transfer service costs are – by definition – not costs of the “Federal transmission system” in that they are transmission costs incurred by Bonneville for the use of third-party transmission systems. Bonneville’s statutes are entirely silent on the cost allocation of using a third-party transmission system, leaving it to Bonneville to best determine how to recover that cost from its customers. Bonneville has chosen here to assign that cost directly to the customer that is causing Bonneville to incur the cost. As explained in the POC Policy ROD, such an allocation is “more consistent with Congressional intent as it places the transmission cost obligation (here transfer service for NR power to an NLSL) on the customer that uses that service.” POC Policy ROD § 7 at 241.

Harney also took issue with the scope of costs allocated to an NLSL served by transfer service. Harney noted that “BPA proposes to expand its cost allocation methods beyond transmission services and to include ancillary services, losses, as well as Energy Imbalance and Day-Ahead markets.” POCCT-18-Harney at 2. Harney noted that Bonneville “shares some of these costs with some of its preference customers, depending upon service choice and how Transfer Service is used” but then Bonneville shares “none of these costs with Transfer Service customers serving NLSLs.” *Id.* Bonneville agrees that it does not intend to include *any* costs of delivering NR power to an NLSL in the 7(b) rate pool. That, as Bonneville explained in the POC Policy ROD, undermines two central tenets of tiered rates: “namely to ‘protect the value of the existing federal system from unbound acquisition costs’ and ‘insulate customers from costs

associated with other customers' resource choices.'" POC Policy ROD § 7 at 241. At the same time, Bonneville sees no inconsistent treatment or inherently improper outcome with including the transfer costs of delivering power sold at the section 7(b) rate in the section 7(b) rate pool. There is no tension here. The POC Policy ROD and Section 14.6 of the POC CHWM Contract coherently address the same underlying policy point: each customer (or class of customers) should pay for the transfer costs associated with the rate it pays. For customers purchasing power at the 7(b) rate, those customers will pay the transfer costs associated with that power sold at that rate through the PF rate. For customers purchasing power at the NR rate for an NLSL (which is at the 7(f) rate), those individual customers must pay the transfer costs for those deliveries (and will do so through the pass-through mechanism in the POC CHWM Contract).

Harney also reiterated its comment from the POC Policy comment process that Bonneville's proposal to assign NLSL costs to the customer acts as a "penalty" and that Bonneville is being unreasonable in its proposal because it avoided federal transmission investment through acquiring transmission from third-party transmission systems. POCCT-18-Harney at 2. Bonneville addressed both of these issues in the POC Policy ROD and will not repeat its responses here. *See* POC Policy ROD § 7 at 240-41 (responding to the "penalty" argument), 242-45 (responding to the avoided transmission cost argument).

Harney also commented that Bonneville's statutory authority "directs BPA to treat New Large Single Loads' power requirements in a certain manner . . ." and that such authority "does not justify discrimination against NLSL's in term of transmission service, ancillary service, Real Power Loss compensation, or market services . . ." POCCT-18-Harney at 3. Contrary to Harney's comment there is no statutory authority or directive under which Bonneville is to sell power to a customer for service to NLSL other than the rate Bonneville must charge a customer for such load – the section 7(f) rate (specifically the NR rate). *See* 16 U.S.C. § 839e(f). Thus, Harney's implication that Bonneville is failing to follow the "certain manner" of prescribed treatment for transfer service costs associated with an NLSL is not supported.

Further, there is no "non-discrimination" legal standard applicable between loads charged at the section 7(b) rate and NLSL loads charged at the section 7(f) rate. Section 7(b)(1), which is the directive for establishing firm power rates, is clear that the rate(s) for power to serve general requirements expressly excludes any NLSL. 16 U.S.C. § 839e(b)(1), (4). Implying that an "antidiscrimination" standard exists between the section 7(b) and section 7(f) rates absent express statutory language is disfavored. *See S. Cal. Edison v. Jura*, 909 F.2d 339, 344 (9th Cir. 1990) (Court noting it is "reluctant to infer" a "nondiscriminatory" standard when Congress has not expressly articulated one); *see also Pac. Nw. Generating Coop. v. Bonneville Power Admin.*, 580 F.3d 792, 825 (9th Cir. 2009) (petitioners argument that Bonneville was unlawfully discriminating between power customers was determined by the court to be "without merit" because, among other reasons, "BPA's governing statutes do not contain an antidiscrimination requirement that applies to the challenged contracts.").

Factually, Bonneville's treatment of transfer costs between the section 7(b)/7(f) rates is also not discriminatory because a customer's general requirements load and its NLSL are not similarly situated. Congress recognized this distinction by defining NLSLs in the Northwest Power Act and establishing separate rate treatments. To that point, requiring a customer to pay for its own transmission costs to serve its own load, is not discriminatory, but a sound business decision. It protects the section 7(b) cost pool from recovering costs associated with the section 7(f) (NR) rate cost pool (consistent with Congressional intent). It better complies with the tiered rate construct by protecting the Tier 1 system from transmission costs associated with customers' NLSLs (fulfilling the principles behind tiered rates). Finally, it protects Bonneville's power rates from unconstrained transmission costs – a principle Bonneville has oft repeated: see POC Policy ROD, "Bonneville has never committed to an open-ended obligation to pay for transfer service." POC Policy ROD § 7 at 245.

In sum, Bonneville has clarified its transfer service policy as applied to transfer service for NLSL's and explained in the POC Policy ROD its rationale and decision. Although Bonneville is treating transfer service for an NLSL differently than how it treats transfer service for general requirements load, Bonneville has provided a reasonable basis for such distinction. *Id.* § 7 at 240-46.

Bonneville did not change Section 14.6 of the Master Template.

12. Information Exchange and Confidentiality

Section 17 of the POC CHWM Contract addresses the parties' responsibilities regarding information and data that Bonneville may require from a customer to administer the agreement. This includes subsections: general requirements, reports, meter data, data for determining CHWM, total retail load forecast, transparency of net requirements process, confidentiality, and resources not used to serve total retail load. The Block and Slice/Block Section 17 includes an additional section that discusses hourly total retail load data reporting requirements.

Bonneville received comments on Block and Slice/Block Sections 17.6.3 and 17.7 that covers total retail load forecast and the net requirements transparency process respectively. Bonneville did not receive comments on any other subsection of Section 17.

Issue 31: Should Bonneville amend its unilateral right to revise a forecast?

Contract Proposal

Block and Slice/Block Section 17.6.3 of the draft Master Template stated:

For any Total Retail Load forecast «Customer Name» submits pursuant to sections 17.6.1 and 17.6.2 above, BPA may notify «Customer Name» no later than one calendar month after such submittal if BPA determines «Customer Name»'s

submitted forecast is not reasonable. If BPA determines «Customer Name»'s submitted forecast is not reasonable, then BPA shall fill in the table in section 1.1 of Exhibit A with a forecast BPA determines to be reasonable by March 31 immediately preceding the start of the Fiscal Year.

Draft Master Template § 17.6.3 at 99.

Public Comments

Grant commented that customers should be able to work with Bonneville to establish a forecast. POCCT-19-Grant, Attachment at 99. Grant stated, “[a] unilateral forecast developed by BPA may itself be unreasonable, and no parameters for determining reasonableness are stated.” *Id.*

Evaluation and Decision

Grant argued that “[a] unilateral forecast developed by Bonneville may itself be unreasonable . . .” *Id.* Bonneville disagrees. Bonneville’s historical and current practice is to review a customer’s initial load forecast and if Bonneville determines it is not reasonable, Bonneville first works with the customer to understand the drivers of the load forecast and seeks a mutually agreeable resolution. For example, a customer may not have notified Bonneville of a new load in their service territory that is driving growth. In that example, Bonneville may determine it is reasonable to accept the load forecast, or it could propose a compromised amount of load growth if it determines the inclusion is premature. In the majority of cases where Bonneville determined a customer’s initial load forecast submission was not reasonable, a mutually agreeable solution was found.

Block and Slice/Block Section 17.6.3 of the Master Template is meant for situations where Bonneville and the customer cannot find a mutually agreeable solution. In such instances, Bonneville will retain the right to unilaterally determine the load forecast. Bonneville’s ability to exercise this right is especially important in the context of planned products, where the amount of power received from Bonneville is set on a forecast basis. Bonneville needs a mechanism to intervene if a customer attempts to buy too much, or even too little, power because of a forecast that is not reasonable.

Bonneville did not change Block and Slice/Block Section 17.6.3 of the Master Template.

Issue 32: Should Bonneville ensure Exhibit A qualified capacity contribution⁴² (QCC) values are confidential?

Contract Proposal

⁴² The WRAP Tariff defines QCCas “the megawatt quantity of capacity provided by a resource, contract or portfolio . . .” WRAP Tariff § 2. The current WRAP Tariff is available at https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_Effective_3.16.25.pdf.

Block and Slice/Block Section 17.7 of the draft Master Template outlined the net requirements transparency process including what data Bonneville would make publicly available. Draft Master Template § 17.7 at 99. The section ended with “«Customer Name» waives all claims of confidentiality regarding the data described above.” *Id.*

Public Comments

Tacoma Power requested that “the QCC peaking values remain confidential even once they are in our Exhibit A, as provided in Section 17.7.” POCCT-15-Tacoma at 2.

Evaluation and Decision

Tacoma requested that the peaking values of non-federal resources dedicated in Exhibit A of its POC CHWM Contract not be published as part of the net requirements transparency process. *Id.*

If a customer submits data to Bonneville it wishes to remain confidential, the customer must, in accordance with Block and Slice/Block Section 17.8 of the POC CHWM Contract, clearly designate such information as confidential and request confidentiality at the time it submits the data to Bonneville.⁴³ The request for confidentiality must include a justification for Bonneville to make an exception to its transparency practices specific to the data in question. In addition, a request for confidentiality should identify a direct harm the customer anticipates it will experience if the data is made public.

Bonneville will not grant a blanket exception to its transparency practices for a customer’s QCC data; doing so would undermine Bonneville’s practice of providing transparency, which promotes accountability to its ratepayers and ensures equitable treatment of customers regardless of size or product selected. Transparency is important to allow other customers to see that capacity contributions are recorded fairly and consistently for the same resource types. At no time can a granted request for confidentiality limit or restrict any use of data by Bonneville for purposes of reliability, planning, operations, ratemaking or other system needs; it can only limit the public release or dissemination of information to the extent permitted by law.

With regard to non-federal resources, Bonneville intends to carry forward its practice of only publishing customers’ non-federal resource amounts as an aggregate of all non-federal resources dedicated to load and not individual resource amounts. This would apply to both energy and peaking capability amounts.

Bonneville did not change the Block and Slice/Block Section 17.7 of the Master Template.

⁴³ For QCC data submitted prior to the publication of this ROD, requests for confidentiality must be received by December 31, 2025. Bonneville will treat qualifying data as confidential from that point forward.

13. Statutory Provisions

Section 20 of the POC CHWM Contract includes provisions related to Bonneville's governing statutes. This includes subsections: retail rate schedules, insufficiency and allocations, NLSLs and CF/CT loads, priority of Pacific Northwest customers, prohibition on resale, use of regional resources, and Bonneville appropriations refinancing. Bonneville received comments related to Section 20.3 regarding NLSLs. Bonneville did not receive comments on any other subsection in Section 20.

Issue 33: Should the POC CHWM Contract require Bonneville to meet a customer's metering standards?

Contract Proposal

Section 20.3.3 of the draft Master Template stated, in part:

For any load that is monitored by BPA for an NLSL determination, and for any load at any facility that was determined by BPA to be an NLSL, BPA may, in its sole discretion, install BPA owned meters. If the Parties agree, «Customer Name» may install meters meeting specifications BPA provides to «Customer Name».

Draft Master Template § 20.3.3 at 106.

Public Comments

Grant requested Bonneville change Section 20.3.3 of the draft Master Template as follows:

For any load that is monitored by BPA for an NLSL determination, and for any load at any facility that was determined by BPA to be an NLSL, BPA may, in its sole discretion, install BPA owned meters. Such BPA-owned meters shall meet the Customer's metering standards. If the Parties agree, «Customer Name» may install meters meeting specifications BPA provides to «Customer Name»”

POCCT-19-Grant, Attachment at 106.

Evaluation and Decision

Grant requested that meters owned by Bonneville and installed pursuant to Section 20.3.3 meet the customer's metering standards. *Id.* Under Section 20.3.3, Bonneville is not required to install its own meters but may install Bonneville-owned meters if it determines they are necessary. Bonneville needs to ensure it has reliable data to monitor NLSLs. If Bonneville installs its own meters, such meters will be subject to Bonneville metering standards as specified in Bonneville's Metering Application Requirements STD-DC-000005.⁴⁴ Bonneville will not commit

⁴⁴ Bonneville's Metering Application Requirements STD-DC-000005 is available at <https://www.bpa.gov/-/media/Aep/transmission/interconnection/metering-application-guide.pdf>.

to ensuring its meters meets the customer's metering standards. Such additional commitment could result in confusion and lead to conflict if there are differences between Bonneville's and a customer's metering standards.

Bonneville did not change Section 20.3.3 of the Master Template.

Issue 34: Should Bonneville specify how Section 20.3.4 applies to planned product customers?

Contract Proposal

Section 20.3.4 of the draft Master Template began as follows:

At the time a load starts to increase, if BPA does not determine that such increase in load is a Planned NLSL or an NLSL, then BPA shall bill «Customer Name» for the increase in load at a facility at the applicable PF rates during any consecutive 12-month monitoring period.

Draft Master Template § 20.3.4 at 106.

Public Comments

Grant asked how Section 20.3.4 of the draft Master Template would apply to a planned product customer. POCCT- 19-Grant, Attachment at 106. Grant commented that “[m]onitoring, reporting, and communication” are necessary but proposed Bonneville remove “[a]t the time a load starts to increase” from the first sentence in the section. *Id.*

Evaluation and Decision

Grant requested that Bonneville explain how Section 20.3.4 would apply to planned product customers. *Id.* Section 20.3.4 applies to all customers regardless of their purchase obligation. Section 20.3.4 addresses the billing treatment of a load prior to Bonneville determining the load is an NLSL and the customer making service elections pursuant to Section 20.3.6 of the POC CHWM Contract. Master Template § 20.3.4 at 119. Regardless of the customer's purchase obligation, if any Bonneville-provided firm power is used to serve the NLSL it must be priced at the NR rate. As such, Bonneville must back bill a customer the difference between the NR rate and the applicable PF rate the customer paid for power to serve the load. After Bonneville determines the load is an NLSL, the customer must elect how it will serve the NLSL going forward pursuant to Section 20.3.6. The POC CHWM Contract includes a Load Following Section 20.3.6 and a Block and Slice/Block Section 20.3.6. Master Template § 20.3.6 at 121, 125. Block and Slice/Block Section 20.3.6 obligates the customer to serve its planned NLSLs and NLSLs with dedicated resource or consumer-owned resource amounts specified in Exhibit A.

Grant proposed deleting “At the time a load starts to increase” from Section 20.3.4. POCCT- 19-Grant, Attachment at 106. Bonneville determines a planned product customer's net requirement in advance of each rate period. This means that a planned NLSL or NLSL could be

included in a customer's forecast that is used to determine its net requirement if the large load had not been identified as a planned NLSL or NLSL at the time Bonneville finalized its forecast. If that large load grew by more than 10 aMW over the course of a 12-month period, the Northwest Power Act directs Bonneville to determine such load an NLSL. The customer would have received power from Bonneville at a PF rate for load that was not eligible to be served at a PF rate. To ensure Bonneville is not serving an NLSL with power priced at a PF rate, the POC CHWM Contract requires Bonneville to back bill the customer, as described in more detail in Issue 49. Bonneville will work with planned product customers that identify any large loads to determine if the loads are potential, planned NLSLs or NLSLs.

The language "At the time the load starts to increase" provides crucial factual input for triggering Bonneville's determination pursuant to this section of the POC CHWM Contract. Master Template § 20.3.4 at 119. It means that if a load begins to increase, but Bonneville does not make an NLSL determination or makes an NLSL determination that finds the load is not an NLSL, Bonneville commits to continue billing the customer at the applicable PF rates for the amount of the load as included in the customer's net requirements calculation and for the increases.

Bonneville did not change Section 20.3.4 of the Master Template.

Issue 35: Should Bonneville require a customer taking NR service for an NLSL under a RD CHWM Contract to participate in an NLSL service study to continue taking NR service for the POC contract period?

Contract Proposal

Load Following Section 20.3.7 of the draft Master Template outlined the steps required if a customer elected to have their NLSL served by Bonneville with power priced at the NR rate, and stated, in part:

If «Customer Name» would like BPA to serve a Planned NLSL or an NLSL at the NR Rate, then «Customer Name» shall submit a written request to BPA for an NLSL service study no sooner than the Effective Date of this Agreement.

Draft Master Template § 20.3.7 at 109.

Public Comments

Harney commented that Section 20.3 of the draft Master Template did not contemplate the scenario where an NLSL is being served by Bonneville at an NR rate under the RD CHWM Contract. POCCT-18-Harney at 2. Harney stated that it is "not viable" to require a customer to "conditionally contract for non-federal resources to maintain uninterrupted electrical service to that same NLSL at the start of PoC while awaiting NLSL Service Study results that may take up to 3 years from request date to complete." *Id.* at 3. Harney asked Bonneville to clarify the process for serving such an NLSL. *Id.* at 2-3.

Evaluation and Decision

Harney requested that Bonneville clarify the requirements for a customer that elected under its RD CHWM Contract to have an NLSL served by Bonneville with power priced at an NR rate and wishes to continue that service through the POC contract period. *Id.* Harney requested Bonneville serve its NLSL for the final rate period of RD starting October 1, 2025, and running through September 30, 2028. *Id.*

Bonneville believes the POC CHWM Contract addresses the scenario raised in Harney's comment, assuming Harney is served by the Load Following product during the POC contract period. Under Load Following Section 20.3.7 of the POC CHWM Contract, Harney would submit a written request to Bonneville to continue service during the POC contract period with firm power priced at the NR rate. Bonneville needs to know how much power, if any, Harney wishes to purchase during the POC contract period because Harney's non-federal resource use or other conditions may have changed since service began under the RD CHWM Contract. Although Bonneville will require customers to submit a request for an NLSL service study that Bonneville will conduct, it is Bonneville's intent for there to be continuity of service into the POC contract period for any amount of an NLSL previously served by Bonneville under a customer's RD CHWM Contract.

Harney's written request would need to provide Bonneville with "all information requested by BPA necessary to study «Customer Name»'s Planned NLSL or NLSL." Master Template § 20.3.7 at 122. For example, Harney would need to submit the total load amount it would like served by Bonneville, whether that is a flat annual amount for the whole contract period or flat annual amounts that include expected load growth. Bonneville would use the information received to conduct the NLSL service study.

In the NLSL service study summary report Bonneville would identify any additional terms regarding service to the NLSL. Such terms could include that the customer is responsible to take a specific amount of power over the POC contract period or a liquidated damages provision to ensure Bonneville incurs no stranded costs that must be borne by customers in another cost pool. If, after reviewing the NLSL service study summary report, a customer elects to move forward with Bonneville service to the NLSL, the terms presented in the summary report would be added in to Exhibit D of the customer's POC CHWM Contract.

Harney may submit a written request as soon as its POC CHWM Contract is executed, which is anticipated to be over two and a half years before power deliveries are scheduled to begin. If Harney requests that Bonneville provide the same amount of power as it was purchasing under its RD CHWM Contract to serve the same NLSL, Bonneville intends for a seamless transition between providing that power under the RD CHWM Contract and providing it under the POC CHWM Contract. Bonneville would still conduct an NLSL service study to evaluate the full 16-year obligation. The study may identify a different plan of service than what is used under RD.

Bonneville would also evaluate if any bridging strategies are required to ensure the service is seamless from RD to POC.

If at contract execution, Harney requests Bonneville serve its NLSL with an amount greater than what was contracted for under RD, Bonneville may need to utilize the full three years to study the request for additional power. In addition, the NLSL service study summary report may identify that additional time is required to acquire the amount of power requested beyond the amount that was provided under RD. The report will include a proposed plan of service and the date that power deliveries can commence. Bonneville cannot guarantee that power beyond what it provides under RD will be available and deliverable at the start of POC power deliveries on October 1, 2028.

Any customer with an NLSL load increase beyond that for which it either already receives NR service or for which an NLSL service study was completed must submit a new request for an NLSL service study for that additional amount. Thus, it is possible that a single NLSL could be the subject of multiple NLSL service studies, depending on how completely the serving utility understands the NLSL's load trajectory. Harney, like any other customer, would be required to submit a request for an NLSL service study for that additional amount.

Bonneville did not change Section 20.3.7 of the Master Template. If Harney elects to continue serving its NLSL by purchasing power from Bonneville at an NR rate, Bonneville will work with Harney on the NLSL service study requirements to ensure a seamless transition of service for the load amount being served under RD into the POC contract period.

Issue 36: Should Bonneville clarify the intent of Block and Slice/Block Section 20.3.8.1?

Contract Proposal

The Block and Slice/Block Section 20.3.8.1 of the draft Master Template addressed consumer-owned resources serving a planned NLSL or NLSL, which included the following language:

«Customer Name»'s consumer may serve a Planned NLSL or an NLSL with a Consumer-Owned Resource if the following criteria are met:

- (1) the Consumer-Owned Resource and its expected generation amounts are indicated in section 7.4 of Exhibit A as serving a specific Planned NLSL or NLSL;
- (2) the Consumer-Owned Resource is physically located within «Customer Name»'s service territory;

Draft Master Template § 20.3.8.1 at 113. Exhibit A Block and Slice/Block Sections 7.1, 7.3, and 7.4 of the draft Master Template addressed consumer-owned resources designated to serve load, including planned NLSLs or NLSLs. Draft Master Template Exhibit A § 7 at 136, 139, 141.

Public Comments

Grant submitted comments on Block and Slice/Block Section 20.3.8.1 of the draft Master Template suggesting that the section is not applicable to planned product customers and sought clarity on why it is needed. POCCT-19-Grant at 2. Grant also requested Bonneville clarify why the last paragraph in Section 20.3.8.1 is important for a planned product customer. *Id.*, Attachment at 114. Grant requested that all of Block and Slice/Block Section 20.3.8 of the draft Master Template be deleted. *Id.* at 2.

Alternatively to wholesale deletion, Grant suggested the following edits to the Block and Slice/Block Section 20.3.8.1 of the draft Master Template:

«Customer Name»~~'s consumer~~ may serve a Planned NLSL or an NLSL with a Consumer-Owned Resource if the following criteria are met:

- (1) the Consumer-Owned Resource and its expected generation amounts are indicated in section 7.4 of Exhibit A as serving a specific Planned NLSL or NLSL;
- ~~(2) the Consumer Owned Resource is physically located within «Customer Name»'s service territory;~~
- (3) the Consumer-Owned Resource is within the same Balancing Area Authority as the Planned NLSL or NLSL; and
- (4) the Consumer-Owned Resource is metered, regardless of nameplate size, and the meter data is communicated in accordance with sections 15 and 17.

In order to designate a Consumer-Owned Resource as serving a Planned NLSL or NLSL, «Customer Name» shall provide BPA information demonstrating on a planning basis that any Consumer-Owned Resource forecasted generation will not exceed «Customer Name»'s forecasted Planned NLSL or NLSL amounts on an annual average basis as submitted pursuant to section 20.3.7 above. Examples of such information include but are not limited to consumer load projections and monthly generation projections for the generating equipment to be installed.

Id., Attachment at 114. Grant argued that the customer is ultimately accountable for serving the consumer, so “consumer” should be struck from the first paragraph. *Id.* Grant also argued that “[d]emonstration” is an unreasonable condition” and should be set to planning basis. *Id.*

Grant commented, regarding Section 20.3.8.1, there is “no apparent purpose” for Bonneville to require consumer-owned resources to serve load within a customer’s service territory and that the requirement interferes “with the ability to negotiate optimal retail arrangements with individual consumers.” *Id.* at 2. Grant extended its comments to Exhibit A Block and Slice/Block Sections 7.1, 7.3, and 7.4 of the draft Master Template. *Id.* at 2-3. Grant stated that it “does not

believe that the ‘On-Site’/off-site distinction pertains to Block or Slice/Block service and therefore should be deleted.” *Id.* at 3.

Evaluation and Decision

Grant stated that Block and Slice/Block Section 20.3.8.1 of the draft Master Template should not be applicable to planned product customers. *Id.* at 2. Bonneville will not delete the section as it needs information regarding consumer-owned resources serving NLSLs to calculate a customer’s annual planned net requirement amount. Bonneville also needs documentation of resources serving NLSLs and whether each resource is dedicated as a section 5(b)(1) customer-owned resource or designated as a consumer-owned resource. This information ensures Bonneville implements its contracts consistent with its statutory directives. Section 5(b)(1) of the Northwest Power Act does not place requirements on consumer-owned resources, so it is necessary for Bonneville to distinguish which resources are utility-owned versus consumer-owned.

Grant requested Bonneville delete the term “consumer” from the opening sentence in section 20.3.8.1 and commented “the consumer is not serving the consumer; the Customer is serving the consumer.” *Id.*, Attachment at 114. Bonneville rejects this deletion. To the extent a consumer has its own resource (including cogeneration) that it uses to supply power to meet its own needs, neither Bonneville nor its customer supply such load. It is reasonable therefore to include in Block and Slice/Block Section 20.3.8.1 of the draft Master Template the provision to address consumer-owned resources serving NLSLs and whether the customer’s consumer will use its resource to serve its own load. The section also requires the customer to ensure that the consumer-owned resource criteria are met, a requirement that applies to planned product customers as much as Load Following customers. Bonneville needs the information about designation and resource characteristics to ensure that the NLSL load obligation will be covered by an entity other than Bonneville.

Grant asserted the term “demonstrating” in Block and Slice/Block Section 20.3.8.1 of the draft Master Template is unreasonable because actual NLSL amounts will differ from forecast NLSL amounts. *Id.* For planned product customers, the demonstration for a consumer-owned resource is on a planning basis and there is no lookback to compare planned amounts to generated amounts. Through the demonstration, Bonneville is verifying that the resource is sized appropriately to the expected load.

Grant questioned why the last paragraph in Block and Slice/Block Section 20.3.8.1 of the draft Master Template is important to planned product customers. *Id.* This paragraph protects take-or-pay on a planning basis by limiting the ability of a customer to apply excess generation from a consumer-owned resource to offset its general requirements load. The accounting is on a planning basis to ascertain how the resources are expected to operate in the customer’s service territory. Bonneville does not track operation of these resources in real time.

Grant requested the wholesale deletion of Block and Slice/Block Section 20.3.8 stating that requiring a consumer-owned resource to be within a customer's service area interferes with "optimal retail arrangements with individual consumers" *Id.* at 2. Bonneville declines to delete the section. The scenario contemplated by Grant does not qualify as a consumer-owned resource by definition. The definition of a consumer-owned resource in the POC CHWM Contract starts with "'Consumer-Owned Resource' means a Generating Resource connected to «Customer Name»'s distribution system (regardless of voltage)" Master Template § 2.34 at 8. By definition, a consumer-owned resource must be in the customer's service area. If a customer wanted to serve an NLSL with a non-federal resource from outside of its service area, the customer could do so, but it would be a resource identified in Exhibit A Section 4 and would not qualify as a consumer-owned resource. Bonneville declines to make the deletion in Section 20.3.8 or in Exhibit A.

Bonneville did not change Block and Slice/Block Section 20.3.8.1 of the Master Template.

14. Standard Provisions

Section 21 of the POC CHWM Contract covers standard provisions including the following subsections: amendments, entire agreement and order of precedence, assignment, no third-party beneficiaries, waivers, Bonneville policies, rate covenant and payment assurance, and bond assurances for cooperatives, tribal utility customers and JOEs with cooperative members. These standard provisions contained general contract terms applicable to the POC CHWM Contract. Bonneville and interested parties reviewed and considered concerns regarding these provisions during the policy implementation and contract development workshops. PPC expressed appreciation for the instances where Bonneville incorporated feedback into the standard terms. POCCT-32-PPC at 2. In particular, PPC noted that it and other parties "expressed concerns about the lack of notice in some instances where BPA has the right to unilaterally amend a customer's contract." *Id.* PPC acknowledged that Bonneville considered the parties' feedback and added language in the February 11, 2025, template release committing Bonneville, upon customer request and if practicable, to provide a customer with "reasonable opportunity to review unilateral amendments prior to their effective date when practicable." *Id.*

Bonneville received substantive comments on Section 21.4, no third-party beneficiaries, and Section 21.8, bond assurances. Bonneville also received significant comments requesting a new subsection be added under Section 21 to address the loss of FBS resources. Below, Bonneville introduces subsection 21.8, procedure in the event of FBS resource loss, and responds to the comments on subsections 21.4 and 21.8, now 21.9 in the POC CHWM Contract. Bonneville did not receive comments on any other subsection of Section 21.

Issue 37: Should Bonneville recognize JOE members as third-party beneficiaries to a JOE's POC CHWM Contract?

Contract Proposal

Section 21.4 of the draft Master Template stated:

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

Draft Master Template § 21.4 at 118.

Public Comments

In its comment, PNGC expressed disappointment that Bonneville “appears unwilling to recognize that PNGC’s member cooperatives are the intended third-party beneficiaries of the pending POC contract between BPA and PNGC.” POCCT-08-PNGC at 3.

Evaluation and Decision

PNGC would like Bonneville to recognize its member cooperatives as third-party beneficiaries of the POC CHWM Contract. *Id.* Identification of a third-party beneficiary under a contract allows a non-party to a contract the right to legally enforce the terms of the contract against one of the parties to protect its interest in the benefits flowing from such contract. Here, establishing JOE members as third-party beneficiaries would empower those members to enforce the JOE’s POC CHWM Contract against the JOE, Bonneville, or both.

However, a JOE’s members already have a legal mechanism to protect their interests in the benefits flowing from the JOE’s POC CHWM Contract – their membership agreements with the JOE. By forgoing individual power sales contracts with Bonneville and authorizing a JOE to exercise their rights to such contracts, JOE members have elected to rely on a JOE to represent and protect their interests as to Bonneville’s performance. JOE members’ enforcement of the terms of their membership agreements against a JOE is the appropriate way for members to protect their interests in Bonneville or a JOE’s performance under the JOE’s POC CHWM Contract.

Bonneville will not recognize PNGC members as third-party beneficiaries to PNGC’s POC CHWM Contract because such members have elected to have PNGC contract on their behalf. The members’ PNGC membership agreements provide a contractual mechanism to protect those customers’ interests in the benefits flowing to them from PNGC’s POC CHWM Contract.

Bonneville did not change Section 21.4 of the Master Template.

Issue 38: Should Bonneville include a provision to open a public process if it experiences a significant reduction in the capability of the FBS?

Contract Proposal

The draft Master Template did not include a provision that addresses what would happen in the event of a major loss of resource. Bonneville contemplated the issue during the policy development phase but ultimately determined not to include any statements in the POC Policy. Issue 23 in the POC Policy ROD addressed the concept of thresholds related to changes in the federal system. POC Policy ROD § 3.3 at 70-73.

Public Comments

AWEC, Benton REA, Big Bend, Columbia Basin, Columbia REA, Mason 3, NRU, PPC, WPAG, and United commented in support of including a new Section 21.9, Procedure in the Event of Major Resource Loss. POCCT-25-AWEC at 3; POCCT-10-Benton-REA at 1; POCCT-12-Big-Bend at 2; POCCT-04-Columbia-Basin at 1; POCCT-02-Columbia-REA at 1; POCCT-27-Mason-3 at 2; POCCT-14-NRU, Attachment at 120-21; POCCT-32-PPC at 6; POCCT-17-WPAG at 4; POCCT-20-United at 1. AWEC, Mason 3, NRU, PPC, and WPAG proposed the following provision be included in the draft Master Template:

21.9 PROCEDURE IN THE EVENT OF MAJOR RESOURCE LOSS

At the request of a majority of customers, following events or decisions that materially impact the availability of the Federal Base System (FBS) to serve preference load, BPA shall hold a comprehensive public process to explore targeted policy and contract amendments to the Provider of Choice contract. FBS is defined in Section 3(10) of the Northwest Power Act, 16 U.S.C. § 839a(10).

For the purposes of this section, a material impact occurs when the FBS is forecast to suffer a resource loss sufficient to trigger a major resource acquisition under section 6(c) of the Northwest Power Act (i.e., 50 aMW or more for 5 years or more).

At the conclusion of such process, any proposed policy or contract amendments will require approval from a majority of customers prior to execution.

For the purposes of this section, a majority of customers means: (A) at least 70% of customers (utility count); and (B) at least 50% of the sum of the CHWMs. For purposes of calculating utility count under this section, the component utilities of a JOE are counted individually.

POCCT-25-AWEC at 3; POCCT-27-Mason-3 at 1; POCCT-14-NRU, Attachment at 120-21; POCCT-32-PPC at 6; POCCT-17-WPAG at 4.

Benton REA, Big Bend, Columbia Basin, Columbia REA, Mason 3, and United stated the provision was necessary protection against unexpected events and that they looked for the provision “to be discussed in the upcoming May workshops.” POCCT-10-Benton-REA at 1; POCCT-12-Big-Bend at 2; POCCT-04-Columbia-Basin at 1; POCCT-02-Columbia-REA at 1; POCCT-27-Mason-3 at 2; POCCT-20-United at 1. NRU commented it “look[s] forward to the opportunity to continue to collaborate [on the provision] with Bonneville staff and executives, and NRU staff stand ready to engage as needed.” POCCT-14-NRU at 2.

AWEC, NRU and PPC commented that the FBS change thresholds for triggering a public process in their proposed provision were purposefully set to ensure that it would require both significant resource loss and alignment across customers with a POC CHWM Contract to initiate. POCCT-25-AWEC at 2; POCCT-14-NRU at 2; POCCT-32-PPC at 4. They further elaborated that their provision was not an exit clause or reopener, as it limits any proposed changes to the lost resource amount and would not reset take-or-pay obligations that cover the costs of the remaining resources attributed to the PF Tier 1 rate pool. *Id.*

AWEC and PPC commented that they were concerned about the pricing and attributes of replacement resources. AWEC argued:

[G]iven the unknown economics and attributes of replacement resources that may be available should a major resource become either physically or operationally unavailable, it is critical that customers have a contractual ability to provide input as to whether BPA should acquire additional resources in order to maintain the Tier 1 system size

POCCT-25-AWEC at 2. PPC stated that, “BPA’s acquisition of a replacement resource to augment the Tier 1 system may change the value proposition for a customer depending on a variety of factors including pricing, reliability, local regulations, and environmental attributes.” POCCT-32-PPC at 3. It contended that customers should have a say in whether lost resources are automatically replaced. *Id.*

Evaluation and Decision

Many commenters requested Bonneville include language requiring a public process in the event of a major resource loss.

Bonneville first discussed this issue during the policy development phase, asking in the January 24, 2023, workshop⁴⁵ how it should address major changes to FBS resources given the proposal to fix the system size for sales of firm power subject to the PF Tier 1 rate. Bonneville solicited input on whether any action should be taken if there was a change in federal base system

⁴⁵ The January 24, 2023, workshop reference is available on slide 51 at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2023-Workshops/2023-01-24-25-provider-of-choice-workshop-final.pdf>.

resource capability. In the March 9, 2023, workshop,⁴⁶ Bonneville proposed setting a threshold of 200 aMW for determining if an action should be taken and a public process in the event the threshold triggered. Bonneville received mixed feedback on the proposal given that the proposed threshold would have triggered twice under RD. Bonneville ultimately did not include the language in its draft POC Policy.

The issue appeared again in comments on the draft POC Policy. Issue 23 in the POC Policy ROD addressed the concept of thresholds related to changes to the FBS. Bonneville again weighed whether to shift away from a fixed system size to provide flexibility if there were significant changes to the FBS capability in the POC Policy but ultimately determined that the fixed system size and resulting fixed CHWM load obligations for the POC contract period provided valuable stability to both Bonneville and its customers. POC Policy ROD § 3.3 at 73. Bonneville stated in the POC Policy ROD that “[b]y fixing the amount of power sold at a PF Tier 1 rate for the contract period, Bonneville will have more certainty about its load obligations. The agency would plan for and acquire resources if necessary to accommodate a major system change.” *Id.*

Given this context, Bonneville considered commenters’ requests to include the proposed provision, titled “21.9 Procedure in the Event of Major Resource Loss,” in the POC CHWM Contract. Bonneville initially determined to uphold its decision to not explicitly address a major loss of resource made in the policy development phase. At the May 21, 2025 workshop, Bonneville shared that it did not intend to include language regarding a major loss of resource and explained that in the event of a significant loss in resource capability, Bonneville would convene a public process to discuss impacts to the POC CHWM Contracts. Bonneville explained that a contract provision requiring such a public process was not necessary to enable such a process to occur. Section 6(c) of the Northwest Power Act requires Bonneville to hold a public process whenever it proposes to acquire a major resource. 16 U.S.C. § 839d(c)(1). Such an acquisition is also subject to a consistency review by the Northwest Power and Conservation Council.

PPC, Big Bend, and Northern Wasco People’s Utility District (Northern Wasco) commented in the May 21, 2025 workshop on Bonneville’s decision to not include Section 21.9 and requested Bonneville reconsider its position. PPC expressed strong disappointment that a provision addressing a major loss of resource was not included and sought clarification as to what, if anything, Bonneville would commit to in the ROD. Big Bend expressed disappointment that Bonneville would not commit to contract language despite the many comments on the topic. Northern Wasco sought clarification about the type of commitment Bonneville was willing to make and where that commitment would be documented. Northern Wasco also asked if Bonneville would publish a draft ROD and solicit comments on it. PPC and NRU escalated their concerns with Bonneville after the workshop.

⁴⁶ The March 9, 2023, workshop reference starts at slide 26 and is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2023-Workshops/20230309-provider-of-choice-chwm-ss-transfer-recs.pdf>.

Bonneville reconsidered its position based on the workshop feedback. Bonneville understands commenters' strong desire for the contract to require a public process to consider how Bonneville and its customers with POC CHWM Contracts would respond to a significant reduction to the FBS. Bonneville hesitated to accept the language provided by commenters because it tied the triggering of such public process to the loss of a resource defined by or as a "major resource," i.e., 50 aMW or greater. Bonneville believes that a 50 aMW loss threshold is significantly too low of a trigger for the commenter requested public process to consider contract changes and would interfere with Bonneville's ability to plan and meet its contractual obligations. While Bonneville agrees to include a provision committing to a public process in the event of a reduction to the FBS, such provision must be triggered only if there is a significant reduction.

Bonneville identified three primary considerations in drafting a responsive provision. First, the provision should not trigger because of operational variability. Second, the provision should be tied to the acquisition of replacement resource amounts only if the cost would be included in the PF Tier 1 cost pool. A public process to discuss impacts to POC CHWM Contracts should not trigger if, for example, Bonneville acquired a major resource to meet future load growth placed on the Administrator for sales subject to applicable PF Tier 2 rate(s) or NR rates. Third, the provision should allow for a public process if the reduction to the FBS is expected to be long-term in duration and not temporary.

In light of the commenters' proposed language and Bonneville's considerations outlined above, Bonneville determined it will include a requirement in the POC CHWM Contract to notify customers if Bonneville (1) expects a loss of FBS capability that is greater than 450 aMW in a single year, (2) the loss is expected to last for five or more years, and (3) the replacement costs would be included in the PF Tier 1 cost pool. A 450 aMW threshold should not inadvertently trigger the need for a public process when there has been no circumstantial change, while still reflecting the magnitude of change for which customers have expressed concern over replacement costs. This threshold was chosen to avoid operational or hydrologic variability triggering the provision because it is outside the range of year-to-year variability seen under RD. Bonneville does not intend for this provision to cover known expiration of contract rights, for example, acquisition of CGS.

After Bonneville provides notice, customers would then decide whether to initiate a public process. Bonneville believes that there are situations where a public process may not be needed. For example, if Bonneville believed it could find replacement resources at or below the cost of the lost resource capability, there would be no increase in costs and there may not be a need for a public process. Therefore, following notice, Bonneville would only hold a public process if a majority of customers indicate that such a process is desired.

Bonneville added a new Section 21.8 of the Master Template as follows:

21.8 Procedure in the Event of Federal Base System Resource Loss

BPA shall provide notice to «Customer Name» if BPA expects the loss of Federal Base System Resource, as defined in Section 3(10) of the Northwest Power Act, that: (1) is in excess of 450 aMW in a single year and is expected to last for a period of five or more years, and (2) the replacement cost of which would be included in the Tier 1 Cost Pool.

BPA shall conduct a public process to discuss targeted policy and CHWM Contract amendments if, within 30 calendar days of such notice provided in this section 21.8, a majority of CHWM Contract customers, or their representatives, indicate in writing to BPA the customer's support to open a public process to discuss targeted policy and contract amendments. For purposes of calculating utility count under this section, JOE Members will be counted individually.

Master Template § 21.8 at 132. Bonneville added the new provision as Section 21.8 and moved "Bond Assurances" to Section 21.9 of the Master Template to keep it as the last subsection in Section 21 and minimize the use of "[t]his section intentionally left blank." Master Template § 21.9 at 132.

[Issue 39: Should Bonneville maintain the cap for JOEs with cooperative members, cooperatives and tribal utilities taking the Slice/Block product?](#)

Contract Proposal

The draft Master Template included Section 21.8 for JOEs with cooperative members, cooperatives, and tribal utilities. The section stated:

BPA has advised «Customer Name» that: (1) the Columbia Generating Station has been financed and refinanced in large part by bonds that are intended to bear interest that is exempt from federal income tax under section 103 of the Internal Revenue Code of 1954, as amended, and Title XIII of the Tax Reform Act of 1986, and (2) the tax-exempt status of those bonds and other bonds issued together with those bonds might be jeopardized if «Customer Name» or any other nongovernmental person has a contract to purchase additional amounts of the output of the Columbia Generating Station.

Draft Master Template § 21.8 at 119. Two other sections of the draft Master Template referred to Section 21.8 for those qualifying customers. Section 5.3 Option 3 of the draft Master Template included, "[t]he amount of Slice Product available to «Customer Name» is limited to less than 50 percent of «Customer Name»'s CHWM pursuant to section 21.8." Draft Master Template § 5.3 at 52. Exhibit K Section 1 Option 2 of the Master Template stated:

By March 31 concurrent with BPA's calculation of «Customer Name»'s Net Requirement pursuant to section 1 of Exhibit A, BPA shall enter «Customer Name»'s formula inputs and Slice Percentage, calculated pursuant to section 5.3

and section 21.8 of the body of this Agreement, into the table below. «Customer Name»’s de minimis threshold applicable to its Slice Percentage is «0.X» percent.

Draft Master Template Exhibit K § 1 at 1.

Public Comments

PNGC commented that the de minimis threshold in Section 5.3 of the draft Master Template that Bonneville established for JOEs with cooperative members, cooperatives, and tribal utilities taking the Slice/Block product is unfair. POCCT-08-PNGC at 2. PNGC argued that it is “an inequitable and potentially unlawful differentiation of product offerings to its preference customers for which no legal or policy rationale exists.” *Id.* PNGC reiterated the sentiment in regard to de minimis threshold language in Section 21.8 and Exhibit K. *Id.* at 3, 6.

Evaluation and Decision

PNGC objected to Bonneville’s proposed provision for JOEs with cooperative members, cooperatives, and tribal utilities taking the Slice/Block product and effectively asked that Bonneville reconsider the decision to include a restriction, or cap, on the slice percentage for private entities under Section 21.8 Bond Assurances of the draft Master Template *Id.* at 2, 3, 6. Bonneville declines to change its approach.

Bonneville meets the debt service costs of tax-exempt bonds for Energy Northwest’s Project 1, Project 3, and CGS. Today, that debt service is about \$5.1 billion through 2043. If a non-governmental entity, such as an electric cooperative, is considered under the tax analysis to have direct use of CGS output in an amount in excess of certain exceptions, Bonneville would not be able to preserve the tax-exempt status of a portion of the outstanding bonds. In such a situation, a portion of future capital expenditures for CGS would need to be funded with taxable bonds per the Internal Revenue Code.

The slice portion of the Slice/Block product includes a percentage share of generation from CGS and, consistent with the Internal Revenue Code, is currently viewed as direct use of CGS for tax purposes. Therefore, if a cooperative utility were to purchase the Slice/Block product, this would be viewed as a non-governmental entity having direct use of a project that was funded with tax-exempt bonds. Absent satisfaction of the de minimis exceptions referenced below, the tax rules would then require Bonneville to complete remediation for the portion of the bonds that are no longer exempt from federal income tax. The particular de minimis exceptions that apply depend on the time of issuance of the original new money bonds, and whether those new money bonds were issued before or after 1986. In either case, if there is direct use of CGS by non-governmental entities in excess of these exceptions, Energy Northwest and Bonneville would need to take action to remediate the bonds within 90 days of execution of the related power sales contracts (anticipated in FY 2026).

The Internal Revenue Code includes de minimis exceptions that allow for a limited amount of direct use of CGS without resulting in a requirement to remediate tax-exempt bonds. The

original CGS construction bonds issued prior to 1986 (under section 103 of the Internal Revenue Code of 1954, as amended) (Pre-1986 Bonds) were subject to a de minimis exception of 3% and that exception remains 3% for the refinancing of any such bonds. For the Subscription contract entered into in 2001, Bonneville determined it was reasonable to set the cap on the slice portion of the Slice/Block product to 2.8%. This threshold was included in PNGC's Subscription Slice/Block contract.

Under RD, Bonneville sought to maintain the provision setting a cap in the event a cooperative elected the Slice/Block product. The RD Policy stated, "BPA will structure Regional Dialogue agreements so that the tax exempt status of these bonds is preserved." RD Policy § B.17 at 18. As captured in the RD ROD, PNGC commented on the draft RD Policy that Bonneville's approach put cooperatives at a disadvantage and that Bonneville should not lock down an approach in the RD Policy. RD ROD § III.B.I at 86. Bonneville stated that it needed to maintain the tax-exempt status of the Energy Northwest bonds, but it would work with customers to find a solution. *Id.* at 87. Bonneville, through contract negotiations, ultimately determined to apply the 2.8% de minimis threshold to an applicable customer's CHWM. Section 24.8 of the Slice/Block RD CHWM Contract included language that stated:

Consequently, «Customer Name» shall notify BPA at least 90 days before «Customer Name» acquires an Annexed Load, or «Customer Name» is acquired, in whole or in part, as an Annexed Load. «Customer Name» hereby acknowledges and agrees that BPA shall have the right to reduce «Customer Name»'s CHWM in connection with any such Annexed Load to the extent the aggregate CHWM, including the Annexed Load, (or the aggregate CHWM, including the Annexed Load, of related entities) otherwise would result in a nongovernmental customer with a CHWM share of the Tier 1 System Resources that exceeds 2.8 percent.

Slice/Block RD CHWM Contract template⁴⁷ § 24.8 at 89.

Bonneville did not originally address a de minimis threshold for Slice/Block customers under POC as it had been over a decade since a cooperative or private entity had taken the Slice/Block product. However, after considering questions from a cooperative regarding the annexation of loads, Bonneville determined it needed to consider this issue for POC. Bonneville added Section 11.6 to the POC Policy, which read:

Bonneville meets the debt service costs of about \$4.5 billion in tax-exempt bonds for Energy Northwest's Project 1, Project 3, and CGS. The tax exemption is predicated on a tax law analysis that is in part based on existing agreements and arrangements with customers relating to the use of the output of CGS and the payment of the costs of CGS. Notwithstanding anything else in this Policy,

⁴⁷ The Slice/Block RD CHWM Contract template is available at <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/conformed-slice-template-062623.docx>.

Bonneville will structure Provider of Choice contracts so that the tax-exempt status of these bonds is preserved.

POC Policy § 11.6 at 48. Bonneville stated in the POC Policy ROD that it intended to include contract language similar to the RD CHWM Contracts that would enable Bonneville to limit a customer's CHWM in order to preserve the tax-exempt status of the bonds. POC Policy ROD §3.4.2 at 143.

Bonneville addressed whether it would require bond assurance language for the POC CHWM Contracts during the policy implementation and contract development phase. Bonneville determined that the POC Slice/Block product is currently viewed as private use of CGS. Bonneville also determined that the de minimis threshold included in a customer's contract needed to change to reflect that a larger proportion of the Energy Northwest bonds are Post-1986 Bonds and subject to a lower 0.5% de minimis threshold. Bonneville explained the need for this change in the June 24, 2024 workshop.⁴⁸

Bonneville further evaluated (1) its decision to apply the threshold to a customer's CHWM and (2) if, for POC, there was a reasonable alternative to applying the threshold to a customer's CHWM. Bonneville determined that the solution implemented under RD had been a good precaution. However, given the lower de minimis threshold that would be applicable under POC, Bonneville needed to be more exact in how it applied the threshold to ensure that Bonneville did not take an overly cautious approach and unnecessarily limit customers taking the Slice/Block product. Bonneville determined a reasonable alternative would be to only apply the de minimis threshold to the slice portion of the product because the block portion is a system sale and not directly attributable to CGS. Bonneville included contract language to reflect this in Section 21.8 of the draft Master Template and specified that if a customer's slice percentage was limited pursuant to the contract provision, the customer would receive an increase in the amount of the block portion of the product.

PNGC argued this approach is unfair and "unlawful differentiation" between products. POCCT-08-PNGC at 2. Bonneville disagrees. If Bonneville were to eliminate the threshold and a cooperative elected the Slice/Block product where their slice portion exceeded the de minimis threshold, Bonneville would be required to immediately remediate a portion of the outstanding Energy Northwest tax-exempt bonds. The administrative cost of remediation and the resulting higher interest rate would be costs borne by all customers with POC CHWM Contracts. This would increase the overall debt service costs associated with the bonds due to a single customer's product election. Since the inception of the Slice/Block product, Bonneville has included contract provisions with the intent to preserve the tax-exempt status of the CGS bonds and keep the overall debt service costs as low as possible. Bonneville included Section 21.8 in the draft Master Template to ensure that a customer's product election does not unduly

⁴⁸ The June 24, 2024, workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/20240624-slice.pdf>.

increase costs for other customers, as demonstrated in language in Section 11 of the Master Template regarding product changes. The threshold must be maintained to avoid cost increases.

In addition, the Slice/Block product is unlike other products and Bonneville is not obligated to offer identical terms for power products that differ in their design and function. As noted above, the slice portion of the Slice/Block product includes a percentage share of generation from CGS which is currently viewed as direct use of CGS for tax purposes. No other power product offered by Bonneville is considered direct use and the tax-exempt status of the Energy Northwest bonds would not be at issue but for the Slice/Block product. Bonneville had to balance offering the Slice/Block product to all customers with the risk that, if left unaddressed, certain takers would adversely impact the tax-exempt status of the Energy Northwest bonds. Bonneville determined that limiting the slice portion of the product and increasing the block portion to ensure Bonneville could meet a customer's forecasted annual net requirement was reasonable and struck a balance between the competing interests.

The cap will be calculated contemporaneous with a JOE with cooperative members, cooperative, or tribal utility executing a Slice/Block contract. Bonneville moved the threshold percentage to Exhibit K in order to allow this calculation and update to the contract to take place after execution. Once set at execution, the customer's cap will not change again as long as the customer maintains that product.

Bonneville renumbered Section 21.8 to Section 21.9 in the Master Template but did not change the language. Bonneville did not change Section 5.3 Option 3 of the Master Template or Exhibit K Section 1 Option 2 of the Master Template. Bonneville also did not change the JOE-specific provisions, Section 5.3 Option 4 of the Master Template and Exhibit K Section 1.2(1) Option 4 of the Master Template.

15. Participation in WRAP

Section 22 of the POC CHWM Contract covered Bonneville's participation in the Western Resource Adequacy Program (WRAP). Load Following Section 22 covered the customer's responsibilities for providing data to Bonneville necessary for its participation as the load responsible entity, WRAP-related charges under a sharing event, WRAP-related exhibit revisions, and load exclusions. Block and Slice/Block Section 22 discussed Bonneville's obligations to provide information to the planned product customer that participates in WRAP as the load responsible entity.

AWEC commented that "[b]ecause WRAP is still in development, as is BPA's implementation of the program, contract language that reflects the knowns while retaining flexibility to address unknowns is important." POCCT-25-AWEC at 5. AWEC also commented broadly that:

AWEC has consistently been concerned about the emerging energy landscape in the Region and federally, and continues to advocate for BPA to adopt contract language that strikes the appropriate balance between providing BPA with sufficient certainty of its obligations over the contract term and allowing customers and their end-use consumers the ability to economically adapt to changing circumstances so that power rates can remain as low as possible.

Id. at 1. The NLSL Group commented that it appreciated Bonneville's agreement during the policy implementation and contract development phase to move most of the load exclusion language from Section 22 to Exhibit J, as the NLSL Group felt it was premature to lock down terms in the body of the contract. POCCT-26-NLSL-Group at 1-2.

Bonneville agrees with AWEC and has included, to the extent possible, contract language that reflects known obligations but has retained flexibility to update language as necessary. Bonneville appreciates the NLSL Group's acknowledgment of language changes made during the policy implementation and contract development phase.

Issue 40: Should Bonneville narrow the scope of Section 22.2 to non-performance of a dedicated resource?

Contract Proposal

Load Following Section 22.2 of the draft Master Template stated the following:

If BPA incurs any charges from WRAP attributed to «Customer Name»'s Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA shall pass through such charges, or the portion of such charges related to «Customer Name»'s resources, to «Customer Name», subject to the terms of section 5 of Exhibit J.

If BPA does not incur a charge from the WRAP entity but does incur a WRAP-related cost attributed to «Customer Name»'s Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA may assess a charge pursuant to BPA's applicable Power Rate Schedules and GRSPs and as established in a 7(i) Process.

Draft Master Template § 22.2 at 121.

Public Comments

WPAG proposed the following edits to the Load Following Section 22.2:

If BPA incurs any charges from WRAP attributed to the non-performance of «Customer Name»'s Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load as planned under this Agreement during a sharing event, then BPA shall pass through such charges, or the portion of such charges related

attributed to the non-performance of «Customer Name»’s resources, to «Customer Name», subject and pursuant to the terms of section 5 of Exhibit J.

If BPA does not incur a charge from the WRAP entity but does incur a WRAP-related cost attributed to the non-performance of «Customer Name»’s Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load as planned under this Agreement during a sharing event, then BPA may assess a charge pursuant to BPA’s applicable Power Rate Schedules and GRSPs and as established in a 7(i) Process.

POCCT-17-WPAG at 4-5. WPAG commented that the changes would “capture the narrow intent of this section as evidenced by the section header.” *Id.* at 5.

WPAG argued that Bonneville should not pass through any WRAP charges to a customer if its resource meets the contractual obligations. *Id.* WPAG commented that the broad language in the Load Following Section 22.2 of the draft Master Template combined with Bonneville’s unilateral right to amend Exhibit J would mean “that customers have no certainty as to the circumstances when BPA can or cannot pass through WRAP related charges attributed to their dedicated resources, including when such resources meet their obligations under the Agreement.” *Id.*

Evaluation and Decision

WPAG requested that Bonneville narrow the applicability of Load Following Section 22.2 to non-performance of a customer’s non-federal resource and Bonneville should only pass on WRAP-related charges in circumstances where the resource has failed to meet its contractual obligations. *Id.* at 4-5. Bonneville declines to make the edit.

Bonneville is currently participating in WRAP’s non-binding program but expects to enter the binding program prior to October 2028. Bonneville is still evaluating what changes may be required to its current WRAP participation ahead of the binding season. While Bonneville acknowledges that non-performance of dedicated resources or consumer-owned resources is the current primary concern, the language is drafted to provide flexibility to accommodate other changes. For example, the binding program could introduce new charges that Bonneville will need to be able to account for in its rates to ensure costs are assigned to the appropriate cost pool responsible for incurring such a charge. Or Bonneville could determine there are opportunity costs indirectly incurred that may need to be assessed. Bonneville’s determination of what to include as a pass-through charge could change over time. Bonneville does not believe it is reasonable to limit the potential charges that could be applied for the length of the POC contract period by narrowing the scope of charges allowed.

Bonneville had moved the terms for pass-through charges to Exhibit J Load Following Section 5.5 of the draft Master Template following feedback received during the policy implementation and contract development phase workshops. By moving the terms to Exhibit J, Bonneville and

customers can maintain the flexibility to amend those terms as warranted. Bonneville will work with customers in future 7(i) processes, including pre-rate case discussions, to determine (1) whether charges are necessary and (2) what types of events could trigger charges. The broad language of Section 22.2 and the flexibility offered by including the terms in an exhibit provides Bonneville and customers the opportunity to learn and refine such terms over time as Bonneville gains experience in the binding program.

Bonneville did not change Load Following Section 22.2 of the Master Template.

Issue 41: Should Bonneville provide a credit for NLSL resources that overperform in WRAP?

Contract Proposal

Load Following Section 22.2 of the draft Master Template stated:

If BPA does not incur a charge from the WRAP entity but does incur a WRAP-related cost attributed to «Customer Name»'s Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA may assess a charge pursuant to BPA's applicable Power Rate Schedules and GRSPs and as established in a 7(i) Process.

Draft Master Template § 22.2 at 121.

Public Comments

The NLSL Group commented that a customer's dedicated resources or consumer-owned resources serving on-site consumer load "could over-perform relative to load or that there may be backup generation dispatched during the WRAP operational program, in which case any benefit related to sharing surplus capacity and energy from these resources to other WRAP participants that are in need should be passed back to the customer." POCCT-26-NLSL at 1. The NLSL Group requested Bonneville add language to Load Following Section 22.2 to "capture this potential outcome." *Id.*

Evaluation and Decision

The NLSL Group requested language that would provide a customer with a consumer-owned resource serving on-site consumer load a credit if the resource overperformed and provided a "benefit" by supplying additional capacity and energy to WRAP participants. *Id.* Bonneville declines to make the change as it is not consistent with the contract obligations for a consumer-owned resource.

Bonneville allows a customer to designate a consumer-owned resource to serve a load, reducing the customer's net requirement and therefore reducing Bonneville's firm power obligations. Customers most often designate these resources to serve NLSLs. Bonneville only requires a customer to provide consumer-owned resource amounts on a planning basis and

assumes the consumer will meet its loads based on that attestation, as described in Issue 10. Section 20.3 of the POC CHWM Contract includes requirements applicable to such consumer-owned resources. Among the requirements is that the customer or consumer must dispose of any surplus power and such surplus power cannot offset a customer's take-or-pay obligation. Because the POC CHWM Contract consumer-owned resource requirements neither obligate Bonneville to take the surplus power nor allow the surplus power to reduce the customer's take-or-pay obligation, it would be inconsistent to provide a credit for surplus generation.

In the future, Bonneville may contemplate providing a credit for Load Following customers' dedicated resources that perform beyond their contractual obligations and help Bonneville meet its WRAP operational program requirements. Bonneville would likely contemplate this ahead of a future 7(i) process and determine through the 7(i) process the type of credit and whether it would be direct assigned to the customer or applied to a cost pool. Bonneville's experience in the binding program will be crucial to determining if and how a credit is designed and implemented.

Bonneville did not change the Load Following Section 22.2 of the Master Template.

Issue 42: Should Bonneville allow for a partial load exclusion for NLSLs served by an on-site consumer-owned resource?

Contract Proposal

The Load Following Section 22.4 of the draft Master Template stated:

For purposes of this section 22, "load exclusion" means a distinct and separately metered load of «Customer Name» for which BPA is not the exclusive wholesale provider and that is excluded from BPA's WRAP participation.

«Customer Name»'s request for a load exclusion, and BPA's decision of whether to allow such load exclusion, shall be pursuant to section 5 of Exhibit J.

Draft Master Template § 22.4 at 121-22.

Public Comments

Harney requested "an exclusion for that portion of the NLSL that is served by its Consumer-Owned Resource" and that Bonneville would have the necessary information to isolate the load. POCCT-18-Harney at 3.

Evaluation and Decision

Harney requested that Bonneville allow partial load exclusions for NLSLs. *Id.* Bonneville believes this request is premature as more discussions are needed around load exclusions; see Issue 66 for more information regarding future load exclusions discussions. However, Bonneville does not believe that it would be able to exclude an NLSL from Bonneville's WRAP participation if

Bonneville is serving the NLSL with power provided by Bonneville. If Bonneville is providing service, it must be able to account for the NLSL in its WRAP forward showing and then again in the operations time frame. If the customer is serving the NLSL exclusively with non-federal resources, the load exclusion must be for the full NLSL. By definition, WRAP does not allow for the partial exclusion of a load. Bonneville does not intend to make an accommodation for something the program does not allow in its own participation.

Bonneville did not change Load Following Section 22.4 of the Master Template.

Issue 43: Should Bonneville clarify the intent of requirements for WRAP regarding an NLSL being served by a consumer-owned resource?

Contract Proposal

Load Following Section 22.4 of the draft Master Template stated:

For purposes of this section 22, “load exclusion” means a distinct and separately metered load of «Customer Name» for which BPA is not the exclusive wholesale provider and that is excluded from BPA’s WRAP participation.

Draft Master Template § 22.4 at 121.

Public Comments

Harney commented that it was unclear how a consumer-owned resource serving its NLSL could participate in WRAP. POCCT-18-Harney at 3. Harney stated that if it “is required to demonstrate adequate transmission for delivery including Planning Reserve Margin, it is unclear whether there is adequate transfer capability on the NVE system.” *Id.*

Evaluation and Decision

Harney requested Bonneville clarify how a consumer-owned resource serving an NLSL could participate in WRAP as well as what WRAP requirements may be applicable. *Id.* Bonneville clarifies in this ROD that the issue raised by Harney is not a contract issue but rather stems from the fundamental requirements for participating in WRAP.

WRAP requires that a load serving entity demonstrate that it has enough QCC from physical resources to meet its consumers’ loads, plus a planning reserve margin.⁴⁹ Additionally, as defined by WRAP, a load serving entity must demonstrate that it has firm transmission for delivery of at least 75% of that capacity to the load.

⁴⁹ The WRAP Tariff defines FS Planning Reserve Margin as “[a]n increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, or lower availability of resources, expressed as a percentage of the applicable peak load forecast” WRAP Tariff § 1 at 8.

If an NLSL is being served by a consumer-owned resource, the customer is responsible for providing Bonneville with the associated QCC pursuant to its POC CHWM Contract, and to provide the firm transmission service requests (TSRs) for the delivery of at least 75% of the accredited WRAP capacity (QCC) being submitted for that resource. This includes providing historical data annually for WRAP to calculate QCC values. Bonneville is responsible for registering the consumer-owned resource based on the information provided by the customer and submitting the resource as part of its forward showing each season. If the NLSL is served by transfer service, there are additional considerations Bonneville and the customer will need to work through.

Alternatively, the owner of the consumer-owned resource serving an NLSL could choose to register the consumer-owned resource directly with WRAP. The owner would be required to provide all required information in order to receive accreditation for a QCC amount in WRAP and the customer would have no obligation under its POC CHWM Contract to provide data to Bonneville. The consumer-owned resource would also need a joint contract accreditation form (JCAF) that would affirm that the sole use of that capacity is to serve the NLSL. The WRAP-calculated QCC and JCAF would need to be provided to Bonneville to be included as part of Bonneville's forward showing submittal for every WRAP season.

Customers applying non-federal resources to serve load, including consumer-owned resources, must also provide the firm transmission, as defined by WRAP, that links the resources to the load. It is the Load Following customer's responsibility to provide Bonneville with TSR information linking at least 75% of the resource QCC value from resource to load for Bonneville to include in its forward showing submittal for every WRAP season. If the customer does not provide such transmission reservation information, the resource cannot be associated with the load in WRAP, resulting in a capacity deficiency in violation of Bonneville's WRAP obligations. In order for Bonneville to meet its WRAP requirements, Bonneville would be incurring a cost to provide the transmission, or another resource and the appropriate transmission to meet the WRAP capacity/transmission requirement. As a result, Bonneville would need to pass through those costs to the customer that failed to supply the required information, or charge the appropriate rate for the service(s) provided.

Bonneville did not change Load Following Section 22.4 of the Master Template.

16. Future Amendment for Day-ahead Market

Section 23 of the POC CHWM Contracts establishes Bonneville's obligation to conduct a public process to discuss implementation details and whether amendments to the POC CHWM Contracts are necessary in the event that Bonneville joins a day-ahead market in the future.

Issue 44: Should Bonneville change Section 23 or other sections of the POC CHWM Contract regarding day-ahead market implementation?

Contract Proposal

Section 23 of the draft Master Template commits Bonneville to a public process if it joins a day-ahead market. Section 23 of the draft Master Template stated:

If BPA decides, or has decided, to join a day-ahead market to serve «Customer Name»'s load, then BPA shall conduct a public process to discuss implementation details of BPA's decision and work with customers to determine: (1) any necessary amendments to the Provider of Choice power sales agreements, including any necessary to align with an updated Transmission Services tariff and settlements under an organized market, and (2) the anticipated timeline for executing such amendments. Such public process shall not be construed as reconsideration of BPA's market decision. Any amendments negotiated during such public process shall be limited to those necessary to implement a day-ahead market and shall not be conditioned by either Party on modification to any other provision under this Agreement not related to implementing a day-ahead market. Following the conclusion of such public process, BPA shall issue the final amendment template and, based on the agreed-upon timeline, prepare and offer «Customer Name» a contract amendment using the amendment template. «Customer Name»'s agreement to such amendment consistent with this section 23 shall not be unreasonably withheld.

Following BPA joining a day-ahead market to serve «Customer Name»'s load and the Parties amend this Agreement pursuant to this section 23, BPA shall also conduct a public process on the topic of settlements for the Slice Product in the day-ahead market that BPA joins.

Draft Master Template § 23 at 123.

Public Comments

In its comment, PPC acknowledged the “potential impacts of BPA's day ahead market decision was a frequent topic throughout the [POC] process” that led to the draft Master Template Section 23. POCCT-32-PPC at 2. PPC described concerns earlier in the policy implementation and contract development phase that an unbounded public process could be “another forum to argue over the market decision instead of addressing targeted policy and contract amendments as intended.” *Id.* PPC described how “BPA added language in their January 17, 2025, template release to Section 23 clarifying the public process ‘...shall not be construed as a reconsideration of BPA's market decision.’” *Id.* PPC cited this revision as an example of an “instance[] where BPA responded to customer feedback by adjusting contract language when prompted by

customers.” *Id.* PPC described this as an example of negotiated language that will benefit customers throughout the duration of the contract. *Id.*

PPG expressed appreciation for Section 23, and “acknowledge[d] the commendable efforts of BPA staff and stakeholders in balancing both certainty and flexibility within the contracts.” POCCT-11-PPG at 2. They pointed to Section 23 as an example, recognizing that it “anticipates a mechanism for amending the contract to align with the evolution of Day-Ahead Markets.” *Id.* PPG encouraged Bonneville “to continue proactively considering necessary revisions to contract exhibits as part of the product implementation phase to ensure alignment with evolving market conditions.” *Id.* PPG suggested Bonneville provide “additional context” that would better position response to changes including “electric markets, regional resource adequacy, environmental regulations, financial settlements, and product operations.” *Id.*

PNGC was “sympathetic to the need to have a ‘placeholder’ in the POC PSA given the uncertainty of the timing of BPA’s participation, but the high probability, to near certainty, of its participation in one or more DAMs.” POCCT-08-PNGC at 3. That said, PNGC expressed disappointment with Bonneville’s “unwillingness to commit to a public process for amending the POC PSAs to accommodate these changing wholesale energy market dynamics and its insistence on reserving its unilateral right to do so in a section of the contract that could allocate the costs and/or benefits of its DAM participation unilaterally.” *Id.* at 3-4.

Idaho Falls cited Section 23 as an example of where the POC CHWM Contract “speaks to some of these evolution changes and needed flexibility to align timing” of day-ahead market implementation and provides “enough latitude in the contracts to deal with market and regulatory uncertainty.” POCCT-09-Idaho-Falls at 2. Idaho Falls encouraged Bonneville to “provide all needed additional context and flexibility so BPA and its customers can readily evolve and adapt as our operating environment continues to evolve.” *Id.* Salmon River echoed Idaho Falls’ sentiments and added that the “evolving operating environment we operate in will require this type of flexibility to ensure a durable well-functioning contract into the future.” POCCT-23-Salmon-River at 1.

Evaluation and Decision

Overall, commenters expressed general support for Section 23 and recognized that future amendments may be necessary because of day-ahead market developments in the region. Most commenters supported inclusion of the provision and Bonneville did not receive any specific suggested edits on Section 23 of the draft Master Template. All commenters recognized the need for the contracts to acknowledge that amendments may be necessary to accommodate day-ahead market developments as part of the changing energy landscape.

When Bonneville negotiated contract language in the fall of 2024, Bonneville was simultaneously exploring whether to adopt a policy direction towards participation in a day-ahead market. Following the day-ahead market public process, Bonneville released a draft policy for comment on March 5, 2025, a week prior to releasing the draft Master Template for

comment on March 12, 2025. During the development of the Day-Ahead Market Draft Policy,⁵⁰ Bonneville was evaluating two day-ahead markets, both of which continue to develop design and implementation details such that Bonneville and customers could not draft contract provisions during the policy implementation and contract development phase. Bonneville proposed Section 23 to commit to a future process and acknowledge that contract changes will be required in the event of market participation.

On May 9, 2025, Bonneville published its Day-Ahead Market Policy,⁵¹ which included a direction towards participation in the Southwest Power Pool's Markets+ day-ahead market. The systems and processes of this market remain in development. As both day-ahead market options in the west continue to refine implementation details, Bonneville is unable to address day-ahead market-related implementation provisions ahead of offering contracts. In recognition of the potential of Bonneville's entrance into a day-ahead market at some point during the POC contract period, Bonneville committed to conducting a public process to address implementation details as specified in Section 23.

AWECC, Idaho Falls, PPG, and Salmon River sought additional language that Bonneville would provide contract flexibility as markets or other industry changes occur. POCCT-25-AWECC at 1; POCCT-09-Idaho-Falls at 2; POCCT-11-PPG at 2; POCCT-23-Salmon-River at 1. Bonneville believes that the contract as drafted provides the right balance of flexibility and certainty. Section 23 provides a firm commitment to engage with customers regarding anticipated changes in the event of day-ahead market participation.

PNGC commented that it was disappointed with Bonneville's unwillingness to commit to a public process. POCCT-08-PNGC at 3. As the contract language demonstrates, Bonneville has committed to a public process to negotiate any necessary amendments. Master Template § 23 at 136. Bonneville intends that such a process will include public workshops and customer engagement to develop mutually agreed upon provisions. PNGC also expressed concerns that Bonneville would allocate costs or benefits of market participation unilaterally. POCCT-08-PNGC at 3-4. This concern is misplaced because Bonneville would allocate the costs or benefits of participation in a section 7(i) process according to the parameters required under the Northwest Power Act. Bonneville contemplates that such a 7(i) process would address the appropriate allocation of day-ahead market costs and benefits between power and transmission rates.

In its comment, PNGC further stated that Bonneville included a unilateral right to amend the contract. *Id.* Bonneville did not include a unilateral right to amend, rather it included:

⁵⁰ The Day-Ahead Market Draft Policy, dated March 2025, is available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/2025/20250306-day-ahead-market-draft-policy.pdf>.

⁵¹ The Day-Ahead Market Policy, dated May 9, 2025, is available at <https://www.bpa.gov/-/media/Aep/projects/day-ahead-market/20250509-dam-final-policy.pdf>.

Following the conclusion of such public process, BPA shall issue the final amendment template and, based on the agreed-upon timeline, prepare and offer «Customer Name» a contract amendment using the amendment template. «Customer Name»'s agreement to such amendment consistent with this section 23 shall not be unreasonably withheld.

Master Template § 23 at 136. Bonneville discussed in workshops the need for standardized terms and conditions that would allow for an efficient transition to market participation. Bonneville does not view Section 23 as providing it with a unilateral right to amend the contract. Rather, if and when Bonneville and customers amend the contracts, Bonneville will have conducted extensive customer engagement to develop broadly acceptable terms and conditions. Based on the need for standardized contract terms and conditions to produce equitable outcomes, Bonneville believes the customers should execute such contract amendments and not unreasonably withhold agreement if the majority of Bonneville's counterparts have broadly agreed upon proposed amendment language. If Bonneville ultimately joins a day-ahead market, standardized terms and conditions will facilitate participation in a timely manner and clearly delineate the rights and obligations of each party.

Bonneville did not change Section 23 of the Master Template.

17. Exhibit A Net Requirements and Resources

Exhibit A of the POC CHWM Contract establishes a customer's net requirement and documents any non-federal resources that a customer has dedicated or designated to serve its TRL. This includes specified resources, CPP amounts, and dedicated resource amounts used to serve planned NLSLs and NLSLs, as well as the sum of these dedicated resource amounts. Exhibit A also documents resources not used to serve TRL and consumer-owned resources.

The Load Following version of Exhibit A captures heavy load hour diurnal shaping option amounts if a customer has elected this shaping for a specified resource or CPP. The Block and Slice/Block versions of Exhibit A include details on establishing the monthly TRL forecast.

Bonneville received comments on the net requirements determination, resources used to serve NLSLs, resources not used to serve TRL, and how the peaking capability of resources is captured in the POC CHWM Contract.

Issue 45: Should Bonneville clarify net requirements treatment throughout the POC CHWM Contract?

Contract Proposal

Exhibit A Block and Slice/Block Section 1 of the draft Master Template stated in part, "BPA shall establish «Customer Name»'s Net Requirement based on its Total Retail Load minus" Draft Master Template Exhibit A § 1 at 1.

Public Comments

Grant requested clarification on whether the provision applied to all instances of establishing net requirements and “where and for what purposes throughout the template are ‘Net Requirements’ used[.]” POCCT-19-Grant, Attachment at 125. Grant wanted further assurances that Bonneville had “sufficient labeling” regarding forecasted versus actual net requirements. *Id.* Grant recommended an edit to the first part of the section, “BPA shall establish «Customer Name»’s [forecasted? actual? both?](#) Net Requirement based on its Total Retail Load minus . . .” and proposed another addition in the next paragraph, “BPA shall calculate a [forecast](#) of «Customer Name»’s Net Requirement . . .” *Id.*

Evaluation and Decision

Grant requested that Bonneville clarify the intention of establishing net requirements as stated in Exhibit A of the draft Master Template and the various implications of the contract terms related to net requirements. *Id.* Grant also requested clarification on whether references to net requirements are established on an actual or forecast basis. *Id.*

To understand whether net requirements are applied on a forecast or actual basis, it is important to read the relevant sections of the contract together and recognize that there are different provisions depending on the purchase obligation a customer selects.

The POC CHWM Contract states how Bonneville will determine a customer’s net requirement each year and how such determined value, will be used by product and across the contract. Section references to other contract sections may be complex, but such complexity is required to establish appropriate terms for Bonneville’s sale of firm requirements power to its PF customers, and a thorough review of the agreement allows parties to understand these necessary nuances. In this instance, Bonneville will not undertake a process to review every use of the term “net requirements” as Grant has requested. Parties are encouraged to seek their own counsel in reviewing the POC CHWM Contract to ensure they understand the terms and conditions of the contract prior to execution.

Bonneville did not change Exhibit A Block and Slice/Block Section 1 of the Master Template.

Issue 46: Should Bonneville include language in Exhibit A that acknowledges WRAP QCC may change over time and alternative peaking methodologies may be needed? Should Bonneville address inconsistencies between the Master Template, Revised Policy on Determining Net Requirements of Pacific Northwest Utility Customers Under Sections 5(b)(1) and 9(c) of the Northwest Power Act, March 19, 2009⁵² (5(b)9(c) Policy), and Provider of Choice Standards for Resource Declarations, dated June 2, 2025⁵³ (POC Standards)?

Contract Proposal

The draft Master Template did not specify how Bonneville would determine peak amounts for Exhibit A Section 2.

Public Comments

Seattle commented that WRAP QCC, while readily available, are not the best metric to use for establishing peaking capability. Seattle stated that QCC are not based on critical water conditions and that the values “will change over time” POCCT-21-Seattle at 3. Seattle further argued that “QCC for storage hydro is only intended to represent peaking capability for short duration events and not sustained peaking operations.” *Id.* Seattle also commented that QCC values do not exist for all months to allow utility’s to do necessary routine outages and it would be “unreasonable to extrapolate” values for all months. *Id.* Tacoma commented, “QCC values are not an appropriate indicator of firm peaking capability for our non-federal hydro facilities because, during critical water conditions, these peaking values are only achievable for very short periods of time.” POCCT-15-Tacoma at 2.

Seattle and Tacoma requested the following section be added to the POC CHWM Contract Exhibit A Section 2:

The Peak (MW) values included in «Customer Name»’s Specified Resources Amounts table(s) below are based on the Western Resource Adequacy Program’s (WRAP) QCC values or when no QCC value is available, calculated using a methodology like WRAP’s QCC methodology. By design, WRAP QCC values change over time, are only expected to be achievable for short periods of time under critical water conditions, and are not intended to represent sustained peaking capability. To the extent WRAP’s QCCs change substantially in future [sic], or an alternative, mutually acceptable method for determining peaking capabilities is

⁵² The 5(b)9(c) Policy is available at <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/2009-03-25-5b9c-final-revised-policy.pdf>.

⁵³ The POC Standards is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2025-workshops/poc-standards-for-resource-declarations-final.pdf>.

discovered, the parties will update the Peak (MW) values included in «Customer Name»’s Specified Resources Amounts table(s).

POCCT-22-Seattle, Exhibit A at 5; POCCT-15-Tacoma at 2; POCCT-16-Tacoma, Exhibit A at 5 (formatting omitted for all). Seattle also requested Bonneville clarify how it will make resource declarations. POCCT-21-Seattle at 4. Seattle commented that Bonneville’s current resource declaration parameters and 5(b)9(c) Policy “provide incomplete guidance to customers to determine (and model) the peak amounts . . .” *Id.*

Evaluation and Decision

Seattle and Tacoma sought new contract language acknowledging that WRAP QCC is not the best methodology for determining a storage hydropower resource’s peaking capability. POCCT-22-Seattle, Exhibit A at 5; POCCT-15-Tacoma at 2; POCCT-16-Tacoma, Exhibit A at 129. They also requested that Bonneville be willing to determine an “alternative, mutually acceptable method” in lieu of QCC. *Id.*

Bonneville stated that WRAP QCC would be used to determine the peaking capability of non-federal resources in Section 2.1.2 of the POC Policy. POC Policy § 2.1.2 at 7. Bonneville made this decision after extensive outreach and conversations with customers and interested parties during the policy development phase, which included a dedicated Peak Net Requirements Task Force, that Bonneville stood up to allow interested parties extended time to discuss and develop an agreed to methodology to evaluate the peaking capability of resources. Bonneville considered the regional effort that went into the development of the WRAP methodologies, combined with the in-depth POC policy discussions and concluded that WRAP QCC values provided a regionally agreed upon standard. Bonneville recognizes that each resource type has a specific WRAP QCC methodology, and these methodologies define and calculate the peaking capability of the resource. The QCC values are not long-term sustained operational energy output values, but rather short-term peaking capabilities.

Seattle and Tacoma requested that Bonneville be open to considering mutually agreeable alternatives over time. In Issue 13 of the POC Policy ROD, Bonneville stated that if it “were to become convinced that a new approach to the calculation is necessary, it would update the calculation through a public process.” POC Policy ROD § 3.1 at 42. This would hold true for either an alternate to WRAP QCC or to establish a successor methodology if WRAP were to no longer exist. Bonneville remains committed to this and does not believe that contract language is required for a commitment to consider launching a public process.

Bonneville also recognized, as a utility with many storage hydro resources itself, that WRAP QCC may not “account for all hydro energy constraints” at this point in time. *Id.* at 43. Bonneville provided opportunities throughout the policy implementation and contract development phase for customers to submit a proposal on an alternate peaking capability methodology for hydro resources. In the August 26, 2024, workshop, Bonneville first notified customers of an October 1, 2024, deadline to submit proposals on a number of issues that

would be addressed in the POC Standards, including the peak capability methodology. The presentation⁵⁴ stated that if customers wanted an alternative peaking capability methodology, they should submit a request that included the alternate value and methodology for Bonneville's review. August 26, 2024 presentation at 14. Bonneville followed up the presentation with an August 27, 2024 letter⁵⁵ from Kim Thompson, vice president of Northwest Requirements Marketing. The letter provided notice for upcoming deadlines, including the October 1, 2024 deadline for comments on the POC Standards.

Bonneville received four customer requests, including Seattle and Tacoma, to consider alternative peaking capability methodologies; all four requests were related to storage hydro resources. In follow up discussions, Bonneville explained that peaking capability was not the same as long-term sustained peaking capability and Bonneville requested information related to the peaking capability of the resources. Three of those customers withdrew their requests after these discussions, either determining no alternative methodology was needed or that their own WRAP QCC values required updates. The final customer did not pursue further discussion after Bonneville identified a needed methodology update. Therefore, Bonneville received no viable alternative methodology to use in establishing resource peaking capabilities. As a result, all customers' non-federal resource peaking capabilities listed in Exhibit A are established based on WRAP QCC values.

Seattle and Tacoma sought language that acknowledged that WRAP QCC may change over time. Bonneville acknowledges that WRAP QCCs are recalculated annually, but also understands that the recalculations are based on a standard methodology that is not expected to change frequently. Bonneville intends to regularly update the peak amounts captured in Exhibit A for customers taking the flat monthly block with PNR shaping capacity product and the flat monthly block with PNR shaping capacity with PLVS product. These are the only two products that currently use the Exhibit A peaking capability values in calculating the customer's net requirement. Bonneville will work with customers to determine the appropriate frequency of updates.

For all other products, Bonneville does not require frequent updates to peak values because the peak values in Exhibit A are not used in the calculation of a customer's net requirement. However, if over the course of the POC contract period Bonneville determines material changes have occurred that should be captured in the peak values listed in Exhibit A, Bonneville will work with customers to update those values.

⁵⁴ The August 26, 2024, presentation is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/20240826-poc-block-plvs.pptx>.

⁵⁵ The August 27, 2024, letter is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/Implementation/20240827-letter-kim-thompson.pdf>.

Seattle commented that the Regional Dialogue Standards for Resource Declarations, dated September 9, 2008⁵⁶ (RD Standards), and 5(b)9(c) Policy are “outdated” and point to provisions in the RD CHWM Contract that do not align with the POC CHWM Contract. POCCT-21-Seattle at 4. Bonneville agrees with Seattle that the RD Standards and 5(b)9(c) Policy do not align with the POC CHWM Contract and its related policies. Bonneville previously shared its expectations in workshops, including a plan to update the document. In the multi-process timeline,⁵⁷ Bonneville shared that it estimated the 5(b)9(c) Policy update would be completed ahead of the Above - CHWM Load Process for the BP-29 rate period. Bonneville continues to refine its implementation plans, including the evaluation of whether the 5(b)9(c) Policy revision should be completed sooner.

Bonneville also discussed its intentions to update the RD Standards at the April 25, 2024 workshop,⁵⁸ which provided an overview of the document and what elements Bonneville intended to update pending discussions during the policy implementation and contract development phase. As mentioned above, Bonneville provided an October 1, 2024 deadline for any final feedback regarding updates to the POC Standards.

Bonneville published the draft Provider of Choice Standards for Resource Declarations, dated April 15, 2025⁵⁹ (draft POC Standards). As noticed in the February 20, 2025, workshop,⁶⁰ Bonneville provided a two-week informal comment period on the draft POC Standards, which concluded on April 29, 2025. Bonneville received five comments on the draft POC Standards. Bonneville revised and published the POC Standards on June 2, 2025. Bonneville believes it has fully addressed the outdated and misaligned materials identified by Seattle.

Finally, Seattle commented that WRAP did not include QCC for three months (April, May, and October) when resources may be offline due to routine maintenance. POCCT-21-Seattle at 1, 3. Bonneville believes that Seattle’s interpretation of why there are no values for April, May, and October is incomplete. While April, May and October are months when maintenance regularly occurs, that maintenance is not the *reason* those months do not have QCC values. A regional resource adequacy program was envisioned to coordinate resource adequacy during times when the region is most in need of power. The months excluded from WRAP are the months when the region generally has an abundance of resource generation, such as increased hydropower due to spring runoff, coupled with low loads due to typically mild temperatures.

⁵⁶ The Regional Dialogue Standards is available at <https://www.bpa.gov/-/media/Aep/power/regional-dialogue/data-standards-external-09-09-2008.pdf>.

⁵⁷ The multi-process timeline is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/poc-implementation-multi-process-timelines.xlsx>.

⁵⁸ The April 25, 2024, workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/2024-04-25-prov-of-choice-resource-declaration-standards-final.pdf>.

⁵⁹ The draft POC Standards are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2025-workshops/draft-poc-standards-for-resource-declarations.pdf>.

⁶⁰ The February 2025 workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2025-workshops/provider-of-choice-chwm-standards-update.pptx>.

Utilities have often taken advantage of the surplus generation from some resources and the decreased demand to take resources out of service for routine maintenance. The Western Power Pool has indicated that if participants are seeing capacity issues in these months that the WRAP may add those months to the WRAP operating seasons, which would result in defined WRAP QCC methodology for those additional months.

The lack of WRAP QCC for April, May, and October was not due to maintenance, but rather the lack of historical resource adequacy events in those time frames. WRAP does encourage participants to take maintenance outages in these months due to this lack of resource adequacy events. In fact, as WRAP was being stood up, evaluations showed there were no events happening or expected in the second half of March and September. Therefore, the program reduced the timing of the winter season to end March 15 instead of March 31 and the summer season to end September 15 instead of September 30. Bonneville discussed with parties in workshops that there could be a time when WRAP does require QCC for all months and at that time it would extend its use of WRAP QCC to calculate peak capabilities through those months in lieu of an alternative methodology.

Bonneville did not add the language requested to the Master Template. Bonneville changed the POC Standards to align with the POC CHWM Contract and POC Policy. Bonneville will update the 5(b)9(c) Policy to align with the POC CHWM Contract and POC Standards.

Issue 47: Should Bonneville alter how it approached Exhibit A Section 4? Should Bonneville clarify the intent and application of the drafter's note in Exhibit A Section 4?

Contract Proposal

Exhibit A Section 4 Option 2 the draft Master Template, and including the drafter's note, stated:

Option 2: Include the following if customer has a Planned NLSL or an NLSL. If customer is serving the Planned NLSL or NLSL with Specified Resources, use the tables from section 2 above and complete sections 2(1)(A) - (C) for each resource using the format in Option 2 of section 2 (state "N/A" in the Tier 1 Allowance Amount cell). If customer is serving the Planned NLSL or NLSL with Committed Power Purchase Amounts, add and fill in a table using the table format in section 3.2 in equal megawatt amounts for each hour in a year as provided in 3.4.1(2). Also describe in section 1.4 or 1.5 of Exhibit D how the resource listed below will match the Planned NLSL or NLSL.

All of «Customer Name»'s Dedicated Resource amounts serving a Planned NLSL and/or an NLSL, in accordance with sections 3.5.8 and 20.3 of the body of this Agreement, are listed below.

Draft Master Template Exhibit A § 4 at 10.

The Exhibit A Block and Slice/Block Section 7.1 Option 2 of the draft Master Template captured the resource profile for a consumer-owned resource serving on-site consumer load. Draft Master Template Exhibit A § 7.1 at 13-14.

Public Comments

Grant commented on Exhibit A Section 4 Option 2 of the draft Master Template requesting edits and deletions. POCCT-19-Grant, Attachment, Exhibit A at 10. Grant proposed the following edit in the drafter's note preceding Exhibit A Section 4 Option 2 of the draft Master Template:

If customer is serving the Planned NLSL or NLSL with Committed Power Purchase Amounts, add and fill in a table using the table format in section 3.2 in the same equal megawatt amounts for each hour in a year as provided in 3.4.1(2).

Id. Grant questioned what the filled in values were intended to be "equal" to. *Id.* Grant commented that requiring a customer to "use placeholder amounts" will almost automatically create errors . . . [as t]he 'same' MW amounts will either/both be too high and too low, which would undermine the accuracy" of a net requirement calculation. *Id.*

However, Grant also recommended the section be deleted in its entirety for planned product customers as there is not a clear reason to require a "'flat' non-federal resource profile over time" and a demonstration that the resource is sized to serve the load. POCCT-19-Grant at 3. Grant recommended this would result in the most accurate calculation. *Id.*

Grant extended its comment to Exhibit A Block and Slice/Block Section 7.1 Option 2 of the draft Master Template and requested that the requirement to match NLSLs to non-federal resources be "eliminated for Block and Slice/Block customers." POCCT-19-Grant, Attachment, Exhibit A at 14.

PPG requested Bonneville engage in further discussion regarding the "use of 'equal megawatt amounts for each hour in a year' for Committed Power Purchases in tables that identify non-federal resources serving New Large Single Loads . . ." in Exhibit A of the draft Master Template. POCCT-11-PPG at 1.

Evaluation and Decision

Grant commented that a CPP serving an NLSL should not be required to be provided in equal amounts across all hours of the year nor should its use be limited to the size of the load. POCCT-19-Grant, Attachment, Exhibit A at 10. PPG requested additional time to discuss why Bonneville requires CPPs serving NLSLs to be flat. POCCT-11-PPG at 1.

Bonneville agrees that a CPP serving an NLSL should not be required to be shaped in equal megawatt hour amounts in every hour in a year. Bonneville has allowed for unspecified resources serving an NLSL to be shaped under RD CHWM Contracts and had intended to continue this practice under the POC CHWM Contracts within the constraints established for CPPs. Bonneville changed the drafter's note ahead of Exhibit A Section 4 Option 2 of the Master

Template to acknowledge that a CPP amount can be shaped to monthly diurnal amounts to match a NLSL's, or planned NLSL's, load forecast.

Regarding Grant's request to not limit a resource to the size of the load, Bonneville declines to make an edit. See POCCT-19-Grant at 3. Bonneville addressed why it needs the resource to be limited to the size of load and why it needs the information in Issue 7.

Grant also requested that Bonneville not require that on-site consumer-owned resource amounts designated to serve NLSLs in Exhibit A be set equal to the NLSL and that the section be deleted entirely for planned product customers. *Id.* at 3, Attachment, Exhibit A at 14. Bonneville requires the data to ensure accurate planning to serve a customer's eligible net requirements load. How the resource actually operates and how the customer chooses to use that generation is up to the planned product customer pursuant to its POC CHWM Contract. However, Bonneville will require customers to provide that non-federal resource information and will not delete the section.

For Bonneville's response to PPG's request for further discussion, see Issue 10.

Bonneville did not change Exhibit A Block and Slice/Block Section 7.1 Option of the draft Master Template. Bonneville changed the drafter's note preceding Exhibit A Section 4 Option 2 of the Master Template as follows:

Option 2: Include the following if customer has a Planned NLSL or an NLSL. If customer is serving the Planned NLSL or NLSL with Specified Resources, use the tables and format from section 2, Option 2 above and complete sections 2(1)(A) - (C) for each resource (state "N/A" in the Tier 1 Allowance Amount cell). If customer is serving the Planned NLSL or NLSL with Committed Power Purchase Amounts, add a table using the table format in section 3.2 and fill out monthly Diurnal amounts based on the NLSL or Planned NLSL load forecast less any Specified Resources in section 4 serving such NLSL or Planned NLSL. Also describe in section 1.4 or 1.5 of Exhibit D how the resource listed below will match the Planned NLSL or NLSL.

Master Template Exhibit A § 4 at 17.

Issue 48: Should Bonneville add language to exclude resources not serving TRL?

Contract Proposal

The Block Section 3.1 Option 1 of the draft Master Template stated:

On a planning basis «Customer Name» shall serve the portion of its Total Retail Load that is not served with Firm Requirements Power with Dedicated Resources listed in sections 2, 3, and 4 of Exhibit A and Consumer-Owned Resources listed in sections 7.1, 7.3, and 7.4 of Exhibit A. Such amounts listed in Exhibit A are not intended to govern how «Customer Name» shall operate its Dedicated Resources.

Draft Master Template § 3.1 at 28.

The Exhibit A Block Section 1.2 Options 1 and 2 of the draft Master Template and the Exhibit A Slice/Block Section 1.2 of the draft Master Template described how Bonneville will establish the forecast of net requirements for a planned product customer, including how resources listed in Exhibit A will be treated. Draft Master Template Exhibit A § 1.2 at 2-3.

Exhibit A Section 7 of the draft Master Template stated, “[p]ursuant to section 3.6 of the body of this Agreement, «Customer Name» has one or more existing Consumer-Owned Resources that «Customer Name» shall designate and apply the output of such resource to load.” Draft Master Template Exhibit A § 7 at 136. The drafter’s note for Exhibit A Section 7.3 Option 2 of the draft Master Template stated:

Option 2: If customer has any existing Consumer-Owned Resources, delete the following at contract offer. If applicable, BPA will include the following as of September 30, 2026 if customer has Consumer-Owned Resources serving both On-Site Consumer Load and load other than On-Site Consumer Load. Complete sections (1)(A) – (D) below for each resource.

Draft Master Template Exhibit A § 7.3 at 15.

Public Comments

Seattle recommended that contract language be modified to “exclude resources or portions of resources that are not intended to serve Customer's Total Retail Load” for the following sections: (1) Exhibit A Block Section 1.2 Option 1 of the Draft Master Template; (2) Exhibit A Block Section 1.2 Option 2 of the Draft Master Template; (3) Exhibit A Slice/Block Section 1.2 of the Draft Master Template; (4) Exhibit A Section 7 of the Draft Master Template; and (5) the Block Section 3.1 Option 1 of the Draft Master Template. POCCT-22-Seattle 28, Exhibit A at 2-3, 12.

PPG requested “language clarifying that only the portions of [consumer-owned resources] applied to load should be identified as such.” PPG expressed concern that inclusion of a portion of a consumer-owned resource not being used to serve load could “inadvertently impact net requirements calculations.” POCCT-11-PPG at 1.

Grant requested clarification why Section 7.3 of the draft Master Template Exhibit A is deleted at offer if a customer has existing consumer-owned resources. POCCT-19-Grant, Attachment, Exhibit A at 15.

Evaluation and Decision

Seattle, PPG and Grant commented on different aspects of the contract terms applicable to non-federal resources not serving total retail load. Seattle requested the addition of language to make it clear throughout the contract that consumer-owned resources not serving total retail load would not be included in a customer’s net requirements determination. POCCT-22-

Seattle at 28, Exhibit A at 2-3, 12. PPG requested clarification of how consumer-owned resources would be applied if only a portion is dedicated to load. POCCT-11-PPG at 1. Lastly, Grant requested clarification on Exhibit A Section 7.3. POCCT-19-Grant, Attachment, Exhibit A at 15.

Bonneville will not update the sections requested by Seattle. As stated in Section 2, definitions, of the POC CHWM Contract, the non-federal resources included in those sections, by definition, are resources that are either dedicated or designated to serve TRL. Therefore, Bonneville does not believe that further edits are required to effectively exclude consumer-owned resources not serving TRL.

PPG requested details regarding what happens in the event that only a portion of a consumer-owned resource is dedicated to serve TRL. Section 3.6.5 of the POC CHWM Contract describes the requirements for consumer-owned resources that only partially serve TRL. These consumer-owned resources are documented in Exhibit A Section 7.3 of the POC CHWM Contract and that section includes tables documenting the maximum amount of the portion of the consumer-owned resource applied to load.

In response to Grant's request to clarify Exhibit A Section 7.3 regarding not including existing consumer-owned resources at contract offer, Bonneville agrees that the language as written would benefit from clarification. Bonneville's intention was to note that while consumer-owned resources would eventually be documented in Exhibit A, customers may need time beyond the date of contract offer to work with their consumers to determine whether to designate those resources to load for the POC contract period. However, this could be more clearly stated in the contract language and Bonneville changed the section to clarify the intent.

Bonneville did not change Exhibit A Block Section 1.2 Option 1 of the Master Template, Exhibit A Block Section 1.2 Option 2 of the Master Template, Exhibit A Slice/Block Section 1.2 of the Master Template, or Block Section 3.1 Option 1 of the Master Template.

Bonneville changed Exhibit A Section 7 of the Master Template, including the preceding drafter's note, as follows:

***Drafter's Note:** At contract offer, if customer has any existing Consumer-Owned Resources then (1) include the following paragraph and (2) use Option 2 below (intentionally left blank) for sections 7.1, 7.2 and 7.3. The following paragraph will be removed by September 30, 2026, when BPA updates sections 7.1, 7.2 and/or 7.3.*

Pursuant to section 3.6 of the body of this Agreement, «Customer Name» has one or more existing Consumer-Owned Resources. «Customer Name» shall designate such resource as serving On-Site Consumer Load, serving load other than On-Site Consumer Load, or serving both On-Site Consumer Load and load other than On-Site Consumer Load pursuant to section 3.6.1 of the body of this Agreement. By

September 30, 2026, BPA shall update sections 7.1, 7.2, or 7.3 with «Customer Name»'s designations and amounts for its existing Consumer-Owned Resources.

Master Template § 7 at 19.

Bonneville added a new Exhibit A Section 7.3 Option 2 in the Master Template and renumbered the prior Option 2 to Option 3. The new Option 2 is as follows:

Option 2: Include the following at contract offer if customer has existing Consumer-Owned Resources.

This section is intentionally left blank.

Master Template Exhibit A § 7.3 at 21.

18. Exhibit B Contract High Water Marks

Exhibit B of the POC CHWM Contract captures the customer's CHWM amount. It includes how a CHWM may be adjusted if Bonneville determines the CHWM load includes an NLSL or if a customer's service territory is ceded or annexed. It also documents if a customer qualifies for any subsequent CHWM adjustments for the following four adjustment categories: small utility, tribal utility, United States (U.S.) Department of Energy (DOE) Hanford, and CF/CT. Finally, the exhibit captures how a JOE's CHWM changes if a customer joins or an existing JOE member leaves the JOE.

Bonneville received comments on Section 1.2.1 regarding corrections for NLSLs and the U.S. DOE Hanford adjustment.

Issue 49: Should Bonneville limit the back billing for a load that was determined to be an NLSL?

Contract Proposal

Exhibit B Section 1.2.1 of the draft Master Template stated, in part:

In the event of an adjustment, «Customer Name» shall pay any charges calculated by BPA to account for the ineligible PF rate purchases dating back to October 1, 2028.

Draft Master Template Exhibit B § 1.2.1 at 2.

Public Comments

WPAG requested the following edit to Exhibit B Section 1.2.1 of the draft Master Template:

In the event of an adjustment, and subject to any applicable statutes of limitation, **«Customer Name»** shall pay any charges calculated by BPA to account for the ineligible PF rate purchase dating back to October 1, 2028.

POCCT-17-WPAG at 5. WPAG proposed language that would subject an adjustment made under Section 1.2.1 to any applicable statute of limitations that restricts “how far back parties, including BPA, can look back to bring contract-based claims.” *Id.*

Evaluation and Decision

WPAG recommended making back billing under Exhibit B Section 1.2.1 subject to any applicable statute of limitations. *Id.* Under Exhibit B Section 1.2.1, Bonneville must reduce a customer’s CHWM if Bonneville determines the customer received CHWM in the FY 2026 CHWM calculation for load that was or became an NLSL in FY 2023. If this occurs, Bonneville will notify the customer of the CHWM adjustment and back bill the customer to account for power the customer purchased from Bonneville at a PF rate for load that was not eligible to be included in the calculation of the customer’s CHWM. While Bonneville believes it is reasonable to reduce a customer’s CHWM pursuant to this section during the POC contract period, Bonneville agrees it is appropriate to limit the back billing to any applicable statute of limitations.

Bonneville changed Exhibit B Section 1.2.1 of the Master Template as follows:

In the event of an adjustment, and subject to any applicable statutes of limitation, **«Customer Name»** shall pay any charges calculated by BPA to account for the ineligible PF rate purchases dating back to October 1, 2028.

Master Template Exhibit B § 1.2.1 at 2.

Issue 50: Should Bonneville increase the U.S. DOE Richland subsequent CHWM adjustment?

Contract Proposal

The draft Master Template Exhibit B Section 1.2.6 for U.S. DOE Richland stated, in part:

1.2.6.3 The total cumulative increase in **«Customer Name»**’s CHWM over the term of this Agreement shall be limited to the difference between 36.539 aMW and **«Customer Name»**’s CHWM prior to any subsequent CHWM adjustment.

...

1.2.6.6 For purposes of the Tier 1 Marginal Energy True-Up rate, **«Customer Name»**’s CHWM shall be 36.539 aMW.

Draft Master Template Exhibit B § 1.2.6 at 7.

Public Comments

The United States Department of Energy Hanford Field Office (DOE HFO) requested Bonneville increase the U.S. DOE Richland subsequent CHWM adjustment. DOE HFO requested, “(1) that the Hanford Site’s CHWM be set at the appropriate time to 60 aMW, and (2) the Contract Template is revised as appropriate, including . . . sections 1.2.6.3 and 1.2.6.6 in the HFO option of the Provider of Choice Contract Template” POCCT-01-DOE-HFO at 2. DOE HFO stated the POC Policy decision to cap its adjustment at 36.539 aMW was “a significant decrease from the 70 aMW contemplated in the Draft POC Policy and well below HFO’s forecasted needs.” *Id.* at 1.

DOE HFO commented that “[t]he Hanford Site, once a crucial component of the United States’ nuclear production infrastructure, is now among the most contaminated nuclear sites in the country.” *Id.* at 1. DOE HFO expanded on the environmental imperatives, health and safety concerns, economic risks, and national security concerns associated with cleanup of the Hanford Site. DOE HFO argued that “timely advancing the Hanford Site cleanup mission is not merely a regional concern but a national imperative. It is a critical step towards ensuring public health, economic vitality, and fulfilling our national commitments to future generations.” *Id.* at 3.

Clatskanie People’s Utility District (Clatskanie), NRU, and PPC commented in support of Exhibit B of the draft Master Template as published. Clatskanie stated that it does not “support any reallocation of CHWM or cost by virtue of purpose or argument of need.” POCCT-13-Clatskanie at 1. PPC commented that the “Draft Master Contract Template equitably implements the Provider of Choice Policy.” POCCT-32-PPC at 5. PPC stated that DOE-HFO should be limited to the POC Policy amount as it already receives a “unique CHWM adjustment of roughly 20MW that is not available to any other BPA customer.” POCCT-32-PPC at 5. NRU urged Bonneville to calculate every customer’s CHWM consistent with the Provider of Choice Policy and the CHWM Implementation Policy. POCCT-14-NRU, Attachment, Exhibit B at 1. NRU stated that “[a]llowing DOE-Richland to recover CHWM headroom as its load grows represents a special accommodation” that would result in a “direct and unacceptable cost shift to all other preference utilities and their end-use customers” *Id.*

Clatskanie and NRU also noted that limiting the subsequent CHWM adjustment does not limit the amount of power DOE-HFO could purchase from Bonneville, just the rate at which that power would be priced. POCCT-13-Clatskanie at 1; POCCT-14-NRU, Attachment, Exhibit B at 1. PPC argued, “to the extent that Tier 1 rates are more stable and generally lower than Tier 2 rates, PPC’s perspective is that northwest ratepayers should not be required to disproportionately bear the burden of important national environmental mitigation efforts.” POCCT-32-PPC at 5.

Evaluation and Decision

DOE HFO requested Bonneville increase the U.S. DOE Richland subsequent CHWM adjustment. POCCT-01-DOE-HFO at 2. Clatskanie, NRU and PPC commented that Bonneville should maintain the draft Master Template Exhibit B language, with NRU and PPC more explicitly stating the U.S. DOE Richland adjustment should not change. POCCT-13-Clatskanie at 1; POCCT-14-NRU, Attachment, Exhibit B at 1; POCCT-32-PPC at 5.

Bonneville notes that U.S. DOE Richland and DOE HFO are the same entity. U.S. DOE Richland formally changed its name to U.S. DOE Hanford Field Office on September 25, 2024, after the POC Policy was published. For consistency with the POC Policy, Bonneville used US DOE Richland in the title of the subsequent CHWM adjustment in the POC CHWM Contract; however, after receiving comments on the adjustment, Bonneville believes there could be some confusion regarding which entity it applies to. Bonneville changed the title for the applicable Exhibit B Section 1.2.6 of the Master Template to the new name, “U.S. DOE-Hanford,” and all future references will use the updated title.

The DOE HFO, Hanford, Wash., site (Hanford Site) has a long and significant history in the Pacific Northwest. Bonneville recognized the site’s importance in the RD Policy where Bonneville provided a CHWM adjustment of up to 70 aMW to “support the ongoing high priority defense materials production and waste processing/disposal activities” RD Policy § II.B.3 at 11. This adjustment was in addition to the roughly 22 aMW of CHWM that DOE HFO qualified for prior to the anticipated vitrification load increase that prompted the adjustment, allowing DOE HFO to grow up to a 92 aMW CHWM.

Responsible stewardship of hazardous and nuclear waste at the Hanford Site directly impacts the Columbia River basin. DOE-HFO explained, “[t]he Hanford Site clean up is a matter of national responsibility, reflecting a commitment to address the environmental legacy of past defense activities.” POCCT-01-DOE-HFO at 2. Since finalization of the POC Policy, and after more than four years of mediated negotiations, U.S. DOE, the State of Washington Department of Ecology, and the U.S. Environmental Protection Agency finalized an agreement, referred to as the Holistic Agreement. The Holistic Agreement renews clean-up efforts and sets a course for the U.S. to fulfill its responsibility to remediate the Hanford site.

As part of U.S. DOE, Bonneville supports DOE HFO’s dedication to responsible stewardship of hazardous and nuclear materials, which was one of the key points Bonneville made in defense of maintaining a vitrification load adjustment in the POC Policy ROD. POC Policy ROD § 2.4.2 at 153. DOE HFO shared the environmental imperative to reduce the “risk of leaks and contamination of the Columbia River . . .” and the economic risk of contamination on agricultural commodities. POCCT-01-DOE-HFO at 1-2. DOE HFO’s comment also highlighted the risks presented by leaks and contamination to public health, work safety, and national security. *Id.* Bonneville was compelled by the severity of the potential consequences if remediation efforts are not prioritized and reconsidered the cap on the adjustment.

Bonneville changed Exhibit B Section 1.2.6 of the Master Template to increase the subsequent CHWM adjustment drafted for U.S. DOE HFO. With the Holistic Agreement in place, the region will benefit from environmental clean-up and responsible stewardship of hazardous and nuclear waste. As part of its ongoing regional support of environmental clean-up efforts that affect the Columbia River basin, Bonneville supports DOE HFO's efforts. Bonneville intends to serve DOE HFO's on-site defense materials production and waste processing/disposal loads when they are operational. Bonneville will allow increases from DOE HFO's initial CHWM, as needed and up to a total of 60 aMW, to reflect increases in its load associated with on-site defense materials production and waste processing/disposal. Bonneville will augment its PF Tier 1 resources as necessary and include the costs of purchased power or acquired resources in the PF Tier 1 rates.

Bonneville recognizes that three commenters requested no change to Exhibit B of the draft Master Template, with two going so far as to specifically call out the adjustment in question. As a subsequent CHWM adjustment, DOE HFO will receive additional CHWM through the Above-CHWM Load Process if its forecast shows its load will exceed its initial CHWM. This adjustment is not an upfront set-aside, thus there will be no impact to other customers' CHWMs set in the FY 2026 CHWM calculation. If the load materializes, DOE HFO will be eligible to purchase up to 60 aMW of power, total, at a PF Tier 1 rate.

NRU argued that granting any increase to the adjustment would result in a "direct and unacceptable cost shift to all other preference utilities and their end-use customers." POCCT-14-NRU, Attachment, Exhibit B at 1. Bonneville acknowledges that if DOE HFO's vitrification load grows, it would receive CHWM, which will increase the amount of power that Bonneville is obligated to serve at a PF Tier 1 rate. Bonneville recognizes there is a potential cost shift but the timing and extent of such a cost shift is unknown and the adjustment includes a cap to provide a cost control measure. Additionally, Bonneville may have an adequate supply to serve the growing load without needing to procure additional power, or procured power could have a neutral effect on the PF Tier 1 rates. Bonneville recognizes that raising the cap on DOE HFO's adjustment is a departure from its POC Policy decision, but believes the change is warranted by the high priority nature of the load, particularly due to national security, health, and safety concerns.

Bonneville presented the contract change during the May 21, 2025 workshop. Representatives from Clatskanie, Northern Wasco, and PPC commented at the workshop. Northern Wasco requested Bonneville clarify whether the change would impact other customers' CHWMs in the FY 2026 CHWM calculation; Bonneville confirmed that it would not. PPC requested Bonneville explain why it changed the adjustment cap from the amount set in the POC Policy; Bonneville explained that it had received comments on both sides, weighed those arguments, and determined the change was warranted. Finally, Clatskanie commented it was concerned that the change created a precedent for dissimilar treatment of customers or loads in the future. Bonneville did not respond to the comment in the workshop but clarifies here that this

adjustment is part of the limited subsequent CHWM adjustments which will be implemented through the CHWM Implementation Policy⁶¹ and/or a customer's POC CHWM Contract. Any further changes to a customer's CHWM will be pursuant to the provisions in a customer's POC CHWM Contract and as permitted in Section 3.5 of the CHWM Implementation Policy.

Bonneville evaluated whether to make further changes following the workshop. Bonneville decided to keep the language as presented at the May 21, 2025 workshop.

Bonneville has updated the Master Template Exhibit B Section 1.2.6 for the U.S. DOE Richland option title to U.S. DOE-Hanford. The option has been updated to read, in part:

1.2.6.3 The total cumulative increase in «Customer Name»'s CHWM over the term of this Agreement shall be limited to the difference between 60.000 aMW and «Customer Name»'s CHWM prior to any subsequent CHWM adjustment.

...

1.2.6.6 For purposes of the Tier 1 Marginal Energy True-Up rate, «Customer Name»'s CHWM shall be 60.000 aMW.

Master Template Exhibit B § 1.2.6 at 7.

19. Exhibit C Purchase Obligations

Exhibit C of the POC CHWM Contract covers purchase obligations. This exhibit includes the firm requirements power at a PF Tier 1 rate for the Load Following product, Block product, and the block portion of the Slice/Block product. The standalone Block purchase obligation includes requirements for each of the six variations of the block product that includes: (1) annual flat block, (2) diurnally shaped monthly block, (3) flat monthly block, (4) flat monthly block with 10% shaping capacity, (5) flat monthly block with PNR shaping capacity, and (6) flat monthly block with PNR shaping capacity with PLVS. The Slice/Block purchase obligation includes requirements for the variations the customer can elect for the block portion of the product that include: (1) a flat annual shape, or (2) a flat within-month shape.

Exhibit C also covers the details for a customer's choice to purchase firm requirements power at a PF Tier 2 rate. The exhibit captures the customer's election of one of the following: (A) all PF Tier 2 long-term rate option, (B) fixed PF Tier 2 long-term rate option then flexible option, (C) fixed flexible option then PF Tier 2 long-term rate option, or (D) all flexible option.

Bonneville received comments on Section 1.2.1.2 regarding block monthly shaping factors, Section 1.4.8.2 that covers PLVS events, and Section 2.4 on the PF Tier 2 short-term rate.

⁶¹ Bonneville anticipates that the CHWM Implementation Policy will be published at the same time of this ROD and will be available on the POC webpage.

Issue 51: Should Bonneville change how it determines monthly block shaping factors?

Contract Proposal

Exhibit C Block Option 2 Section 1.2.1.2 of the draft Master Template stated:

1.2.1.2 Calculation of Monthly Shaping Factors

BPA shall calculate «Customer Name»'s Monthly Shaping Factors as follows: (1) the "monthly shape numerator" for each month, divided by (2) the "monthly shape denominator".

Where:

"monthly shape numerator" equals the greater of (1) zero or (2) "monthly load value" for the corresponding month minus the average of «Customer Name»'s Dedicated Resource amounts for that month and for all months within both years of the applicable Rate Period as listed in section 2 of Exhibit A, expressed in MWh; and

"monthly shape denominator" equals (1) the "annual load value," minus (2) the average of «Customer Name»'s Dedicated Resource amounts for all months within both years of the given Rate Period as listed in section 2 of Exhibit A, expressed in MWh.

Draft Master Template Exhibit C § 1.2.1.2 at 3.

Public Comments

PNGC requested the following change be made to the Exhibit C Block Option 2 Section 1.2.1.2 of the draft Master Template:

1.2.1.2 Calculation of Monthly Shaping Factors

BPA shall calculate «Customer Name»'s Monthly Shaping Factors as follows: (1) the "monthly shape numerator" for each month, divided by (2) the "monthly shape denominator".

Where:

"monthly shape numerator" equals the greater of (1) zero or (2) "monthly load value" for the corresponding month minus the average of «Customer Name»'s Dedicated Resource amounts for that month and for all months within both years of the applicable Rate Period as listed in section 2 of Exhibit A, expressed in MWh, minus the average of «Customer Name»'s Tier 2 amounts for that month and for all months within both years of the applicable Rate Period as listed in section 2 of Exhibit A, expressed in MWh; and

POCCT-08-PNGC at 6. PNGC commented that it did not believe that the contract as written met the intent of the POC Policy ROD to “offer a block product that reshapes a customer’s annual net requirements into a forecast shape of its monthly net requirements.” *Id.* at 4. PNGC stated that, for a customer with Above-CHWM load, the edit is needed so that “monthly Block energy shapes . . . track much more closely with the customer’s forecasted monthly net requirement . . .” *Id.* at 6.

Evaluation and Decision

PNGC requested that Bonneville subtract PF Tier 2 amounts when determining monthly block shaping factors. PNGC asserted that the intent of monthly block shaping factors is to “reshape[] a customer’s annual net requirement into a forecast shape of its monthly net requirement.” *Id.* at 4. Bonneville declines to make this change.

The draft Master Template intentionally diverges from Section 3.3 of the POC Policy regarding how frequently customers may recalculate their block shape; the draft Master Template allows customers to recalculate their block shape on a rate period basis. Section 3.3 of the POC Policy stated, “Bonneville will allow customers one recalculation of their block shape during the contract period.” POC Policy § 3.3 at 30. In Issue 84 of the POC Policy ROD, Bonneville weighed requests for more frequent refinement of block monthly shaping factors but ultimately maintained its one-time change option due to the administrative burden assuming it rolled over the RD methodology for determining the shaping factors. POC Policy ROD § 4.2 at 177.

In an April 16, 2024, workshop,⁶² Bonneville started discussions about the timing of the one-time change. Bonneville also discussed the merits of maintaining the RD approach of weather normalizing the data before applying shaping factors or whether Bonneville should move to adopting non-weather normalized actuals. Bonneville signaled that it could consider more frequent block reshaping if using non-weather normalized actuals because the administrative burden would be significantly reduced despite increased calculation frequency.

During the policy implementation and contract development phase workshops, Bonneville received feedback, including a request to use forecasts in lieu of actual data for the determination. Interested parties argued that forecasts better capture upcoming changes in load and so the calculation of monthly block shaping factors should use forecast data to maximize the fit of the block. In workshops in May, June, and July of 2024, Bonneville reaffirmed that the monthly shaping factors must be based on actual data. Forecasts provided to Bonneville are not appropriate to use for the determination because they may include changes in loads that do not manifest and will therefore not align with actual load. Bonneville intends the monthly block shaping factors to provide flexibility justified by observable historical trends while preserving the benefits of a planned product for Bonneville and customers.

⁶² The April 16, 2024, workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/block-product-workshop.pdf>.

Ultimately, Exhibit C Block Option 2 Section 1.2.1 of the draft Master Template stated that Bonneville would recalculate block shaping factors on a rate period basis, leveraging the four fiscal years of historical data prior to the fiscal year it performs the calculation. Draft Master Template Exhibit C § 1.2.1 at 2. Bonneville determined that increasing the frequency of the block shaping factor calculation maximizes flexibility while preserving the benefits of offering a planned product. Bonneville received no comments on the provision and has adopted the provision as drafted in the draft Master Template.

PNGC misinterprets the POC Policy and POC Policy ROD. Bonneville is only obligated to meet a planned product customer's annual net requirement. Bonneville recognized that, for power purchased at a PF Tier 1 rate, a flat annual block that delivers equal amounts of power across the year may not be the best fit for some planned product customers. The POC Policy stated that Bonneville would offer a "shaped block, which reshapes the customer's annual net requirements amounts into the forecast shape of its monthly net requirements." POC Policy §3.3 at 30. In the POC Policy ROD, Bonneville explained that "[t]he Block product is not meant to supply such flexibility; it is intended as a flat block of power" in response to requests that Bonneville provide shapes to meet capacity and flexibility customers "may require." POC Policy ROD § 4.2 at 176. The monthly shaping factors do not obligate Bonneville to meet the planned product customer's forecasted monthly net requirement.

Bonneville did agree that it was reasonable to refresh the block shape to "more accurately reflect changes that may occur in customer loads over time and provides product flexibility." *Id.* § 4.2 at 177. Bonneville's intent was to acknowledge that customers' actual loads could change over time and that it was willing to reconsider allowing customers the opportunity to reshape their block amounts based on those actual changes. The draft Master Template Exhibit C implementation of monthly shaping factors aligns with the intent of the POC Policy ROD to offer customers flexibility within the context of a planned product.

PNGC's interpretation posits that a planned product, specifically the Block product, is designed to meet a customer's monthly net requirement. If this was the case, then this would represent a fundamental shift in the benefits and costs to Bonneville offering planned products. Bonneville benefits by offering planned products because customers take on the risk of meeting their loads in any given month or hour; customers benefit from the flexibility of integrating their non-federal resources and assessing their own risk tolerance. PNGC's request envisions a planned product that provides flexibility yet also includes the benefit of guaranteed monthly net requirement service as provided by the Load Following product.

Bonneville appreciates the concerns PNGC raised regarding the potential for a disparity created by a customer having a significant amount of Above-CHWM load. However, PNGC's analysis did not recognize that the deviations described as a calculation error are well within the normal range of the natural deviations between forecasted annual net requirement load and actual load. The deviations that PNGC described in its comment would need to be assessed along with natural deviations between forecasted and actual loads as well as rounding deviations that

occur at several points during the calculation of a Block customer's net requirement and final PF Tier 1 block amounts. PNGC is correct that all of these deviations grow in magnitude the larger a customer's net requirement is, but that is just a result of shaping a larger annual number into monthly megawatt-hour amounts. Larger planned product customers experienced similar deviations between their forecasted net requirement and actual load during RD. Bonneville is offering the shaping options as a tool available to planned product customers to shape their block from a flat annual amount, not as a product feature guaranteeing service to meet customers' monthly net requirements.

PNGC also asserted in its comment that it had requested changes to how Bonneville proposed to calculate monthly block shaping factors in multiple workshops. POCCT-08-PNGC at 5. Bonneville acknowledges the request; however, no other commenter supported the changes. Rather, several customers in workshops commented in support of the calculation as described and adopted. Bonneville discusses how it reviewed and adopted proposals during the policy implementation and contract development phase in Issue 75.

Bonneville did not change Exhibit C Block (Template Option 1) Option 2 Sections 1.2.1 and 1.2.1.2 or Exhibit C Block (Template Option 2) Option 2 Section 1.2.1 and 1.2.1.2 of the Master Template.

Issue 52: Should Bonneville change Exhibit C Section 2.4 Option 1 to align with how Section 2.1 Above-CHWM Option B will operate?

Contract Proposal

Exhibit C Section 2.4 Option 1 of the draft Master Template stated in part:

If «Customer Name» elects option B under section 2.1, then the amount of Firm Requirements Power «Customer Name» may request to purchase at the Tier 2 Short-Term Rate shall not exceed the amount of «Customer Name»'s Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, and shall not exceed the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

Draft Master Template Exhibit C § 2.4 at 32.

Public Comments

WPAG proposed the following edits to Exhibit C Section 2.4 of the draft Master Template:

If «Customer Name» elects option B under section 2.1, then the amount of Firm Requirements Power «Customer Name» may request to purchase at the Tier 2 Short-Term Rate shall not exceed the amount of «Customer Name»'s Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, and

~~shall not~~ exceed the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

POCCT-17-WPAG at 6-7. WPAG provided clarifying edits to “match how Option B under § 2.1 will function.” *Id.* at 7.

Evaluation and Decision

WPAG commented that language in Exhibit C Section 2.4 should be changed to accurately reflect how Exhibit C Section 2.1 Option B will function. *Id.* at 6-7. Bonneville agrees that the draft Master Template language did not accurately capture the calculation of a customer’s fixed PF Tier 2 long-term amounts for purposes of determining the amount of power at a PF Tier 2 short-term rate a customer may request to purchase under Exhibit C Section 2.4. Exhibit C Section 2.4 is intended to establish the amount of power at a PF Tier 2 short-term rate a customer may purchase. The draft Master Template mistakenly stated that the amount of power a customer may request to purchase at a PF Tier 2 short-term rate cannot exceed the fixed amount of power purchased at a PF Tier 2 long-term rate. The language should, instead, specify that if a customer elects Exhibit C Section 2.1(2), the amount of power a customer may request to purchase at a PF Tier 2 short-term rate is the amount of the customer’s Above-CHWM load that exceeds the fixed amount of power at a PF Tier 2 long-term rate the customer specified under Exhibit C Section 2.1(2).

Bonneville signaled it would accept WPAG’s edits in the May 21 draft template. *See* May 21 draft template, Exhibit C at 32 and 36. Upon final review, Bonneville determined it would add additional details to clarify the provision’s operation. Bonneville changed Exhibit C Section 2.4 Option 1 of the Master Template as follows:

If «Customer Name» elects option B under section 2.1, then the amount of Firm Requirements Power «Customer Name» may request to purchase at the Tier 2 Short-Term Rate shall not exceed the difference between «Customer Name»’s Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, and the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

Master Template Exhibit C § 2.4 at 58. For JOEs, Bonneville mistakenly adjusted Exhibit C Section 2.3 Option 2 in the Master Template instead of Exhibit C Section 2.4 Option 2. In the contract offer version of the template, Bonneville removed the incorrect language from Exhibit C Section 2.3 Option 2 and changed Exhibit C Section 2.4 Option 2 to align with the changes in Exhibit C Section 2.4 Option 1.

Issue 53: Should Bonneville increase the number of PLVS events for a JOE?

Contract Proposal

Section 1.4.8.2 of the draft Exhibit C – JOE Planned Product⁶³ stated, in part:

BPA shall calculate the number of PLVS Events that «Customer Name» may use each Fiscal Year as follows, rounded to nearest whole number:

PLVS Events: $(6 \times \text{JOE Ratio}) + 1$

*JOE Ratio = Sum of each «Customer Name» Member's Highest Monthly TRL peak
÷ Highest Monthly P50 JOE Coincidental TRL Peak*

Draft Exhibit C – JOE Planned Product § 1.4.8.2 at 16.

Public Comments

PNGC requested Bonneville change how it determines the number of PLVS events a JOE may use and proposed the following edits to Exhibit C Option 2 Section 1.4.8.2:

BPA shall calculate the number of PLVS Events that «Customer Name» may use each Fiscal Year as follows, rounded to nearest whole number: PLVS Events: $(6 \times \text{JOE Ratio}) + \underline{16}$

JOE Ratio = Highest Monthly P50 JOE Coincidental TRL Peak / Sum of each «Customer Name» Member's Highest Monthly TRL peak

POCCT-35-PNGC at 1-2. PNGC stated that change “would increase the number of events when there is less coincident peak benefit, a generally beneficial outcome.” *Id.* at 2.

Evaluation and Decision

PNGC requested two edits to Exhibit C Option 2 Section 1.4.8.2. *Id.* at 1-2. The proposed edits would result in a JOE qualifying for up to 12 PLVS events. Bonneville declines to make the changes requested but will clarify the operational intent of the section.

PLVS was designed as an add-on to the flat monthly block with PNR shaping capacity product and is intended to provide additional capacity in a limited number of events, similar to an insurance product. With planned products – such as annual flat block or flat monthly block with PNR shaping capacity – the customer has the obligation to meet its peak loads. Due to the nature of a planned product, PLVS provides limited peak coverage, with the customer retaining the requirement to meet hour-to-hour loads. Under the PLVS product for non-JOE customers, a customer receives up to “six PLVS Events” each FY. Master Template Exhibit C §1.4.8.2 at 28. That is, a customer may call upon Bonneville up to six times each FY (with appropriate notices),

⁶³ The draft Exhibit C – JOE Planned Product is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/draft-contract/joe-exhibit-c-section-1.docx>.

to provide additional energy to help meet the customer's peak load under certain circumstances.

A JOE is a unique statutory customer that is "lawfully organized under State law as a public body or cooperative prior to" September 2000, and whose members are "two or more public bodies or cooperatives, each of which was a customer of the Bonneville Power Administration on or before January 1, 1999." 16 U.S.C. § 839c(b)(7)(A). PNGC is Bonneville's only recognized and operating JOE at this point in time. In developing the POC CHWM contract provision for the PLVS product for a JOE, Bonneville took into consideration a JOE's unique characteristics.

Given that a JOE is comprised of a collection of Bonneville customers, each with their own unique system peaks, Bonneville agrees that an increase to the number of PLVS events a JOE may utilize when meeting the collective peak of its member utilities may be appropriate. PNGC suggested this number be increased with a cap of 12 events. POCCT-35-PNGC at 2. Bonneville declines to adopt this recommendation. Increasing the potential number of PLVS events to 12 would place a heavier burden on Bonneville to meet a JOE's collective peak needs, which runs counter to the purpose and objective of planned products. If a JOE decides to purchase a planned product, the JOE – not Bonneville – should be taking steps to meet the peak loads.

At the same time, Bonneville acknowledges that a JOE is in a unique position. With a JOE's members potentially located throughout the Pacific Northwest, meeting these peak loads present different challenges and considerations than with individual customer utilities. Thus, Bonneville agrees that a JOE's use of the PLVS product should be calibrated to the JOE's unique circumstance.

To that end, Bonneville proposed to use a JOE ratio that compared the JOE's peak load to its members' aggregate peak loads, which may occur at different times within any given month. Bonneville reasoned that the ratio could be 1 if a JOE's members were located in the same region with similar peak load drivers, or greater than 1 if a JOE's members had diverse peak load drivers or diverse weather areas. Bonneville proposed to use this ratio to determine the number of PLVS events a JOE could have by taking that ratio and multiplying by 6, the number of events for non-JOE customers. Under this proposal, the JOE's PLVS events could increase to around eight total events.

PNGC proposed a JOE ratio that swapped the numerator and denominator that Bonneville proposed. *Id.* at 2. By making the P50 JOE coincidental TRL peak the numerator, PNGC's proposal would make it more likely that the ratio would result in less than one, with the resulting effect that the JOE could receive *fewer* than six PLVS events. Given that this outcome puts the JOE in a worse position than other customers, Bonneville declines to make the edit as it changes the intent of the ratio.

Bonneville's intention was that a JOE would qualify for at least six PLVS events, which would place it in the same position as a non-JOE customer, while also giving it the opportunity to receive more PLVS events under certain circumstances. Bonneville recognizes that the draft

Exhibit C – JOE Planned Product language was not clear on this point and, while highly unlikely, could result in a JOE receiving less than six events. Bonneville has changed the POC CHWM Contract to ensure that a JOE will have a minimum of six events.

Bonneville changed Exhibit C Template Option 2 Section 1.4.8.2 Option 3 of the Master Template, in part, as follows:

BPA shall calculate the number of PLVS Events that «Customer Name» may use each Fiscal Year as follows, to be the greater of (1) 6 or (2) 6 times the JOE Ratio plus 1, as stated in the equation below, and rounded to the nearest whole number:

$$PLVS\ Events: = \max (6, ((6 \times JOE\ Ratio) + 1))$$

Master Template Exhibit C § 1.4.8.2 at 33.

Issue 54: Should Bonneville clarify how PLVS will be accredited for WRAP?

Contract Proposal

The draft Exhibit C – JOE Planned Product language did not discuss how PLVS will be accredited for WRAP.

Public Comments

PNGC requested that Bonneville clarify whether WRAP accreditation for PLVS “would be based upon an updated calculation of events” and to include contract language addressing the issue. POCCT-35-PNGC at 2.

Evaluation and Decision

PNGC requested that Bonneville clarify in the POC CHWM Contract how the number of PLVS events would impact a customer’s WRAP accreditation. *Id.* Bonneville declines to make the edit.

Bonneville does not define in the POC CHWM Contract how a planned product customer’s purchases would be treated for WRAP accreditation purposes. The Block and Slice/Block Section 22 of the POC CHWM Contract requires Bonneville to provide a “signed Joint Contract Accreditation Form (JCAF) from BPA for its purchases under this Agreement relevant to WRAP” when requested. Master Template § 22.1.1 at 135. Bonneville did not commit to what the WRAP accreditation is for each planned product as the WRAP accreditation methodology may change over time and that could impact the amount of QCC a product qualifies for.

Bonneville discussed what it anticipated WRAP accreditation for planned products to look like during workshops. Bonneville discussed the PLVS WRAP accreditation at the December 18,

2024, workshop.⁶⁴ PLVS will provide some accreditation, but will be limited based on the JOE's election under Exhibit C Section 1.4.8. Limitations include such details as the seasonal availability of PLVS and the number of events. If a JOE had more than six PLVS events as a result of the calculation in Exhibit C Template Option 2 Section 1.4.8.2, the accreditation would likely be higher than if the PLVS events were set at six. The accreditation will be dependent on the methodology Bonneville applies and the WRAP rules for determining accreditation.

Bonneville will maintain its approach to determining WRAP accreditation values and work with planned product customers who request JCAFs. Bonneville did not change Exhibit C Template Option 2 Section 1.4.8 of the Master Template.

20. Exhibit D Additional Products and Special Provisions

Exhibit D of the POC CHWM Contract documents customer's CF/CT loads, as well as its NLSLs and planned NLSLs and supporting information and elections. Exhibit D also includes irrigation rate discount information and transfer customers' CPP amount market exchange provisions. Each customer's individual POC CHWM Contract Exhibit D also contains any unique and special provisions agreed to by Bonneville and the customer.

In the POC Policy, Bonneville stated that it "will continue to require Slice/Block customers to use dedicated resources to serve NLSLs." POC Policy § 4.2 at 35. During the policy implementation and contract development phase, Bonneville introduced contract language that applied this requirement to all variations of the Block product, consistent with the treatment of NLSLs under RD. Bonneville acknowledged it had intended to extend the requirement to cover all customers taking a planned product, including the Block product, in the POC Policy. Parties commented that Bonneville should allow a Block customer the option to purchase power from Bonneville at an NR rate to serve its NLSL because Bonneville did not set out the requirement for Block customers to use dedicated resources in the POC Policy. Bonneville declined the edit. Bonneville received no comments on this issue during its formal comment period and adopted the requirement for all planned products.

In Issue 122 of the POC Policy ROD, Bonneville described that it would work to "clarify Power Services obligation to secure, pay for, and provide capacity over the portion of the Bonneville Transmission system associated with Southern Intertie deliveries to transfer customers" POC Policy ROD § 7 at 256-57. During the policy implementation and contract development phase, Bonneville explored this topic and decided that continued use of the Southern Intertie for transfer service customers, as done in RD, was appropriate for the POC contract period. In support of this approach, Bonneville found: (1) that Power Services' role as a transmission customer allows for simple and effective acquisition of capacity from transmission providers, third-party or Bonneville Transmission, (2) that the cost of this capacity is similar to the cost of

⁶⁴ The December 18, 2024, workshop material is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/20241218-plvs.pdf>.

transfer service in terms of its justification to deliver power from the Federal Columbia River Power System (FCRPS) to load, and (3) that the rate and contract structure that underlays the capacity allocation of the intertie among owners is complex as under RD. This approach will be codified in the impacted customer's POC CHWM Contract's Exhibit D as a unique and special provision.

Bonneville only received comments on Exhibit D Load Following Section 1.8 regarding liquidated damages for planned NLSLs.

Issue 55: Should Bonneville amend its NLSL calculation?

Contract Proposal

Exhibit D Load Following Section 1.8 of the draft Master Template addressed how Bonneville will calculate liquidated damages for planned NLSLs and stated, in part:

If a consecutive 12-month monitoring period for a Planned NLSL spans two Fiscal Years, then at the end of the second Fiscal Year, BPA shall calculate liquidated damages for the load at each facility for each Fiscal Year of the consecutive 12-month monitoring period by multiplying the applicable Planned NLSL liquidated damages rate by the lesser of: (1) the portion of the megawatt hours measured at each facility in the applicable Fiscal Year and (2) **Customer Name**'s CHWM minus **«Customer Name»**'s Actual Annual Tier 1 Load for the applicable Fiscal Year.

Draft Master Template Exhibit D § 1.8 at 10.

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WPAG requested Bonneville add the language "less any Cumulative Prior Load" to the calculation of liquidated damages in Exhibit D Load Following Section 1.8 of the draft Master Template. POCCT-17-WPAG at 7. WPAG explained that the addition "is consistent with the immediate prior paragraph in § 1.8, which would likewise subtract any Cumulative Prior Load for a monitoring period coinciding with a single Fiscal Year." *Id.*

Evaluation and Decision

WPAG commented that the liquidated damages calculation included in Exhibit D Load Following Section 1.8 was incorrect and proposed edits to align the language with a similar calculation included in the same section. *Id.* Bonneville reviewed the section and agrees with WPAG that the calculation for determining liquidated damages for a consecutive 12-month monitoring period should remove any cumulative prior loads whether that monitoring period spans two fiscal years or a single fiscal year.

Bonneville changed Exhibit D Load Following Section 1.8 of the Master Template to read as follows:

If a consecutive 12-month monitoring period for a Planned NLSL spans two Fiscal Years, then at the end of the second Fiscal Year, BPA shall calculate liquidated damages for the load at each facility for each Fiscal Year of the consecutive 12-month monitoring period by multiplying the applicable Planned NLSL liquidated damages rate by the lesser of: (1) the portion of the megawatt-hours measured at each facility in the applicable Fiscal Year less any Cumulative Prior Load for such facility and (2) «Customer Name»'s CHWM minus «Customer Name»'s Actual Annual Tier 1 Load for the applicable Fiscal Year.

Master Template Exhibit D § 1.8 at 10.

21. Exhibit F Scheduling and Transmission Scheduling Services

Exhibit F of the POC CHWM Contract covers scheduling requirements and includes those specific to TSS. The exhibit includes multiple options that vary by product election, whether the customer is directly connected to Bonneville or served by transfer service, and the type of Bonneville Transmission contract they hold. The title of Exhibit F may vary as there are two options: (1) Transmission Scheduling Services and (2) Scheduling.

Bonneville received comments on Exhibit F Load Following Section 4.3.3.3 Option 1 regarding the termination of transmission curtailment management service (TCMS). Bonneville did not receive comments on any other subsection in Exhibit F.

Issue 56: Should Bonneville terminate TCMS coverage for a dedicated resource if a firm service option from a third-party transmission provider is declined, invalidated, or withdrawn by the customer?

Contract Proposal

Exhibit F Load Following Template Option 1 Section 4.3.3.3 Option 1 of the draft Master Template stated:

If, consistent with section 4.3.3.1.3 above, BPA is providing TCMS coverage to «Customer Name» for a Dedicated Resource that has not been granted firm network transmission by Transmission Services and a request for firm network transmission for such Dedicated Resource is withdrawn, or if such request is declined or invalidated without a timely resubmission of a similar request, then «Customer Name» shall notify BPA immediately and BPA shall terminate the provision of TCMS for «Customer Name»'s Dedicated Resource ten Business Days after such notification.

If, consistent with section 4.3.3.1.3 above, BPA is providing TCMS coverage to «Customer Name» for a Dedicated Resource that has not been granted firm network transmission and BPA offers a revision to Exhibit J to add such resource

to «Customer Name»'s section 7 of Exhibit J, and such revision to Exhibit J is not executed by «Customer Name» within 30 calendar days of the offer, then BPA shall terminate the provision of TCMS for «Customer Name»'s Dedicated Resource ten Business Days following the aforementioned 30 day period.

Draft Master Template Exhibit F Transmission Scheduling Service § 4.3.3.3 at 11.

Public Comments

Harney commented that Bonneville should not automatically terminate TCMS coverage for a dedicated resource as required under Section 4.3.3.3 of the draft Master Template if firm service on a third-party's transmission system is "declined, invalidated or withdrawn by the Customer." POCCT-18-Harney at 3. Harney commented:

In cases where secondary network service has shown to be highly reliable, and the firm service option offered is shown to be prohibitively costly, BPA should retain the ability to work with its Transfer customer(s) to provide highly reliable service vs compelling a customer to fund (via direct assignment) a prohibitively expensive system upgrade.

Id. at 3-4.

Evaluation and Decision

TCMS is a service Bonneville envisioned and developed under RD to support the firm delivery of non-federal resources to customer load. Bonneville will offer TCMS under the POC CHWM Contract, however, such service is only available to Load Following customers and is further limited to those customers that elect Bonneville's TSS Exhibit F Template Option 1 of the POC CHWM Contract.

At inception, the availability of TCMS was conditioned on a customer either having firm transmission or pursuing firm transmission. This requirement was, and remains, consistent with Bonneville's broader commitment to acquire and pay for transfer service for non-federal resources. As described in Exhibit F Template Option 1 Section 4.3.3.3 Option 1 of the POC CHWM Contract, the use of secondary network transmission is permissible for resources receiving TCMS provided that the customer is actively seeking firm transmission for the resource. This accommodation exists due to the long lead times sometimes associated with securing firm transmission.

A customer that uses non-federal resources to serve its load reduces its need for firm power supplied by Bonneville. Generally, in the event that a resource does not serve a load as planned, absent some incremental commitment from Bonneville addressing such event, the absence of the resource combined with Bonneville's commitment to follow the load of a load-following customer results in an unauthorized increase in Bonneville power provided to that customer, i.e., use of power the customer is not contractually entitled to take. In these

situations, the customer may be subject to unauthorized increase charges as laid out in Bonneville's power rate schedules and general rate schedule provisions (GRSPs).

Bonneville created TCMS in recognition that, in some cases, even customer utilities that make use of the most prudent planning assumptions may occasionally be unable to deliver their non-federal resources to their loads due to transmission system issues that impact the resources delivery to the customer. Bonneville determined that, in such an instance, it would be reasonable to provide a service that would enable customers to pursue non-federal resource development, consistent with the goals of the RD Policy and the POC Policy, without the risk of incurring unauthorized increase charges. Bonneville concluded that these customers should not be exposed to charges for unauthorized use of Bonneville power. This conclusion underlies the original form of TCMS, which required either firm transmission or the pursuit of firm transmission on all legs.

Later, during the term of the RD CHWM Contract, Bonneville supplemented the TCMS provisions to add the concept of "Mid-C Resources over Non-Firm." The TCMS provision allows customers who make use of Western Systems Power Pool Schedule C market purchases delivered pursuant to Exhibit F Load Following Template Option 1 Section 4.3.3.1.2 Option 1, titled Mid-C resource over non-firm, to receive TCMS for the last leg of Bonneville transmission from Mid-C to load, and thus avoid unauthorized increase charges. However, the Mid-C Resources over Non-Firm option does not change Bonneville's position that the customer taking TCMS must have secured or be pursuing firm transmission for its transfer served loads, and such customers remain exposed to unauthorized increase charges for any curtailments upstream of Mid-C.

Harney suggested that secondary network transmission could be highly reliable and proposed that Bonneville provide TCMS in such instances where firm transmission is not secured and is not being pursued, whether because it is unavailable or because it would be cost prohibitive. *Id.*

Meeting load reliably with firm power requires firm transmission. Secondary transmission is less firm and is curtailed before firm transmission. Resources that a customer is using to serve its load that the customer places on secondary transmission are not eligible for certain provisions of the pro-forma tariff such as redispatch. Bonneville secures transfer service over many transmission systems as part of its transfer service program. Some systems have available transmission capability (ATC), and others, like the system that serves Harney's southern loads, are transmission constrained. Additionally, it is critical to note that even on systems that have ATC now, past reliability of secondary transmission is not indicative of future reliability. Transmission systems that had once enjoyed surplus capacity and infrequent curtailments may become constrained and transmission providers may need to curtail service pursuant to the priority of the transmission service purchased. Given the regional energy outlook, Bonneville considers it a possibility that transmission customers will see an increase in the frequency of curtailments to secondary network service.

For these reasons, Bonneville does not intend TCMS to backstop resources or enable utilities to pursue less-than-firm resource and transmission acquisition for its load service planning. If Bonneville has power available for a resource that meets the contractual requirements for TCMS, it will make such power available without assessing unauthorized increase charges. Utilities assume the risk if they fail to secure firm transmission for delivering non-federal resources to serve their loads. Bonneville declines to remove the requirement that a customer be pursuing firm transmission for TCMS as Harney suggested.

Bonneville did not change Exhibit F Load Following Template Option 1 Section 4.3.3.3 Option 1 of the Master Template.

22. Exhibit G Terms Related to Transfer Service

Exhibit G of the POC CHWM Contract covers provisions related to transfer service for a customer served by transfer service. This exhibit includes: (1) definitions specific to the exhibit; (2) establishment of caps and limitations on the financial support Bonneville will provide for transfer service eligible non-federal resources; (3) the process and responsibilities related to transfer service for transfer eligible resources; and (4) terms and conditions for customer requests for new or modified transfer service. Exhibit G is not included in a customer's POC CHWM Contract if the customer does not have POD's served by transfer service.

Bonneville received comments on Exhibit G Option 2 Sections 1.1 and 3.1.2 regarding the FY transfer cap as well as Exhibit G Option 2 Section 2.1 that defines what non-federal resources are not eligible to be applied to the FY transfer cap.

Issue 57: Should Bonneville maintain the FY transfer cap for transfer service costs that is recovered in the PF Tier 1 cost pool?

Contract Proposal

Bonneville stated in the POC Policy that it would limit its financial assistance to transfer customers for non-federal resource deliveries to 41 megawatts (MWs) per FY. POC Policy § 6.2.3 at 39. Exhibit G of the draft Master Template incorporated this limit to have a megawatt cap on the amount of financial assistance for transfer service Bonneville would provide for non-federal resources. The FY transfer cap is addressed in Exhibit G Option 2 Sections 1.1, 2.1 and 3.1.2 of the draft Master Template.

Exhibit G Option 2 Section 1.1 of the draft Master Template stated:

“Fiscal Year Transfer Cap” means the annual Average Megawatt cap described in section 2 of this exhibit. The Fiscal Year Transfer Cap establishes the limit under which BPA will provide financial support for Transfer Service to customers' Network Resources.

Draft Master Template Exhibit G § 2.1 at 1.

Exhibit G Option 2 Section 2.1 of the draft Master Template stated the following:

This section 2.1 shall not apply for any Transfer Service Eligible Resource: (1) serving a Planned NLSL or an NLSL pursuant to section 1 of Exhibit D, (2) serving a portion of «Customer Name»'s Total Retail Load that «Customer Name» is obligated to serve with BPA-provided electric power pursuant to this Agreement, or (3) that «Customer Name» is not acquiring and paying for transmission service from Transmission Services for that Transfer Service Eligible Resource. For all other Transfer Service Eligible Resources, BPA shall provide financial support for the transmission capacity associated with the Transfer Service Eligible Resource to all Transfer Service customers up to a maximum of 41 megawatts per Fiscal Year, cumulative over the duration of this Agreement. This cumulative megawatt limit is shown in the table below.

Draft Master Template § 2.1 at 2.

Exhibit G Option 2 Section 3.1.2 of the draft Master Template addresses customer requests for transfer service support and stated, in part:

If «Customer Name»'s request exceeds or partially exceeds the current Fiscal Year Transfer Cap, then «Customer Name» shall notify BPA within ten Business Days after receipt of BPA's notification whether «Customer Name» will withdraw or proceed with its application.

Draft Master Template Exhibit G § 3.1.2 at 4.

Public Comments

Harney raised concerns with the FY transfer cap in Exhibit G Option 2 Sections 1.1, 2.1, and 3.1.2. POCCT-18-Harney at 4. Harney encouraged Bonneville to add contract language that would permit the 41 MW per year cap to be exceeded "to the extent there is a net benefit for BPA and its customers to utilize additional Transfer Service Eligible Resources when compared to the status quo." *Id.*

Evaluation and Decision

Harney commented on the FY transfer cap and requested that Bonneville allow the cap to be exceeded if there would be a benefit to Bonneville and its customers. *Id.* Bonneville established the 41 MW cap in Section 6.2.3 of the POC Policy. Bonneville explained in Issue 123 of the POC Policy ROD that 41 MW "remains a reasonable limit that balances support for non-federal resources while providing for cost control." POC Policy ROD § 7 at 259. Bonneville explained in the POC Policy that the limit is 41 incremental MWs per year but there would be a cumulative non-federal load limit that grows over the POC contract period. POC Policy § 6.2.3 at 39. Bonneville included a table in the POC Policy to demonstrate how the transfer cap operates. *Id.*

While limited to 41 MW per FY, the total cap over the course of the contract is cumulative thus providing a significant amount of transfer service support that transfer customers can grow into.

Bonneville determined 41 MW per FY was a reasonable limit after analyzing transfer customer load growth and balancing such load growth against providing a limit on transfer costs for non-federal resources included in the PF Tier 1 cost pool. POC Policy ROD § 7 at 259. Bonneville believes there is sufficient access to transfer service support for non-federal resources available under the cap as contemplated in the POC Policy and as implemented in the POC CHWM Contracts. Providing an exception to the cap would circumvent the reason for having the cap in the first place. Bonneville will not include language that would provide an exception to the transfer service cap.

While Bonneville will not adjust the limit on the amount of financial assistance Bonneville will provide for non-federal transfer service, customers are able to apply resources to load in excess of the cap. In these instances, Bonneville would pass-through any costs of transfer service associated with the resource serving load in excess of the cap. As the cumulative amount grows in future years, this pass-through of costs may diminish or disappear entirely.

Bonneville notes that the FY transfer cap is not implicated by a customer's use of non-federal resources to serve its NLSL or planned NLSL because Bonneville does not recover the cost of transfer service for such deliveries in the PF Tier 1 cost pool.

Bonneville clarified that distinction in section Exhibit G Option 2 Section 2.1 and changed the Master Template as follows:

This section 2.1 shall not apply for any Transfer Service Eligible Resource: (1) serving a Planned NLSL or an NLSL pursuant to section 1 of Exhibit D and for which BPA is passing through the cost of Transfer Service pursuant to section 14.6.7.1, (2) serving a portion of «Customer Name»'s Total Retail Load that «Customer Name» is obligated to serve with BPA-provided electric power pursuant to this Agreement, or (3) that «Customer Name» is not acquiring and paying for transmission service from Transmission Services for that Transfer Service Eligible Resource. For all other Transfer Service Eligible Resources, BPA shall provide financial support for the transmission capacity associated with the Transfer Service Eligible Resource to all Transfer Service customers up to a maximum of 41 MW per Fiscal Year, cumulative over the duration of this Agreement. This cumulative megawatt limit is shown in the table below.

Master Template Exhibit G § 2.1 at 2. Bonneville did not change Exhibit G Option 2 Sections 1.1 or 3.1.2.

23. Exhibit H Renewable Energy Certificates and Environmental Attributes

Exhibit H of the POC CHWM Contract covers renewable energy certificates and environmental attributes. This exhibit addresses how Bonneville intends to implement Section 7 of the POC Policy. Exhibit H is the result of extensive public input and collaboration between Bonneville, customers, and interested parties that opted to participate in the POC contract development process. See POCCT-32-PPC at 2 (citing Exhibit H as an example of “BPA’s Collaborative and Inclusive Contract Development Process”). In particular, Bonneville received and responded to extensive verbal and written feedback on Exhibit H from representatives of WPAG, NRU, PPC, Snohomish, and Clatskanie. Key aspects of Exhibit H are as follows.

Exhibit H establishes an Environmental Attribute Accounting Process (“the process”), which is defined as “the public process BPA will conduct each Rate Case Year, after the conclusion of each routine power rate 7(i) Process, during which the allocation methodology and Attribute Pools for BPA’s Environmental Attributes for the upcoming Rate Period will be determined.” Master Template Exhibit H § 2.3 at 1. The process, which will occur every rate period, will implement the POC Policy’s commitment to “convey the environmental attributes of the power sold, including emissions and any renewable energy credits (RECs), commensurate with a customer’s firm power purchase amount and rate elections.” POC Policy § 7.1 at 42. Conducting the process each rate period allows the methodology to adapt over time as the make-up of the federal system and power obligations change, and to adjust to an evolving regulatory landscape.

Exhibit H also defines attribute pools as “the results calculated in the Environmental Attribute Accounting Process whereby the physical resources and forecasted power deliveries associated with each of BPA’s rates and firm power obligations are determined for the upcoming Rate Period.” Master Template Exhibit H § 2.1 at 1. This definition encompasses power sales under POC as well as other power and non-power sales obligations (for example, surplus sales and the Canadian Entitlement). As Bonneville representatives explained during public workshops in the policy implementation and contract development phase, the process will take into consideration all power obligations to ensure attributes are fully accounted for in each rate period during the POC contract period. Bonneville received no objections to this approach in workshops or comments.

Pursuant to Exhibit H Bonneville will provide renewable energy certificate, or renewable energy credit, inventory accounting by April 15 and emissions accounting by June 1 of each calendar year. This schedule supports customers that must meet applicable state regulatory program requirements. PPC noted in its comment that during the draft Master Template development process, “PPC staff and other stakeholders suggested BPA include high level language expressing their intent to ensure Exhibit H evolves as regulatory schemes continue to change.” PPC acknowledged that Bonneville addressed these concerns ahead of the January contract

development workshops. POCCT-32-PPC at 2. Bonneville maintained the language in the draft Master Template and Master Template.

24. Exhibit J Support Services, Additional Resource and Energy Storage Device Requirements

Exhibit J of the POC CHWM Contract covers additional non-federal resource elections and requirements not captured in Exhibit A and documents energy storage devices. The exhibit captures non-federal resource information and includes the following: a summary of the customers' elections, resources associated with the Tier 1 allowance amount, RSS, existing dispatchable resource capacity shaping requirements, and resource information required for transfer service. The exhibit captures information regarding any energy storage device a customer has.

Exhibit J also captures WRAP-related requirements related to a customer's non-federal resources. For a Load Following customer, this includes the requirements for submitting data to Bonneville to meet WRAP obligations. For a Block or Slice/Block customer, the section is specific to WRAP pass-through charges.

Bonneville received comments on sections that covered the existing dispatchable resource requirements, WRAP requirements, and energy storage devices. Bonneville also received a comment requesting a new section be added to Exhibit J regarding demand response.

Issue 58: Should Bonneville add language that specifies that Bonneville and the customer will agree to the terms in Exhibit J Load Following Section 4 of the draft Master Template regarding a dispatchable existing resource?

Contract Proposal

The Exhibit J Load Following Section 4.1 Option 2 of the draft Master Template discussed the requirements for a hydropower existing dispatchable resource and was preceded by a drafter's note as follows:

Drafter's Note: Populate the entire section 4.1 with terms customized for the specific resource noted above. If customer has multiple hydro Existing Resources that are Dispatchable Resources listed above, populate a new subsection (e.g. 4.2) with all the section 4.1 provisions included, customized for the additional resources noted above. When including multiple resources, ensure all subsection numbering is updated accordingly (e.g. references to subsection 4.1.1 becomes 4.2.1, etc.) and that section 4.2 becomes 4.3, etc. For each resource, BPA and customer may agree to modify, add, or remove terms and conditions in this section 4.1 (including any limitations) as necessary to reflect the resource's specific characteristics.

Draft Master Template Exhibit J § 4.1 at 4.

The Exhibit J Load Following Section 4.1 Option 3 of the draft Master Template discussed the requirements for a thermal existing dispatchable resource and was preceded by a drafter's note that read:

Drafter's Note: Populate the entire section 4.1 with terms customized for the specific resource noted above. BPA and the customer may agree to modify, add, or remove terms and conditions in this section 4.1 (including any limitations) as necessary to reflect the resource's specific characteristics.

Draft Master Template Exhibit J § 4.1 at 10.

Public Comments

EWEB and WPAG sought assurance that the Exhibit J Load Following Section 4.1 of the draft Master Template would be negotiated in "good faith." POCCT-05-EWEB at 1; POCCT-17-WPAG at 8. EWEB and WPAG requested the following language be added to the drafter's note ahead of the Exhibit J Load Following Section 4.1 of the draft Master Template:

Drafter's Note: Populate the entire section 4.1 with terms customized and negotiated by BPA and customer for the specific resource noted above. If customer has multiple hydro Existing Resources that are Dispatchable Resources listed above, populate a new subsection (e.g. 4.2) with all the section 4.1 provisions included, customized for the additional resources noted above. When including multiple resources, ensure all subsection numbering is updated accordingly (e.g. references to subsection 4.1.1 becomes 4.2.1, etc.) and that section 4.2 becomes 4.3, etc. For each resource, BPA and customer may agree to modify, add, or remove terms and conditions in this section 4.1 (including any limitations) as necessary to reflect the resource's specific characteristics, including FERC and legal obligations, operational requirements, firm output capabilities, and any other relevant factors identified by either party.

POCCT-05-EWEB at 1-2; POCCT-17-WPAG at 8.

WPAG also proposed edits to the Exhibit J Load Following Option 3 Section 4.1 of the draft Master Template and its preceding drafter's note as follows:

Drafter's Note: Populate the entire section 4.1 with terms customized and negotiated by BPA and customer for the specific resource noted above. BPA and the customer may agree to modify, add, or remove terms and conditions in this section 4.1 (including any limitations) as necessary to reflect the resource's specific characteristics.

POCCT-17-WPAG at 9. WPAG requested that Bonneville provide "comfort for customers with thermal resources that BPA will negotiate this § 4.1 in good faith." *Id.* Clark supported WPAG's comments related to Option 3. POCCT-07-Clark at 1.

Evaluation and Decision

EWEB and WPAG requested edits to the drafter's note ahead of the Exhibit J Load Following Section 4.1 Option 2 of the draft Master Template to acknowledge that the terms and conditions of that section should be determined through mutual agreement and recognize the potential constraints a resource may face. POCCT-05-EWEB at 1-2; POCCT-17-WPAG at 8. Clark and WPAG requested similar edits to the drafter's note ahead of the Exhibit J Load Following Section 4.1 Option 3 of the draft Master Template. POCCT-17-WPAG at 9; POCCT-07-Clark at 1.

Exhibit J Section 4 of the draft Master Template was intended to document how and when Bonneville may call on a dispatchable existing resource. The resources that could qualify for this treatment are all unique and during the policy implementation and contract development phase Bonneville acknowledged that one set of terms would not appropriately account for all circumstances. Bonneville developed three section alternatives for that purpose but expects further refinement of the data would be negotiated between Bonneville and the customer. Therefore, it is reasonable for Bonneville to add the recommended language to the drafter's note acknowledging the intent to develop mutually agreeable terms to affirm the commitment to working with customers.

Bonneville had also intended that negotiations would acknowledge the unique circumstances of the customer. Bonneville will add the proposed language enumerating potential considerations, affirming its intention to account for a customer's circumstances during negotiations, as requested by commenters.

Bonneville changed the drafter's note preceding the Exhibit J Load Following Section 4.1 Option 2 of the Master Template as follows:

Drafter's Note: Populate the entire section 4.1 with terms agreed to by BPA and the customer for the specific resource noted above. If customer has multiple hydro Existing Resources that are Dispatchable Resources listed above, populate a new subsection (e.g. 4.2) with all the section 4.1 provisions included, customized for the additional resources noted above. When including multiple resources, ensure all subsection numbering is updated accordingly (e.g. references to subsection 4.1.1 becomes 4.2.1, etc.) and that section 4.2 becomes 4.3, etc. For each resource, BPA and customer may agree to modify, add, or remove terms and conditions in this section 4.1 (including any limitations) as necessary to reflect the resource's specific characteristics, including FERC and legal obligations, operational requirements, firm output capabilities, and any other relevant factors identified by either Party.

Master Template Exhibit J § 4.1 at 4. Bonneville also changed the drafter's note preceding the Exhibit J Load Following Section 4.1 Option 3 of the Master Template to read:

Drafter's Note: Populate the entire section 4.1 with terms agreed to by BPA and the customer for the specific resource noted above. BPA and the customer may

agree to modify, add, or remove terms and conditions in this section 4.1 (including any limitations) as necessary to reflect the resource's specific characteristics.

Master Template Exhibit J § 4.1 at 10.

Issue 59: Should Bonneville alter the terms of Exhibit J Load Following Option 3 Sections 4.1 and 4.1.4 of the draft Master Template?

Contract Proposal

The Exhibit J Load Following Section 4 Option 3 of the draft Master Template established the requirements for a thermal existing resource that is also a dispatchable resource. The Exhibit J Load Following Section 4.1 Option 3 of the draft Master Template stated:

«Customer Name» shall apply the output of «Resource Name» to «Customer Name»'s Total Retail Load in predefined hourly amounts as stated in section 4.1.2 below except that BPA may adjust such hourly amounts down to zero or up to the maximum capacity obligation amounts, stated in section 4.1.3 below, subject to the notice requirements in section 4.1.1 below and the limitation in section 4.1.4 below.

Draft Master Template Exhibit J § 4.1 at 10. The Exhibit J Load Following Section 4.1.4 Option 3 of the draft Master Template stated:

For any month or portion of a month with both a positive maximum capacity obligation, as stated in section 4.1.3 above, and a zero megawatt-per-hour obligation, as stated in section 4.1.2 above, *[Drafter's Note: Include the following language unless BPA and customer agree to different terms:]* BPA may increase the megawatt-per-hour obligation no more than two times for a noticed delivery period of up to five days.]

Draft Master Template Exhibit J § 4.1.4 at 12.

Public Comments

Clark and WPAG submitted comments on the Exhibit J Load Following Section 4 Option 3 of the draft Master Template as it refers to Option 3. Clark supported all of WPAG's comments related to Option 3. POCCT-07-Clark at 1.

WPAG proposed edits to the Exhibit J Load Following Section 4.1 Option 3 of the draft Master Template as follows:

«Customer Name» shall apply the output of «Resource Name» to «Customer Name»'s Total Retail Load in predefined hourly amounts as stated in section 4.1.2 below except that BPA may adjust such hourly amounts ~~down to zero or~~ up to the maximum capacity obligation amounts, stated in section 4.1.3 below, subject to

the notice requirements in section 4.1.1 below and the limitation [\(s\)](#) in section 4.1.4 below.

POCCT-17-WPAG at 9. WPAG sought the additional edit to provide assurance that Bonneville would not assume the resource can be ramped down to 0 MW and instead rely on the amounts listed in 4.1.2 of the section. *Id.* Clark commented that “BPA should not have the right to decrease hourly amounts below the megawatt-per hour obligation amounts included in Section 4.1.2 for any reason including for purposes of seeking energy neutrality for the month.” POCCT-07-Clark at 1.

Clark requested that Bonneville remove or amend Exhibit J Load Following Section 4.1.4 Option 3 of the draft Master Template. Clark commented that if there are zeroes in “both Section 4.1.2 (megawatt-per hour) and Section 4.1.3 (maximum capacity obligation) . . .” there is no need for Section 4.1.4. POCCT-07-Clark at 2. WPAG also supported changes to Section 4.1.4. WPAG commented that there “may still need to be limitations on how often and for how long BPA can increase the output of the resource above the monthly megawatt-per-hour obligation in months where that obligation is above zero.” WPAG requested the following change to the Exhibit J Load Following Section 4.1.4 of the draft Master Template:

4.1.4 Limitation [\(s\)](#) for [Upward Adjustments Months with Zero Energy Obligation](#)

For any month or portion of a month with [both a positive](#) a maximum capacity obligation, as stated in section 4.1.3 above, [and a zero that exceeds the](#) megawatt-per-hour obligation, as stated in section 4.1.2 above. . . .

POCCT-17-WPAG at 10.

Evaluation and Decision

Clark and WPAG requested edits to the Exhibit J Load Following Section 4.1 Option 3 to strike language regarding Bonneville’s right to request a dispatchable thermal resource go to zero. POCCT-17-WPAG at 9-10; POCCT-07-Clark at 1-2. Clark and WPAG also requested edits on Exhibit J Load Following Section 4.1.4 Option 3 of the Master Template, which would provide assurances that Bonneville will not have unlimited ability to require a customer’s resource to produce above the amounts outlined in Section 4.1.2. *Id.*

Bonneville declines to make the edit requested on Exhibit J Load Following Section 4.1 Option 3. Bonneville will retain the right to request the resource amounts go to zero. However, the negotiated terms in Section 4 will determine whether Bonneville can request a resource go to zero as well as any restraints on what Bonneville can request. Bonneville does agree that Exhibit J Load Following Section 4.1.4 Option 3 could be clearer that it only applies to limitations on upward adjustments for two distinct five-day periods. Bonneville does not believe the edits change this intent but rather provide clarity.

Bonneville did not change Exhibit J Load Following Section 4.1 Option 3 of the Master Template. Bonneville changed Exhibit J Load Following Section 4.1.4 Option 3 of the Master Template as follows:

4.1.4 Limitation(s) for Upward Adjustments

For any month or portion of a month with a capacity obligation, as stated in section 4.1.3 above, that exceeds the megawatt-per-hour obligation, as stated in section 4.1.2 above, *[Drafter's Note: Include the following language unless BPA and customer agree to different terms:* BPA may increase the megawatt-per-hour obligation no more than two times for a noticed delivery period of up to five days each.]

Master Template Exhibit J § 4.1.4 at 12.

Issue 60: Should Bonneville alter the terms of Exhibit J Load Following Section 4.2 Option 2 and Section 4.5 Option 3 regarding unintended costs?

Contract Proposal

The Exhibit J Load Following Section 4.2 Option 2 and Exhibit J Load Following Section 4.5 Option 3 of the draft Master Template both stated:

BPA may determine if there are unintended costs that «Customer Name» incurs related to satisfying obligations under this section 4. BPA would make such determination, including any remediation, in a 7(i) Process and consistent with applicable Power Rate Schedules and GRSPs.

Draft Master Template Exhibit J § 4.2 at 10, § 4.5 at 13.

Public Comments

EWEB and WPAG requested the following additions to the Exhibit J Load Following Section 4.2 Option 2 of the draft Master Template:

Drafter's Note: BPA and customer may agree to modify, add, or remove terms and conditions in this section 4.2 as necessary to reflect the resource's specific characteristics.

4.2 Unintended Costs

BPA ~~may determine~~ shall reimburse «Customer Name» if there are unintended costs that «Customer Name» incurs related to satisfying obligations under this section 4. Any dispute regarding the eligibility or amount of any reimbursement requested by «Customer Name» under this section 4.2 shall be resolved as a contract dispute or contract issue between the Parties, pursuant to section 19 of the body of this Agreement. BPA would make such determination, including any

remediation, in a 7(i) Process and consistent with applicable Power Rate Schedules and GRSPs.

POCCT-05-EWEB at 2; POCCT-17-WPAG at 8. WPAG requested near identical language to the Exhibit J Load Following Section 4.5 Option 3 of the draft Master Template; the change was to replace references to Section 4.2 with references to Section 4.5. POCCT-17-WPAG at 11-12.

WPAG commented that unintended costs should be treated as a “contractual matter rather than a rate matter, similar to how unintended costs would be reimbursed by BPA under a PPA where BPA is the off-taker.” *Id.* at 9. Clark concurred with this argument regarding Exhibit J Load Following Section 4.5 Option 3. POCCT-07-Clark at 3. WPAG and Clark recommended that unintended costs incurred by dispatchable existing resources should be settled through bilateral negotiations. POCCT-17-WPAG at 9, 12; POCCT-07-Clark at 3. WPAG sought the addition of a drafter’s note so that “BPA and the customer are not limited by the template in their ability to mutually negotiate this subsection” regarding Section 4.5 Option 3. POCCT-17-WPAG at 12.

WPAG also argued that because 7(i) processes are forward looking and do not address making a customer whole in the current rate period, basing reimbursement for unintended costs on the Power Rate Schedules and GRSPs created too much uncertainty for customers. POCCT-17-WPAG at 9.

Evaluation and Decision

EWEB and WPAG requested edits to the Exhibit J Load Following Section 4.2 Option 2 of the draft Master Template to move the unintended costs from a rates resolution to be a contract matter. POCCT-05-EWEB at 3; POCCT-17-WPAG at 8. WPAG requested that treatment also be applied to the Exhibit J Load Following Section 4.5 Option 3 of the draft Master Template. POCCT-17-WPAG at 11-12. WPAG and Clark argued it would be better to reach a bilateral agreement on the terms such as Bonneville would do with a power purchase agreement (PPA). POCCT-17-WPAG at 9; POCCT-07-Clark at 3.

A customer’s use of its section 5(b)(1) dispatchable resource(s) to serve its firm power load is not the same as Bonneville entering into a commercial bilateral power purchase with a seller. Under section 5(b) of the Northwest Power Act, Bonneville is obligated to serve a customer’s firm power load net of the customer’s identified section 5(b)(1) resources including the capability of firm peaking and energy resources. Load Following customers with a dispatchable resource are unique in that the resource comes with flexible capacity at times that could be used to serve its load. If the customer has selected the Load Following product, they are required to work with Bonneville to attempt to best time the use of that flexibility to reduce the Administrator’s obligations. This is different from a PPA where Bonneville would be purchasing only the resource output and not have a corresponding load obligation that comes along with that resource.

Bonneville recognizes that in working with the customer to maximize the benefit of the resource, there could be unintended costs to the customer. This would be a direct result of Bonneville trying to meet its broader obligations. Therefore, those costs should be accounted for in rates so that they are appropriately attributed and recovered through the applicable 7(i) process.

Bonneville did not change the Exhibit J Load Following Section 4.2 Option 2 of the Master Template or Exhibit J Load Following Section 4.5 Option 3 of the Master Template.

Issue 61: Should Bonneville provide the customer a credit when a Bonneville request results in a dispatchable existing resource exceeding its required output?

Contract Proposal

Exhibit J Load Following Section 4.4 Option 3 of the draft Master Template stated:

If BPA requests and receives more energy from «Resource Name» in a month than the total megawatt-hours as stated in section 2 of Exhibit A for such month, then BPA shall compensate «Customer Name» for such excess amounts. BPA shall calculate credits pursuant to the applicable Power Rate Schedules and GRSPs and reflect such credits on «Customer Name»'s monthly bill.

Draft Master Template Exhibit J § 4.4 at 13.

Public Comments

Clark commented on Exhibit J Load Following Section 4.4 Option 3 of the draft Master Template that the credits for excess energy contemplated by the provision should be valued using “actual market prices using the interval Locational Marginal Price applicable to the subject resource” POCCT-07-Clark at 2. WPAG stated the Section 4.4 Option 3 language had “the potential to significantly under compensate a customer with a thermal resource for their actual costs incurred during dispatches above their monthly megawatt per hour obligation.” POCCT-17-WPAG at 11. WPAG commented that Bonneville’s “rate cases are for purposes of establishing rates that it charges its customer not for establishing rates that BPA pays for the power it purchases.” *Id.* (emphasis omitted). WPAG also stated that the credit should not be subject to the Administrator’s discretion, which is the outcome of linking the terms to a rate case. *Id.* Clark noted support for WPAG comments. POCCT-07-Clark at 1.

WPAG proposed revision of Section 4.4 and its drafter’s note to read as follows:

Drafter’s Note: BPA and customer may agree to modify, add, or remove terms and conditions in this section 4.4 as necessary to reflect the resource's specific characteristics and to ensure customer is fairly compensated when its resource is dispatched by BPA to provide excess energy. BPA and customer may enter into a

separate agreement for the purchase and sale of excess energy, which separate agreement would be referenced in this section 4.4.

4.4 Compensation for Excess Energy

If BPA requests and receives more energy from «Resource Name» in a given hour of a month than the monthly megawatt per hour obligation for «Resource Name» for such month as stated in section 4.1.2 of this Exhibit J ~~month than the total megawatt hours as stated in section 2 of Exhibit A for such month~~, then BPA shall compensate «Customer Name» for such excess amounts at the interval Locational Marginal Price(s) for «Resource Name» as determined by the applicable market operator for the Balancing Authority Area where «Resource Name» is located. In the event «Resource Name» is located in a Balancing Authority Area that is not within an organized market, or a Locational Marginal Price for a given interval is not available due to a market contingency, BPA and «Customer Name» shall use an available energy index in the Pacific Northwest as mutually agreed to settle the excess energy amount. BPA shall calculate credits pursuant to the applicable Power Rate Schedules and GRSPs and reflect such credits on «Customer Name»'s monthly bill.

POCCT-17-WPAG at 10-11.

Evaluation and Decision

Clark and WPAG proposed modifications to how Bonneville calculates the value of credits for energy requested and received in a month from a customer's thermal dispatchable existing resource in excess of the customer's monthly contractual obligation under Exhibit A Section 2(1)(C). POCCT-07-Clark at 2; POCCT-17-WPAG at 10-11.

Bonneville agrees that a customer should be credited if Bonneville calls on a dispatchable existing resource for the benefit of all customers but disagrees that such credit should be determined in the POC CHWM Contract. The best method for maintaining consistency across Bonneville's various rate applications is to establish the credit in each 7(i) process. This ultimately gives Bonneville and the customer important flexibility to adapt the credit to any changing landscape – particularly as it relates to the markets that change through time. The PRDM is clear on the intent, that the credit would be market-based and the customers will be provided ample opportunity to make the case for the best way to measure that market-based credit – that could include proposing that the credit be based on the locational marginal price as requested by Clark and WPAG, or even a multiple of an index value to ensure equitable compensation and coverage of unintended costs. PRDM, PRDM-26-A-03, § 4 at 47. Bonneville will use its section 7(i) process to establish the rates (and or credits) applicable to any excess energy provided by the customer.

Bonneville did not change Exhibit J Load Following Section 4.4 Option 3 of the Master Template.

Issue 62: Should Bonneville clarify why it requires data as outlined in Exhibit J Section 5.1.2?

Contract Proposal

Exhibit J Load Following Section 5.1.2 of the draft Master Template stated:

Beginning October 1 immediately preceding the start of the winter season in which «Customer Name» has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount, and beginning May 1 immediately preceding the start of the summer season in which «Customer Name» has a Dedicated Resources or Consumer-Owned Resource serving On-Site Consumer Load amount, «Customer Name» shall submit a generation schedule for such Generating Resource(s), in hourly amounts, no later than one month in advance of each operating day. Such generation schedule can be for each hour of the entire WRAP summer or winter season or for each hour of each individual future day of the season.

Draft Master Template Exhibit J § 5.1.2 at 14.

Public Comments

The NLSL Group commented that it believed “BPA had indicated that for Load Following customers, BPA’s WRAP requirements would focus on net load, i.e., total retail load minus dedicated and customer-owned behind-the-meter resources.” POCCT-26-NLSL-Group at 3. The NLSL Group requested Bonneville clarify whether it “changed its position on using total load rather than net load[.]” *Id.* The NLSL Group requested that only data required for specific WRAP requirements be included in Exhibit J Section 5 and that Bonneville should explain why the “unnecessary” data requirements are included. *Id.*

Evaluation and Decision

The NLSL Group commented that it appeared Bonneville had changed the data required from Load Following customers for purposes of WRAP compliance. *Id.* Bonneville will require data, including QCC values, JCAFs, TSRs, and generation schedules. Bonneville acknowledges that the resource data requirements may look different from what customers see under RD where there are no WRAP requirements. However, during the POC contract period, Bonneville will have joined the binding phase of WRAP and will require the resource data requested to ensure it is appropriately netting loads and resources in recognition of how loads are served.

The resource data required reflects the WRAP planning requirements in the forward showing time frame. Those requirements include that a load responsible entity demonstrate that it has enough QCC from physical resources to meet its load plus planning reserve margin. The load responsible entity must also demonstrate that those physical resources have firm transmission, as defined by WRAP, associated with at least 75% of the load capacity. The data required in the

POC CHWM Contract will enable Bonneville to meet these requirements as the load responsible entity for Load Following customers.

In the WRAP operations program, the load responsible entity must submit its forecasted total load and its forecasted resource generation. For storage hydro and thermal resources, the entity must provide actual forced outage amounts in the form of Generating Availability Data System (GADS) performance and event reports, or in an equivalent format for non-GADS resources. All of these values must be submitted based on the load and resource amounts and cannot be net of any contribution. Therefore, Bonneville as a load responsible entity cannot submit a “netted” contribution for a Load Following customer, which would be the result if the customer did not provide the required data to Bonneville. Under WRAP, demand response can be viewed as a load reduction or a resource. If treated as a load reduction, the demand response is reflected in historical load data; whereas if treated as a resource, the customer is required to submit both the QCC and historical usage data in order to remove the impacts of the demand response from historical load data.

The NLSL Group questioned how a behind-the-meter resource, such as a consumer-owned resource, would be handled. If an NLSL was served by a consumer-owned resource and that resource’s information is provided to Bonneville to demonstrate that it is serving the NLSL, then it will become part of Bonneville’s WRAP operations program participation. The customer, or consumer, will be required to submit hourly schedules for the program.

Bonneville did not change Exhibit J Load Following Section 5.1.2 of the Master Template.

Issue 63: Should Bonneville clarify its intent for offering and requiring resource adequacy services in the future?

Contract Proposal

The Exhibit J Load Following Section 5.2 of the draft Master Template stated:

Unless a self-supply option is available and elected by «Customer Name», «Customer Name» shall purchase Support Services for the following resources for resource adequacy planning purposes: (1) New Resource amounts serving Above-CHWM Load and (2) Consumer-Owned Resources serving On-Site Consumer Load except for those listed in section 7.4 of Exhibit A, in accordance with the applicable Power Rate Schedules and GRSPs.

«Customer Name» shall be responsible for any resource adequacy-related planning obligations for any Planned NLSL or NLSL served by Dedicated Resource amounts or Consumer-Owned Resources listed in section 7.4 of Exhibit A.

Draft Master Template Exhibit J § 5.2 at 15.

Public Comments

The NLSL Group sought clarifications on the language in Exhibit J Load Following Section 5.2. First, the NLSL Group requested Bonneville clarify the intent of the section as it differs from the “Resource Adequacy Service (RAS) developed for BP-24 and BP-26 . . .” by applying to “resources rather than loads.” POCCT-26-NLSL-Group at 3. Second, the NLSL Group asked Bonneville to confirm its interpretation that “NLSL loads served by BPA at the NR Rate have no obligation to purchase RAS.” *Id.* If the interpretation was correct, the NLSL Group requested language to provide clarity. *Id.* Finally, The NLSL Group requested Bonneville commit to discussing any self-supply option “prior to any update to Exhibit J as well as clarifying the treatment of any contingency reserve obligations that would result from these resources.” *Id.*

Regarding the second provision in the Exhibit J Load Following Section 5.2, NRU commented it supported the provision “to ensure that customers are kept whole for all services supplied by the FCRPS.” POCCT-14-NRU, Attachment, Exhibit J at 15 (emphasis omitted).

Evaluation and Decision

The NLSL Group looked to clarify Bonneville’s intention around resource adequacy services and to understand what is changing from RD to POC. POCCT-26-NLSL-Group at 3. NRU commented that it supported the inclusion of resource adequacy services in the POC CHWM Contract. POCCT-14-NRU, Attachment, Exhibit J at 15.

Bonneville’s BP-24 and BP-26 resource adequacy service offerings were developed based on RD obligations and Bonneville’s participation in the WRAP non-binding program. Bonneville’s entrance into the binding program and its updated requirements in the POC CHWM Contract will necessitate changes to customer requirements, which may result in changes to the services that were offered under RD.

Bonneville has not yet developed resource adequacy services for POC. Bonneville will develop its offering ahead of the BP-29 rate period. Bonneville will review the WRAP binding phase requirements to shape the service offerings and how they will be applied. The development will include outlining what a self-supply option could look like, if available, as requested by the NLSL Group.

The NLSL Group also requested Bonneville confirm whether a customer would be required to purchase resource adequacy services for an NLSL that is being served by Bonneville at an NR rate. Bonneville has not determined what services will or will not be required for an NLSL served at the NR rate and intends to cover this in future discussions.

Bonneville did not change Exhibit J Load Following Section 5.2 of the Master Template.

Issue 64: Should Bonneville clarify how non-performance in WRAP will be determined?

Contract Proposal

Exhibit J Load Following Section 5.5 of the draft Master Template stated:

Pursuant to section 22.2 of the body of this Agreement, BPA shall pass through WRAP charges to «Customer Name» in instances where the charge is related to one or more of the following: (1) non-performance of «Customer Name»'s resource as planned; (2) failure to meet the requirements of sections 5.1.1, 5.1.2, 5.1.3 and 5.2 above.

If BPA finds that only a portion of such WRAP charge is related to one of the conditions above, then BPA shall pass through only the portion related to such conditions. BPA shall not pass through charges that are related to the failure of BPA-provided Support Services.

For any single instance of a pass-through charge for WRAP, BPA shall waive a related charge that BPA determines to be duplicative to other charges assessed.

Draft Master Template Exhibit J § 5.5 at 16.

Public Comments

NRU commented that non-performance needs to be defined. POCCT-14-NRU, Attachment, Exhibit J at 16. NRU sought clarity on whether “as planned” refers to the POC CHWM Contract Exhibit C or the WRAP agreement. NRU also questioned if “non-performance” was “defined as any deviation from schedule, or is there a MWh or tenor threshold that must be met[.]” *Id.*

NRU appreciated the clarifying edits made to the final sentence in the section (starting with “For any single instance”). *Id.*

Evaluation and Decision

NRU requested that Bonneville describe how non-performance of a non-federal resource will be defined for purposes of determining WRAP-related pass-through charges. *Id.* NRU sought clarification of how Bonneville would determine non-performance for a non-federal resource. *Id.*

The issue of non-performance is directly related to WRAP's operational program requirements. Under the operational program, each resource is scheduled for a planned amount of MW output in each hour. If any resource generates less than the scheduled amount, the resource is assessed for non-performance by WRAP. This assessment is done on an hourly basis and compares actual generation to the scheduled amount. As Bonneville will be the load responsible entity for Load Following customers, it will need to be able to clearly articulate what a Load Following customer's non-federal resource is expected to contribute in any given hour. The outstanding question is how the contract defines non-performance for a customer's non-federal resource obligations. Bonneville needs to develop support services, including resource adequacy services and RSS, in the POC CHWM Contract before it can determine what defines non-performance including any associated thresholds, if applicable.

Bonneville intends to leverage Exhibit J of the POC CHWM Contract in determining the expected contribution of a customer's non-federal resources but has yet to define how the shaped energy will be required to be submitted for WRAP operations. Bonneville will work with customers as it develops its WRAP operations requirements to define any additional requirements as needed.

Bonneville did not change Exhibit J Load Following Section 5.5 of the Master Template.

Issue 65: Should Bonneville move WRAP pass-through charges to the body of the agreement?

Contract Proposal

Exhibit J Load Following Section 5.5 and Block and Slice/Block Section 5 of the draft Master Template addressed pass-through charges associated with WRAP. Draft Master Template Exhibit J § 5.5 at 16, § 5 at 17.

Public Comments

WPAG requested that Bonneville move Exhibit J Load Following Section 5.5 and Block and Slice/Block Section 5 of the draft Master Template to Section 22 of the draft Master Template. POCCT-17-WPAG at 13-14. WPAG commented that Exhibit J Section 8, as written in the draft Master Template, provided Bonneville the unilateral right to revise Exhibit J Section 5, which "creates an undue risk for customers." *Id.* WPAG commented that moving the sections to the body of the agreement would provide (1) Load Following customers certainty about when Bonneville will pass-through WRAP-related charges and (2) Block and Slice/Block customers clear commitment from Bonneville on applicability of such charges. *Id.*

WPAG contended that by keeping Load Following Section 5.5 in Exhibit J, Bonneville could amend the agreement to pass-through unreasonable charges even if a Load Following customer is meeting its non-federal resource obligations. *Id.* WPAG argued that retaining Block and Slice/Block Section 5 in Exhibit J could create a problem if Bonneville takes away the right for a Block or Slice/Block customer to pass-through charges due to Bonneville's non-performance. *Id.*

Evaluation and Decision

WPAG requested that Bonneville move all provisions regarding WRAP-related pass-through charges to the body of the POC CHWM Contract. *Id.* WPAG's comments were related to issues raised on the scope of WRAP-related pass-through charges in Issue 40. Bonneville declines to move Exhibit J Load Following Section 5.5 and Block and Slice/Block Section 5 to Section 22.

WPAG is concerned about Bonneville's unilateral ability to amend Exhibit J, arguing that it could result in unexpected charges or limit the ability of Block and Slice/Block customers to pass on charges to Bonneville due to non-performance. Bonneville was concerned that setting the terms for pass-through charges in Section 22 could unintentionally cause the contract to be

more rigid than needed in actual operations. Interested parties raised similar concerns during the policy implementation and contract development process, which prompted Bonneville to move pass-through charge details from Section 22 to Exhibit J. By moving the terms to Exhibit J, Bonneville preserved flexibility to refine its approach over time as the WRAP and Bonneville's understanding of the WRAP evolve.

Bonneville does not intend to update the Exhibit J Load Following Section 5 without notice. The start of the section included the following disclaimer: "if future requirements change such that the intent of this section 5 is not being met, then BPA agrees to discuss such situations with customers and develop revisions to this section 5." Master Template Exhibit J § 5 at 14. Bonneville intends to discuss any required updates with customers prior to making any amendment.

The Block and Slice/Block Section 5 does not include such a disclaimer. Bonneville does not intend to introduce any new requirements for a planned product customer because the customer is the load responsible entity, not Bonneville.

Bonneville did not move Exhibit J Load Following Section 5.5 and Block and Slice/Block Section 5 to Section 22 of the Master Template.

[Issue 66: Should Bonneville agree to additional WRAP process before committing to language in Exhibit J Section 5? Should Bonneville address that Exhibit J WRAP-related provisions need to evolve and may be incomplete or could change?](#)

Contract Proposal

Exhibit J of the draft Master Template included Section 5, resource adequacy requirements and submittals, for Load Following customers and Section 5, WRAP pass-through charges, for Block and Slice/Block customers. Draft Master Template Exhibit J § 5 at 14, § 5 at 17. The Exhibit J Section 8, titled revisions, gave Bonneville the unilateral right to revise certain portions of the exhibit, including the "resource adequacy requirements in section 5 of this exhibit" Draft Master Template Exhibit J § 8 at 22.

Public Comments

The NLSL Group and WPAG proposed to add the following language to the header of the Exhibit J Load Following Section 5 of the draft Master Template:

BPA acknowledges that the resource adequacy compliance requirements in this section 5 of Exhibit J are evolving and agrees to develop a stakeholder engagement plan to discuss how the load exclusion process will work and how to modify [section 5.3 of this] Exhibit J to be consistent with this process.

POCCT-26-NLSL-Group at 2; POCCT-17-WPAG at 12. The NLSL Group argued that the stakeholder engagement discussed in the WRAP final close-out letter had not occurred and that

it was “disappointing to see language that states that BPA will not discuss Section 5 changes unless future requirements change.” POCCT-26-NLSL-Group at 2. The NLSL Group elaborated that in particular it was interested in discussing load exclusion requirements. *Id.* at 4. WPAG commented that the “existing requirements for load exclusion are unknown and both BPA and customers would benefit from a clear framework on how best to engage on the issue.” POCCT-17-WPAG at 12-13.

AWEC requested, but did not provide, contract language that “specifically acknowledges uncertainty with WRAP implementation . . .” and a commitment from Bonneville to work with stakeholders. POCCT-25-AWEC at 5.

WPAG and the NLSL Group both commented on the revisions section of Exhibit J of the draft Master Template, proposing that Bonneville’s right to unilaterally revise Exhibit J Section 5 be further restricted. POCCT-34-WPAG at 14; POCCT-26-NLSL-Group at 4-5. WPAG commented that, as drafted, the language “created a great deal of uncertainty and potential cost risk to customers with dedicated resources.” POCCT-34-WPAG at 14. WPAG’s proposed alternative language would limit Bonneville’s right to unilaterally revise Section 5 as follows:

BPA shall unilaterally revise this exhibit to reflect: (1) «Customer Name»’s resource elections and requirements in section 1 of this exhibit; (2) «Customer Name»’s Tier 1 Allowance Amount in section 2 of this exhibit; (3) resource adequacy submittal requirements in section 5.1 of this exhibit as may be necessary to meet BPA’s WRAP obligations or BPA’s determinations pursuant to section 5.1.4 of this exhibit; (4) «Customer Name» WRAP load exclusion elections in section 5.3; and (5) updates or additions to Energy Storage Devices in section 6 of this exhibit. Additionally, BPA shall unilaterally revise section 3, Resource Support Services, of this exhibit to implement an established BPA rate for such products or services.

POCCT-34-WPAG at 14.

The NLSL Group also expressed concern about Bonneville’s unilateral right to revise Section 5 “given that there are so many unknowns on how the WRAP program will impact NLSLs.” POCCT-26-NLSL-Group at 4.

Evaluation and Decision

The NLSL Group and WPAG requested Bonneville include language ahead of the Exhibit J Load Following Section 5 of the draft Master Template to acknowledge that resource adequacy requirements are evolving and that Bonneville commit to holding a public process for load exclusions. POCCT-26-NLSL-Group at 2; POCCT-17-WPAG at 12. AWEC requested Bonneville add language that acknowledges current uncertainty of WRAP implementation and commit to further engagement. POCCT-25-AWEC at 5. Bonneville did not add such language to the POC CHWM Contract but clarifies its position as follows.

First, Bonneville agreed with early comments that additional discussion may be warranted regarding WRAP-related provisions and moved the majority of those provisions from Section 22 in the body of the POC CHWM Contract to Exhibit J, as discussed in Issue 65.

Second, Bonneville acknowledges that additional engagement is needed regarding load exclusions, particularly as it pertains to an NLSL. Bonneville continues to develop its internal approach to load exclusions. A load exclusion would create a hole, or a load island, within Bonneville's service territory that would not be covered under WRAP. Bonneville's approach must ensure that an excluded load obligation remains isolated, especially in the event of peak demand in the region, without any path for that load to return to Bonneville in any way if it is excluded. In addition, Bonneville's approach must be compatible with its possible participation in a day-ahead market. As an example, Southwest Power Pool's Markets+ requires that all loads in a participating balancing authority participate without exception in WRAP. If Bonneville could not effectively exclude the NLSL from its market participation, then it could not exclude that load from WRAP without creating an additional load obligation based on the transmission obligation to Markets+. Bonneville has yet to determine whether these issues can be mitigated and continues to develop its approach in order to be responsive to evolving WRAP and market requirements.

Given the issues identified above, Bonneville has not yet defined the appropriate engagement plan within that process that will allow for robust and productive conversations. Any public engagement plan would include space to discuss all concerns regarding load exclusions, possible mitigation strategies for those concerns, and what implementation might require from Bonneville and from customers. It is important to note that each customer and the associated NLSL(s) are specific and unique, Bonneville's public engagement process will only be able to share/provide general strategy, direction and implementation requirements.

Following the public engagement, Bonneville would need to engage with each Load Following customer interested in seeking a load exclusion for an NLSL to determine whether a load exclusion may be granted. Bonneville recognizes that NLSLs' characteristics are often unique to the specific load, including what resources are serving the load and what demand response capabilities the load may have. Additionally, these loads are often under confidentiality agreements, which means public meetings may not be the best venue to address specific concerns. The customer-specific engagements would allow Bonneville and the customer the best opportunity to find a solution.

Bonneville did not change Exhibit J Load Following Section 5 of the Master Template.

Issue 67: Should Bonneville eliminate the load exclusion language?

Contract Proposal

Exhibit J Load Following Section 5.3.1 of the draft Master Template provided an outline of the implementation dates and timeframes for WRAP load exclusions and stated, in part:

By July 31, 2027, and by July 31 of each Forecast Year thereafter, «Customer Name» may request that BPA allow a load exclusion. Upon receipt of such request, BPA will analyze «Customer Name»'s request, including impacts to BPA's ability to maintain resource adequacy and reliability, and any potential cost shifts to BPA and other BPA customers. In its sole discretion, BPA may: (1) allow a requested load exclusion, (2) allow a requested load exclusion subject to conditions designed to offset any negative impacts the requested load exclusion may have on the reliability of the power system or to share costs; or (3) decline a requested load exclusion.

By October 15 of the Rate Case Year following the request, BPA shall provide «Customer Name» notice of its decision regarding the requested load exclusion, including a summary of its analysis and any conditions. By January 31 of that Rate Case Year, the Parties shall revise section 5.3.2 of this exhibit to state the terms and conditions of any allowed load exclusion. Such load exclusions will be effective on October 1 following the Exhibit J revision and shall remain in effect for the duration of that Rate Period. If the Parties do not revise Exhibit J pursuant to this section by January 31 of the applicable Rate Case Year, then BPA shall not allow the requested load exclusion for the upcoming Rate Period.

Draft Master Template Exhibit J § 5.3.1 at 15-16.

Public Comments

The NLSL Group commented that the language on load exclusion is premature and requested that Bonneville commit to discussing load exclusion requirements prior to the start of power deliveries in 2028.⁶⁵ POCCT-26-NLSL-Group at 4.

AWEC appreciated Bonneville moving several WRAP-related terms from Section 22 to Exhibit J. However, AWEC commented that “specific language on several WRAP implementation issues, including WRAP-related charges and load exclusions, is premature . . .” and that the contract should only include placeholders at this time. POCCT-25-AWEC at 5.

Evaluation and Decision

The NLSL Group and AWEC commented that it was premature to include language governing load exclusions in the POC CHWM Contract and requested Bonneville delete the language and leave a placeholder instead. POCCT-26-NLSL-Group at 4; POCCT-25-AWEC at 5. Bonneville declines to make this edit.

Bonneville recognizes that WRAP requirements may still evolve and that Bonneville's own participation requirements may change ahead of its first binding season. Bonneville believes it

⁶⁵ The NLSL Group commented on Exhibit J Load Following Section 5.4 of the draft Master Template, but the language referenced was language from Exhibit J Load Following Section 5.3.1.

prudent to establish the time frames and expectations for granting a load exclusion so that customers have a clear understanding of the expectations regarding load exclusion requests, both for Bonneville and the customer. This provision should also provide certainty to customers on the process steps and potential outcomes ahead of signing and executing a POC CHWM Contract.

The Exhibit J WRAP provisions could change after the engagement described in Issue 66. This was one of the drivers for moving the bulk of the load exclusion provisions from Section 22 to Exhibit J. However, Bonneville believes the implementation dates and timeframes in question are unlikely to change significantly enough to warrant a complete deletion from the POC CHWM Contract.

Bonneville did not change Exhibit J Load Following Section 5.3.1 of the Master Template.

Issue 68: Should Bonneville retain discretion in determining load exclusions?

Contract Proposal

Load Following Section 22.4 of the draft Master Template included “«Customer Name»’s request for a load exclusion, and BPA’s decision of whether to allow such load exclusion, shall be pursuant to section 5 of Exhibit J.” Draft Master Template § 22.4 at 122. Exhibit J Load Following Section 5.3.1 of the draft Master Template stated:

By July 31, 2027, and by July 31 of each Forecast Year thereafter, «Customer Name» may request that BPA allow a load exclusion. Upon receipt of such request, BPA will analyze «Customer Name»’s request, including impacts to BPA’s ability to maintain resource adequacy and reliability, and any potential cost shifts to BPA and other BPA customers. In its sole discretion, BPA may: (1) allow a requested load exclusion, (2) allow a requested load exclusion subject to conditions designed to offset any negative impacts the requested load exclusion may have on the reliability of the power system or to share costs; or (3) decline a requested load exclusion.

Draft Master Template Exhibit J § 5.3.1 at 15.

Public Comments

PNGC recommended Bonneville strike the following language from the Exhibit J Load Following Section 5.3.1 of the draft Master Template:

In its sole discretion, BPA may: (1) allow a requested load exclusion, (2) allow a requested load exclusion subject to conditions designed to offset any negative impacts the requested load exclusion may have on the reliability of the power system or to share costs; or (3) decline a requested load exclusion.

POCCT-08-PNGC at 7. PNGC commented that the provision will “constrain qualifying loads that otherwise have a right to seek exclusion . . .” from WRAP, which has its own defined process for load responsible entities to request an exclusion. *Id.* PNGC contended that Bonneville should not have the “unilateral right to directly assign costs . . .” to a customer requesting a load exclusion. PNGC stated this was a reversal from Bonneville’s WRAP workshops where incentives, not penalties were discussed. *Id.*

PNGC commented on the Load Following Section 22.4 of the draft Master Template, “See Exhibit J, Section 5.3.1s.” *Id.* at 3

Evaluation and Decision

PNGC requested that Bonneville remove contract language that gives Bonneville the sole right to determine whether to grant a load exclusion and whether to apply charges. *Id.* at 3, 7. Bonneville declines to remove the language.

PNGC commented that since WRAP allows for a load exclusion, Bonneville should provide that option to its customers without further restriction. *Id.* at 7. Bonneville disagrees. Bonneville is the load responsible entity for a Load Following customer’s load and therefore must be able to account for all load in Bonneville’s WRAP participation. While WRAP does provide a process for requesting a load exclusion, Bonneville would be the entity responsible for implementing it. The challenges described in Issue 66 would be Bonneville’s responsibility to ensure are resolved, not the Load Following customer’s responsibility. While it is Bonneville’s intention to work with customers to find solutions to address those challenges, Bonneville may still find there are circumstances where it cannot grant a load exclusion or to do so would incur increased costs. As the load responsible entity, it is reasonable for Bonneville to determine a load exclusion in its sole discretion.

PNGC also commented that Bonneville’s proposed POC treatment is a reversal from the WRAP workshops where Bonneville discussed “incentives . . . , not penalties” *Id.* Bonneville took this to mean workshops related to WRAP implementation under RD. PNGC is correct, under RD Bonneville did not have any contractual requirements related to WRAP and therefore used incentives in rates to gather required information. Under the POC CHWM Contract, Bonneville has adopted WRAP-related requirements and now must consider consequences for a customer not meeting those requirements.

Bonneville did not change Exhibit J Load Following Section 5.3.1 or Load Following Section 22.4 of the Master Template.

[Issue 69: Should Bonneville commit to future public process discussions regarding demand response in WRAP and day-ahead markets?](#)

Contract Proposal

The draft Master Template did not address demand response.

Public Comments

The NLSL Group commented that while it “proposes no specific contract language for demand response . . .,” it requests Bonneville commit to discussions on demand response when Exhibit J WRAP requirements or Section 23 day-ahead market provisions are developed. POCCT-26-NLSL-Group at 1. AWEC commented in support of the NLSL Group’s request. POCCT-25-AWEC at 5. The NLSL Group and AWEC stated that demand response supports “resource adequacy and grid reliability.” POCCT-26-NLSL-Group at 1; POCCT-25-AWEC at 5.

Evaluation and Decision

The NLSL Group and AWEC requested Bonneville commit to discussing demand response when it established WRAP and day-ahead market provisions for the POC CHWM Contract. POCCT-26-NLSL-Group at 1; POCCT-25-AWEC at 5.

Demand response could be a valuable tool for both Bonneville and customers as demand-side management can lower peak energy demand during extreme events. Investing in demand response also provides benefits to customers, including reduced demand charge exposure. However, it is important to recognize that the benefit to a customer of adopting demand response measures to reduce the customer’s exposure to demand charges may or may not reduce Bonneville’s system peak demand during extreme events due to different timing between Bonneville and the customer’s system peak. As a result, demand-side management may achieve benefits at the customer level, but not at a system level and Bonneville may still need to implement load curtailments. In determining whether to accredit demand response, Bonneville must consider whether the demand response supports Bonneville’s system needs. WRAP accreditation specifically identifies dispatch control as well as annual testing requirements if demand response is to be used as a resource to meet WRAP requirements.

Bonneville is open to considering how demand response can be used to support its WRAP participation. As a starting point, in order for demand response to meet WRAP requirements, Bonneville will need to ensure that any submitted demand response measures/program or concept meets WRAP requirements as specified in the WRAP business practice manual 103.⁶⁶ For example, under business practice manual 103, demand response can be accounted for by either (1) leaving historically deployed demand response amounts in historical load data which will reduce the amount of the monthly forward showing capacity requirements, or (2) removing historically deployed demand response amounts from historical load data and using demand response as a qualifying resource. Demand response cannot be left in historical load data and simultaneously counted as a qualifying resource. WRAP BPM 103 § 2 at 4-5.

⁶⁶ The WRAP Business Practice Manual 103 – Participant Forward Showing Capacity Requirements is available at https://www.westernpowerpool.org/private-media/documents/V1.1_BPM_103_Forward_Showing_Capacity_Requirements_1.pdf.

The customer's demand response will also be required to meet the WRAP operational program requirements. This includes the ability for Bonneville to directly control or activate the demand response based on its needs, and as allowed under the terms of which the demand response received WRAP accreditation. Bonneville would need to ensure there was advanced notification to the load prior to initiating a demand response event. Interested customers should contact their Power Services account executive if they believe they can qualify and are willing to meet the requirements as determined by WRAP and Bonneville's implementation of WRAP.

Regarding demand response and day-ahead markets, Bonneville will need to consider the rules of the day-ahead market, as well as its own plans to participate in a day-ahead market, before it determines how demand response may be incorporated. Bonneville intends for these types of discussions to occur during the public process to discuss how Bonneville would participate in the market ahead of formally joining a market. Interested parties are encouraged to bring their considerations to that forum.

Bonneville did not change the Master Template.

Issue 70: Should Bonneville further clarify that Exhibit J Section 6 is for informational purposes only?

Contract Proposal

Exhibit J Section 6 of the draft Master Template established requirements for energy storage devices. The section began, "[t]he data included in this section 6 is intended for informational purposes." Draft Master Template Exhibit J § 6 at 17.

Public Comments

NRU commented in support of the inclusion of Exhibit J Section 6 and expressed particular support for the edit to the LF table in 6.3.1.3. POCCT-14-NRU, Attachment, Exhibit J at 17. NRU commented that it is in a customer's interest to be transparent about energy storage devices based on the "potential impact [they] may have on a customer's TRL" and that the "net impacts should be zero" *Id.*

Grant requested that Bonneville change the first sentence of Exhibit J Section 6 to: "The data included in this section 6 will be used by BPA only is intended for informational purposes." POCCT-19-Grant, Attachment, Exhibit J at 17. Grant commented that it is concerned about the "the potential for obligations to 'track' energy to/from storage devices . . ." and that a customer's operation of an energy storage device should not "interfere" with purchase or power supply obligations established in the POC CHWM Contract. *Id.* at 3.

Evaluation and Decision

NRU supported the inclusion of Exhibit J Section 6. POCCT-14-NRU, Attachment, Exhibit J at 17. Grant requested an edit to the section to clarify how it will be used by Bonneville. POCCT-19-Grant at 3. Bonneville declines to make any changes.

Bonneville will track customers' energy storage devices during the POC contract period. The information customers are required to provide about load shaping strategies, including energy storage device use, will aid Bonneville in forecasting and allow Bonneville to accurately establish heavy load hour and light load hour amounts and peak load amounts. The requirement that customers provide information about their energy storage devices also ensures that Bonneville understands what is contributing to load data when it participates in programs like WRAP that may require specific accounting.

Further, Bonneville may need to use the information provided in Exhibit J Section 6 to support participation in WRAP or demand response in a day-ahead market. For example, if a Load Following customer is using an energy storage device to serve its load, Bonneville, as the load responsible entity, must account for such use in its data submittal to WRAP's operations program. Exhibit J Section 6 is intended to help Bonneville meet its own data submittal requirements in this instance.

Bonneville did not change Exhibit J Section 6 of the Master Template.

Issue 71: Should Bonneville change Exhibit J Section 6.3.1.2 Sub-Options 1 and 2?

Contract Proposal

Exhibit J Section 6.3.1.2 of the draft Master Template outlined the requirements for a customer to elect how it will use its energy storage device by rate period. The language included Sub-Options 1 and 2 as follows:

Sub-Option 1: Include the following if customer or their retail consumer will only use the ESD stored energy on the customer's system.

«Customer Name» and its consumer shall use all capabilities of «facility name» only on «Customer Name»'s system.

End Sub-Option 1

Sub-Option 2: Include the following if customer or their retail consumer will use the ESD stored energy on other non-customer systems.

«Customer Name» and its consumer will provide the capabilities of «facility name» to users off «Customer Name»'s system. Consistent with section 20.5 of the body of this Agreement, all energy used to charge «facility name» for users off

«Customer Name»'s system will be scheduled to «Customer Name» from a third-party power provider and E-Tagged to «facility name».

End Sub-Option 2

Draft Master Template Exhibit J § 6.3.1.2 at 19.

Public Comments

Grant recommended deleting Exhibit J Section 6.3.1.2 Sub-Options 1 and 2. POCCT-19-Grant, Attachment, Exhibit J at 19. Grant commented “they are ambiguous at best” *Id.* Grant requested that Bonneville clarify what “use” means in the context of an energy storage device in understanding if Bonneville was looking at “schedule energy” or “any service that a storage device can provide[.]” *Id.*

Evaluation and Decision

Grant requested that Bonneville delete Exhibit J Section 6.3.1.2 Sub-Options 1 and 2, as well as clarify what it meant by “use” in this context. *Id.* Bonneville declines to delete the Sub-Options.

Bonneville included the Sub-Options based on how it will need to account for power sold to the customer. If a customer or consumer plans to use an energy storage device to manage load within a customer’s distribution system, Bonneville only needs to document that the customer has an energy storage device since it will be charged and discharged within the customer’s territory. In this context, “use” means any function that causes the movement and measurement of kilowatt-hours flowing into and from an energy storage device.

However, if a customer or consumer plans to use an energy storage device to supply power to a system other than the customer’s distribution system, then Bonneville needs to be able to account for both the charging and discharge of the energy storage device. Bonneville’s obligations under section 5(b) of the Northwest Power Act do not extend to charging a battery for such purposes and as such will need to ensure it is tracked. Bonneville’s primary concerns are identifying any wholesale resale of Bonneville power and any sales of power requiring the Administrator to include such amount when calculating a customer’s resources under 5(b)(1) or to exclude such amount from a customer’s net requirement under 9(c). For example, if the device serving load outside of a customer’s service territory is a battery, Bonneville needs to ensure that the battery is charged from a source other than Bonneville-provided power priced at a PF rate and that delivery of the stored energy does not displace the take-or-pay obligation of any customer of the Administrator.

While Bonneville is not involved in day-to-day operations of either resources or energy storage devices of planned product customers, Bonneville must have the ability to verify that its power is being sold to its customers consistent with its statutory directives. Accordingly, Bonneville requires the ability to track power scheduled to and from energy storage devices for uses off a customer’s system.

Bonneville changed “shall use” in Sub-Option 1 of Exhibit J Section 6.3.1.2 in the Master Template to “will use” for consistency with Sub-Option 2 as follows: “«Customer Name» and its consumer will use all capabilities of «facility name» only on «Customer Name»’s system.” Master Template Exhibit J § 6.3.1.2 at 19. Bonneville did not change Sub-Option 2 of Exhibit J Section 6.3.1.2 of the Master Template.

Issue 72: Should Bonneville include a new subsection discussing the new capacity credit?

Contract Proposal

Exhibit J Section 6 of the draft Master Template addressed energy storage devices. Draft Master Template Exhibit J § 6 at 17.

Public Comments

Snohomish requested a new subsection 6.4 titled “New Capacity Credit” suggesting it could mirror concepts from the Exhibit J Load Following Section 4 of the draft Master Template. POCCT-06-Snohomish, Exhibit J at 19. Snohomish commented that a new section “would provide BPA access to WRAP capacity credit for customer [energy storage device’s] that could result in lower costs for BPA customers overall, by mitigating BPA capacity encumbrance to WRAP through low cost capacity.” *Id.*

Evaluation and Decision

Snohomish requested that Bonneville add a section to Exhibit J regarding the new capacity credit and specifically how it may apply to an energy storage device. *Id.* Bonneville declines to make the edit as it does not believe the issue is ripe for contract drafting.

The new capacity credit is a new term introduced in Section 4.3.6.2 of the PRDM. It provides a credit to a customer that reduces the Administrator’s obligations or allows Bonneville to use its resource capacity to fulfill the Administrator’s obligations. The PRDM states that, “[t]he allocation of the cost of providing the New Capacity Credit will be determined in each 7(i) Process and may be functionalized to Power, Transmission, or a partial allocation to both.” PRDM, PRDM-26-A-03, § 4 at 47.

As the cost associated with the credit may vary based on the outcome of the 7(i) process, and may not apply only to power rates, Bonneville does not believe adding new capacity credit language to the POC CHWM Contracts prior to their December 2025 execution is appropriate. If Bonneville, through input in a 7(i) process, determines that the POC CHWM Contract is the right place to add language, Bonneville will update Exhibit J. However, Bonneville may determine that a trading floor agreement is a better place to document such an arrangement.

Bonneville did not change Exhibit J Section 6 of the Master Template. Bonneville will work with customers that have a new non-federal resource or energy storage device that may qualify for

the new capacity credit to determine if it qualifies and capture that in the appropriate document.

25. Miscellaneous POC CHWM Contract Issues

Bonneville received a handful of comments not tied to specific POC CHWM Contract sections. These comments were related to the treatment of a JOE in the POC CHWM Contract.

Issue 73: Should Bonneville address how a JOE's non-federal resource attestation will work in the Master Template?

Contract Proposal

Neither the draft Master Template nor the planned product JOE contract sections released for comment May 23, 2025, described how a JOE's non-federal resource attestation would be determined in the POC CHWM Contract.

Public Comments

PNGC commented how Bonneville staff, at the May 21, 2025 workshop, stated that “non-federal Dedicated Resource amounts must also be listed and determined by individual members, and resource amounts would be required to follow individual members for the term of the contract.” POCCT-35-PNGC at 2 (emphasis omitted). PNGC explained that Bonneville’s proposed treatment of non-federal dedicated resource amounts was inconsistent with “PNGC’s membership agreements and power supply framework for its members” which for the most part “do not permit members to ‘take’ resource entitlements with them if they leave PNGC.” *Id.* PNGC commented that it was necessary to maintain this arrangement and that Bonneville could not “inject rights and obligations into PNGC’s membership agreement to which BPA is not a party.” *Id.*

Evaluation and Decision

PNGC requested that Bonneville refrain from establishing contract provisions that lock in how a JOE’s non-federal resource is applied to each member. *Id.* Bonneville appreciates PNGC’s comments and intends to work with the JOE to develop language in Exhibit D that will address both parties’ needs.

Bonneville raised the issue of a JOE’s non-federal resource attestation as part of the May 21, 2025 workshop when discussing JOE-specific provisions for planned products. Bonneville’s intention was two-fold. First, Bonneville sought to ensure that it had sufficient information to implement certain products. For example, in the case of the flat monthly block with PNR shaping capacity product, in order to complete member level determinations, Bonneville would need to know how non-federal resources apply to individual JOE members. Second, Bonneville

wanted to ensure that a utility joining or leaving a JOE does not result in an increase to the Administrator's obligations.

Bonneville understands PNGC's concerns and recognizes that PNGC, or any JOE, will have its own agreements with its members. Bonneville believes it can meet Bonneville's and the JOE's needs without having an express requirement in the contract for JOE members to take a share of identified resources procured by the JOE if a member leaves the JOE. Bonneville will continue to require the JOE contract to identify amounts of resources attributable to the JOE members. As noted above, Bonneville needs this information for the purpose of making certain determinations at the JOE member level. However, Bonneville will work with the appropriate parties to determine how to appropriately address application of non-federal resources in the POC CHWM Contract in the event a utility joins PNGC, an existing member leaves PNGC, or if PNGC selects a planned product. Bonneville would document such treatment through unique and special provisions.

Bonneville did not change the Master Template to address a JOE's non-federal resource attestation. Bonneville will work with PNGC, or any JOE, to establish unique and special provisions as necessary.

Issue 74: Should Bonneville change its treatment of a JOE and draft contract language treating a JOE as a single utility?

Contract Proposal

The POC Policy only specified how Bonneville would determine a CHWM for a JOE; it did not specify whether the JOE would be treated as a collection of individual utilities or a single utility for all contract terms. Bonneville drafted the POC CHWM Contract JOE provisions treating a JOE as a collection of individual utilities.

Public Comments

WPAG commented that it supports the JOE Block and Slice/Block language as included in the contract sections released May 23, 2025, so long as a JOE is treated as a collective of utilities across all aspects of the Post-2028 initiative. POCCT-34-WPAG at 2. WPAG stated out of "[f]undamental fairness" to other customers, Bonneville and JOE's must pick a treatment and stick to it. *Id.* WPAG commented that the JOE Block and Slice/Block provisions provide additional benefits to a JOE because they treat a JOE as a collective of utilities rather than a single utility and provided three examples. *Id.* at 1. WPAG commented that if Bonneville decides to treat a JOE as a single utility, then Bonneville "must revise the JOE Block and Slice/Block product language accordingly to ensure consistent single utility treatment for JOEs across all the various components of Provider of Choice, including across the various products and services." *Id.* at 1-2.

Evaluation and Decision

WPAG commented that if Bonneville decides to treat a JOE as a single utility rather than a collection of individual utilities, then Bonneville must revise the JOE Block and Slice/Block contract provisions to ensure consistent treatment. *Id.* at 1-2. In the alternative, WPAG commented it supports treating the JOE as a collective of individual utilities provided such treatment is consistent across all aspects of POC. *Id.* at 2.

Bonneville agrees it is important to treat the JOE consistently across the various processes in the Post-2028 initiative. In the POC CHWM Contract, Bonneville drafted the JOE Block and Slice/Block provisions treating a JOE as a collective of individual utilities. A JOE cannot alone without any underlying members or participants request a firm power sales contract from Bonneville pursuant to section 5(b) of the Northwest Power Act. Two or more public bodies or cooperatives that were customers of Bonneville are required to be members or participants in the JOE as a precondition for service pursuant to section 5(b)(7) of the Northwest Power Act. As such Bonneville has applied this treatment consistently since section 5(b)(7) was added to amend the Northwest Power Act. Bonneville initiated this treatment under Subscription, carried it forward in the application of CHWMs under RD, and built off that foundation into POC.

WPAG identified multiple examples where it says treating the JOE as a collection of individual utilities provides “additional benefits” to the JOE as compared to if the JOE were treated as a single utility. *Id.* at 1. Bonneville agrees with the premise of WPAG’s concern that treating a JOE as a collection of individual utilities in some instances and as a single utility in other instances would not be reasonable, particularly if this inconsistent treatment afforded a JOE greater flexibilities than other customers. That, however, is not Bonneville’s proposal. Under the POC CHWM Contract and the related policies, a JOE is consistently treated as a collection of individual utilities served operationally under a single Bonneville contract. Examples of this include the CHWM treatment in Exhibit B Sections 1.1 and 1.2 Option 2, Block product determinations in Exhibit C Block Template Option 2, and Above-CHWM elections in Exhibit C Section 2.1 Option 2. This is important since the JOE itself is not a utility but rather it is a wholesale entity that supplies electricity to its members and participants who in turn are utilities owning and operating distribution facilities serving retail consumers.

Bonneville has identified only one situation where the implementation of the JOE’s POC CHWM Contract deviates from the general approach that the JOE contract provisions originate at the JOE member level. That situation – the treatment of the JOE for purposes of determining PLVS – is an appropriate deviation from the general rule as described in Issue 53.

Bonneville did not change the Master Template JOE planned product language to treat a JOE as a single utility. Bonneville maintained its position to treat a JOE as a collective of individual utilities that are served under a single Bonneville contract across all aspects of the Post-2028 initiative.

Issue 75: Did Bonneville adequately address PNGC's comments and redlines submitted during the policy implementation and contract development phase?

Contract Proposal

During the policy implementation and contract development phase, Bonneville accepted, considered and addressed comments and redlines on draft contract language submitted during workshops and in informal comment windows.

Public Comments

Big Bend, Fall River, Harney, and PNGC expressed disappointment that Bonneville rejected PNGC's proposed redlines during the policy implementation and contract development phase. All four commenters commented that PNGC had suggested edits on the "introductory, definitions, and other sections of general applicability" of PNGC's status as a JOE and felt that Bonneville "insufficiently addressed" those in the draft Master Template. POCCT-12-Big-Bend at 1; POCCT-30-Fall-River at 1; POCCT-18-Harney at 1; POCCT-08-PNGC at 1. Big Bend, Fall River and Harney commented that Bonneville rejected "most of the redlines" while PNGC argued Bonneville "uniformly rejected the clarifying redlines" *Id.*

PNGC submitted a second set of comments on the JOE-specific planned product language. PNGC commented that the "POC JOE-specific contract provisions were the last of the product template terms disclosed by BPA staff." POCCT-35-PNGC at 1. PNGC stated the "complex POC contract is a monumental change from the current Regional Dialogue contract, and PNGC is continually reviewing and evaluating the substantive proposals as they are disclosed." *Id.* PNGC asserted that it "reserves the right to supplement these comments with additional information." *Id.*

Evaluation and Decision

Big Bend, Fall River, Harney and PNGC expressed disappointment in the POC process because they believe Bonneville did not accept "most of the redlines" in comments that PNGC provided during the policy implementation and contract development phase. POCCT-12-Big-Bend at 1; POCCT-30-Fall-River at 1; POCCT-18-Harney at 1; POCCT-08-PNGC at 1. PNGC stated that Bonneville "uniformly rejected" clarifying redlines it provided. POCCT-08-PNGC at 1. Bonneville disagrees.

During the policy implementation and contract development phase, Bonneville held approximately 38 interactive and collaborative public workshops to discuss proposed draft contract language with interested parties. Additional information on the contract development process is available in the introduction (Section 1) of this ROD. PNGC provided comments and suggested edits throughout the policy implementation and contract development phase both as informal written comments and verbal comments in workshops. Bonneville considered and

addressed comments received by PNGC, and other interested participants, through the iterative workshop process.

Additionally, Bonneville released a draft contract template on October 31, 2024, for informal comment and on December 19, 2024. PNGC did not submit edits on either draft template. Bonneville then released a subsequent draft contract template on January 17, 2024, for informal comment. PNGC did provide suggested edits to this version of the template on January 30, 2025. Bonneville reviewed PNGC's edits and adopted some and left out others in the draft Master Template. This is the same approach to edits that Bonneville followed for comments and edits provided by all other interested parties.

Specific to PNGC's January 30, 2025 edits, Bonneville made adjustments based on PNGC's edits that were reflected in the draft Master Template. For example, Bonneville determined it was reasonable to add language to the recital for a JOE that acknowledges the JOE status as established in section 5(b)(7) of the Northwest Power Act. *See* Master Template at 4.

Commenters expressed frustration that Bonneville rejected many of the other edits in PNGC's January 30, 2025, comment. Bonneville acknowledges that it declined to incorporate multiple edits that PNGC included in its January 30, 2025 comment. While Bonneville will not address all edits from the January 30, 2025 comment here, Bonneville notes that many of the edits that PNGC proposed would have conflicted with the decisions Bonneville made in the POC Policy. For example, PNGC requested Bonneville strike Section 12.2 of the POC CHWM Contract, which requires customers to waive their participation in the Residential Exchange Program (REP). *See* Master Template § 12.2 at 85. This provision, however, simply implements the POC Policy decision on REP participation under the POC CHWM Contract. *See* POC Policy § 10.1 at 45 ("Bonneville intends to expand upon that principle in the Provider of Choice contracts and include a provision whereby PF customers would waive their participation in the REP for the Provider of Choice contract period."). The rationale for this approach was extensively discussed in the POC Policy ROD. POC Policy ROD § 11 294-301 (explaining Bonneville's rationale for requiring this waiver under the POC CHWM Contract).

Another example is PNGC's comment requesting Bonneville strike language in Section 14.6 of the POC CHWM Contract, which implements the POC Policy decision to pass-through transfer service costs associated with delivering power to an NLSL. *See* Master Template § 14.6 at 89, § 14.6.7.1 at 91-92. The issue of passing through transfer costs to serve an NLSL was extensively discussed in the POC Policy and POC Policy ROD. POC Policy § 6.2.2 at 39; POC Policy ROD § 7 at 238-46. It is again further discussed in this ROD in Issue 30. These examples show that Bonneville did not simply outright reject PNGC's edits but carefully considered them in view of the policies and objectives of the POC CHWM Contract framework.

On March 12, 2025, Bonneville published the draft Master Template for formal public comment. To the extent any interested party continued to have outstanding concerns or felt additional edits should be made to the draft Master Template, they were invited to provide

such proposed edits for consideration. Big Bend, Fall River, Harney and PNGC provided comments on the draft Master Template, which Bonneville considered and addressed in this ROD just as it did for all other commenters.

Bonneville recognizes that the process around the development of the JOE planned product language was shortened from the three-touch approach adopted for all other contract sections. As described in the introduction of this ROD, no party showed interest in JOE planned product language until late in the development of POC contract language. The JOE planned product language outlined obligations specific to a JOE compared to an individual utility customer. Interested parties requested JOE planned product language to inform their decision for product selection. To meet the product selection deadlines, Bonneville streamlined its deliberation and review of language to meet the needs of parties. Bonneville believes that while the approach was streamlined, it afforded parties an opportunity for meaningful input. In addition, Bonneville provided the JOE planned product language for public comment and any comments received have been addressed in this ROD.

Bonneville has conducted an extensive public process in the development and review of the POC CHWM Contract and has provided all interested parties the same opportunities to comment and propose edits on the proposed templates. Bonneville believes the Master Template reflects the robust input of interested parties and a thorough process that has resulted in terms generally supportable by customers.

26. New Resource Rate Block Policy

In Bonneville's POC Concept Paper, which kicked off the policy development phase, Bonneville acknowledged that IOUs' interest in section 5(b) power sales contracts for the POC contract period may differ from their interest during RD due to the evolving energy outlook in the Northwest. POC Concept Paper § 4.3.4 at 33. Bonneville noted that, "[w]hile all of the region's IOUs have signed long-term NR contracts with Bonneville under the Regional Dialogue contract, none have placed any load on Bonneville because of the historically high cost of the NR rate." *Id.* Bonneville committed to "discuss[ing] IOUs needs for 5(b) power in the post-2028 period as part of the Provider of Choice policy workshops." *Id.*

In Section 4.1 of the POC Policy, Bonneville shared that it intended to "provide power sold at the NR rate that IOUs elect to purchase as a standalone Block product, also referred to as the NR Block product, with similar features to the standalone Block product offered to PF customers (Section 3.3) and on the same development timeline." POC Policy § 4.1 at 35. The NR Block product approach contemplated under POC is consistent with the NR Block product that IOUs had the option to request an offer for under RD and Bonneville addressed the concerns of commenters on that approach in Issue 98 of the POC Policy ROD. POC Policy ROD § 5 at 206-07.

At the April 9 and 10, 2024, workshops,⁶⁷ Bonneville identified an NR Block contract template as one of the templates that it would draft and negotiate provisions for between April 2024 and October 2024 and would finalize a draft for between November 2024 and February 2025.

At the December 18, 2024 workshop,⁶⁸ Bonneville shared that it was considering changing its approach to drafting an NR Block contract template. Bonneville proposed to draft an NR Block Policy and defer the process of contract template drafting and negotiation for three reasons:

- Bonneville envisions broad similarities between the NR Block offering and the PF standalone Block offering, yet several issues would benefit from policy-level discussion and policy direction ahead of contract term development.
- Policy public process provides IOU engagement opportunity for common expectations around service and contract irrespective of individual interest in or timing for seeking 5(b) service from Bonneville.
- NR Block Policy will set the foundation for what would trigger determining IOUs' eligibility for 5(b) service. Once determined, BPA would commit to develop [an] NR Block contract for service to IOUs' 5(b) load.

December 18, 2024 workshop materials at 6. In the workshop, Bonneville outlined the elements of the NR Block Policy⁶⁹ it intended to write and explained it would hold a public process around the development of such policy. *Id.* at 8-9. Bonneville received no objections during the workshop to its proposal to not prepare a section 5(b) contract for the IOUs and, instead, develop the NR Block Policy. Bonneville solicited additional informal comments on the proposed approach through January 10, 2025. Bonneville received no comments.

Bonneville discussed the intended elements of the NR Block Policy and received attendee feedback at the January 23, 2025 workshop.⁷⁰ The workshop materials included a timeline identifying a March 12, 2025, publication date for the draft policy and an April 9, 2025 deadline for comments on the draft policy. There were no objections raised during the workshop. Bonneville solicited informal comments on the workshop materials through January 31, 2025. Bonneville received no comments.

⁶⁷The April 9 and 10, 2024 workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/2024-04-09-10-provider-of-choice-timelines-contracts-final.pdf>.

⁶⁸ The December 18, 2024 workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2024-Workshops/20241218-nr-block-policy.pdf>.

⁶⁹ The NR Block Policy will be published alongside this ROD and will be posted to Bonneville's POC webpage available at <https://www.bpa.gov/energy-and-services/power/provider-of-choice>.

⁷⁰ The January 23, 2025 workshop materials are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2025-workshops/2025-01-23-provider-of-choice-nr-block.pdf>.

Bonneville published the draft New Resource Rate Block Policy⁷¹ on March 12, 2025 (draft NR Block Policy) and opened a comment period that ran through April 9, 2025. Bonneville received no comments on the draft NR Block Policy.

Bonneville executed its proposed approach and is publishing the NR Block Policy in conjunction with this ROD.

The NR Block Policy establishes how and when Bonneville will develop an NR Block contract template and the key provisions required to effectuate IOUs' section 5(b) rights.

27. National Environmental Policy Act Analysis

Consistent with the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*, Bonneville has assessed the potential environmental effects that could result from implementation of the POC CHWM Contracts. The POC CHWM Contracts are the long-term section 5(b) power sale contracts for power sales from FY 2028 through FY 2044. The POC CHWM Contracts build on the POC Policy, which addresses Bonneville's power marketing policy for the POC contract period. As part of the NEPA process, Bonneville's NEPA compliance staff reviewed public comments related to environmental compliance received during the policy implementation and contract development phase of the POC CHWM Contracts.

The POC CHWM Contracts would allow Bonneville to continue to provide power marketing services and power management activities under long-term contracts. Bonneville's implementation of the POC CHWM Contracts would not result in generation projects operating outside of normal operating limits or physical changes to the transmission system. The federal generation projects from which Bonneville markets power would continue to operate consistently within applicable environmental laws and regulations, including the National Marine Fisheries Services and U.S. Fish and Wildlife Service 2020 Biological Opinions on the operations and maintenance of the Columbia River System, the Columbia River System Operations Environmental Impact Statement Record of Decision, and any related court orders or other agreements. If in the future Bonneville identifies the need for new generation sources, generator operations outside of normal operating limits, or physical changes to the transmission system, appropriate environmental compliance, including NEPA analysis, would be conducted at that time.

Accordingly, Bonneville has determined that the proposed POC CHWM Contracts fall within a class of actions excluded from further NEPA review pursuant to U.S. DOE NEPA regulations, which are applicable to Bonneville. More specifically, this proposal falls within Categorical Exclusion B4.1 and B4.4, found at Appendix B to 10 C.F.R. § 1021 – the US Department of Energy's NEPA Implementing Regulations at 10 C.F.R. § 1021 were revised on July 3, 2025 published at 90 Fed. Reg 29,676 – Bonneville has prepared a categorical exclusion

⁷¹ The draft NR Block Policy, published March 12, 2025, is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2025-workshops/poc-nr-block-policy-march-2025.pdf>.

determination memorandum that documents this action is categorically excluded from further NEPA review.⁷²

28. Conclusion

This ROD reflects Bonneville's careful consideration of the comments provided on the POC CHWM Contract. This ROD also addresses the NR Block Policy. Bonneville sincerely appreciates the engagement of its customers and interested parties throughout this process, whose participation has been vital in shaping the contract's final terms and conditions. Bonneville has taken the time to understand and analyze the issues and concerns raised in the formal comments. Bonneville recognizes the importance of customers having an adequate and reliable power supply and is confident the POC CHWM Contract will provide the products and services to meet its customers' long-term needs.

Issued in Portland, Oregon, this 14th day of August, 2025.



John L. Hairston
Administrator and Chief Executive Officer

⁷² The categorical exclusion determination memorandum is available at <https://www.bpa.gov/learn-and-participate/public-involvement-decisions/categorical-exclusions>.

Appendix A: Abbreviations/Acronyms

Abbreviation/Acronym	Definition
5(b)9(c) Policy	Revised Policy on Determining Net Requirements of Pacific Northwest Utility Customers Under Sections 5(b)(1) and 9(c) of the Northwest Power Act, March 19, 2009
Above-CHWM	Above-Contract High Water Mark
aMW	average megawatt
ATC	available transmission capability
AWEC	Alliance of Western Energy Consumers
Benton REA	Benton Rural Electric Association
Big Bend	Big Bend Electric Cooperative
Bonneville	Bonneville Power Administration
CF/CT	Contracted For/Committed To
CGS	Columbia Generating Station
CHWM	Contract High Water Mark
Clatskanie	Clatskanie People's Utility District
Columbia Basin	Columbia Basin Electric Cooperative, Inc.
Columbia REA	Columbia Rural Electric Association
CPP	committed power purchase
DOE	Department of Energy
DOE HFO	United States Department of Energy Hanford Field Office
draft Master Template	draft POC CHWM Contract Master Template, dated March 12, 2025
draft NR Block Policy	draft New Resource Rate Block Policy, dated March 12, 2025
draft POC Policy	draft Provider of Choice Policy, dated July 2023
draft POC Standards	draft Provider of Choice Standards for Resource Declarations, dated April 15, 2025
EWEB	Eugene Water & Electric Board
FBS	federal base system
FCRPS	Federal Columbia River Power System
FY	fiscal year
GADS	Generating Availability Data System
Grant	Public Utility District No. 2 of Grant County, Washington
GRSP	general rate schedule provision
Hanford Site	DOE HFO, Hanford, Wash., site
Harney	Harney Electric Cooperative Inc.
HWM	High Water Mark
ICNU	Industrial Customers of Northwest Utilities
Idaho Falls	Idaho Falls Power
IOU	investor-owned utility
JCAF	joint contract accreditation form

Abbreviation/Acronym	Definition
JOE	joint operating entity
Lost River	Lost River Electric Cooperative
Mason 3	Mason Public Utility District 3
Master Template	Provider of Choice Contract High Water Mark Contract Master Template, dated June 18, 2025
May 21 draft template	updated draft Master Template, dated May 21, 2025
MW	megawatt
NEPA	National Environmental Policy Act
NLSL	New Large Single Load
NLSL Group	New Large Single Load (NLSL) Group
Northern Wasco	Northern Wasco People's Utility District
Northwest Power Act	Pacific Northwest Electric Power Planning and Conservation Act
NR	New Resource
NR Block Policy	New Resource Rate Block Policy
NRU	Northwest Requirements Utilities
OATT	Open Access Transmission Tariff
Okanogan	Public Utility District #1 of Okanogan County
PF	Priority Firm Power
PLVS	peak load variance service
PNGC	Pacific Northwest Generating Cooperative
PNR	peak net requirement
POC	Provider of Choice
POC Concept Paper	Provider of Choice Concept Paper, dated July 2022
POC Policy	Provider of Choice Policy, dated March 2024
POC Policy ROD	Provider of Choice Policy Record of Decision, dated March 2024
POC SCA	Provider of Choice Final Slice Creditworthiness Agreement, dated June 18, 2025
POC Standards	Provider of Choice Standards for Resource Declarations, dated June 2, 2025
POC webpage	Provider of Choice webpage
POCSA	Provider of Choice Slice Application
PPC	Public Power Council
PPG	Planned Product Group
PRDM	2029 Public Rate Design Methodology
PURPA	Public Utility Regulatory Policies Act
QCC	Qualified Capacity Contribution
RD	Regional Dialogue
RD Concept Paper	Long-Term Regional Dialogue Concept Paper, dated September 2005
RD Contract ROD	Long-Term Regional Dialogue Contract Policy ROD, dated October 31, 2008

Abbreviation/Acronym	Definition
RD Policy	Long-term Regional Dialogue Policy, dated July 19, 2007
RD ROD	Long-Term Regional Dialogue ROD, dated July 19, 2007
RD Standards	Regional Dialogue Standards for Resource Declarations, dated September 9, 2008
REP	Residential Exchange Program
ROD	record of decision
RSO	requirements slice output
RSS	resource support services
Salmon River	Salmon River Electric Cooperative
Scheduling PORs	Scheduling Points of Receipt
Seattle	Seattle City Light
Snohomish	Public Utility District No. 1 of Snohomish County
SOF	slice operations forum
Tacoma	Tacoma Power
TCMS	transmission curtailment management service
TRL	total retail load
TSR	transmission service request
TSS	transmission scheduling services
United	United Electric Co-op, Inc.
U.S.	United States
WPAG	Western Public Agencies Group
WRAP	Western Resource Adequacy Program

Appendix B: List of Comments

Provider of Choice Assigned ROD Comment Reference	Bonneville Public Involvement Assigned Comment Number	Affiliation	Commenter
POCCT-01-DOE-HFO	POCCT25250005	Department of Energy Hanford Field Office	Brian Harkins
POCCT-02-Columbia-REA	POCCT25250006	Columbia Rural Electric Association	Dan Andrews
POCCT-03-Enell	POCCT25250007	Individual	Dean Enell
POCCT-04-Columbia-Basin	POCCT25250008	Columbia Basin Electric Cooperative, Inc.	Andy Fletcher
POCCT-05-EWEB	POCCT25250009	Eugene Water & Electric Board	Aaron Bush
POCCT-06-Snohomish	POCCT25250010	Public Utility District No. 1 of Snohomish County	Ian Hunter
POCCT-07-Clark	POCCT25250011	Clark Public Utilities	Steve Andersen
POCCT-08-PNGC	POCCT25250012	PNGC Power	Chris Allen
POCCT-09-Idaho-Falls	POCCT25250013	Idaho Falls Power	Bear Prairie
POCCT-10-Benton-REA	POCCT25250014	Benton Rural Electric Association	Ryan Redmond
POCCT-11-PPG	POCCT25250015	Planned Product Group	Chris Roden
POCCT-12-Big-Bend	POCCT25250016	Big Bend Electric Cooperative, Inc.	Christina Wyatt
POCCT-13-Clatskanie	POCCT25250017	Clatskanie People's Utility District	Chris Roden
POCCT-14-NRU	POCCT25250018	Northwest Requirements Utilities	Zabyn Towner
POCCT-15-Tacoma	POCCT25250019	Tacoma Power	Ray Johnson
POCCT-16-Tacoma	POCCT25250020	Tacoma Power	Ray Johnson
POCCT-17-WPAG	POCCT25250021	Western Public Agencies Group	Ryan Neale
POCCT-18-Harney	POCCT25250022	Harney Electric Cooperative, Inc.	Fred Flippence
POCCT-19-Grant	POCCT25250023	Public Utility District No. 2 of Grant County	Andrew Munro
POCCT-20-United	POCCT25250024	United Electric Co-op, Inc.	Michael Darrington
POCCT-21-Seattle	POCCT25250025	Seattle City Light	Siobhan Doherty
POCCT-22-Seattle	POCCT25250026	Seattle City Light	Siobhan Doherty
POCCT-23-Salmon-River	POCCT25250027	Salmon River Electric Cooperative, Inc.	Ken Dizes
POCCT-24-Salmon-River	POCCT25250028	Salmon River Electric Cooperative, Inc.	Ken Dizes
POCCT-25-AWEC	POCCT25250029	Alliance of Western Energy Consumers	Bill Gaines

Provider of Choice Assigned ROD Comment Reference	Bonneville Public Involvement Assigned Comment Number	Affiliation	Commenter
POCCT-26-NLSL- Group	POCCT25250030	NLSL Group	Steve Kerns
POCCT-27-Mason-3	POCCT25250032	Mason Public Utility District 3	Annette Creekpaum
POCCT-28- Okanogan	POCCT25250033	Public Utility District #1 of Okanogan County	Ron Gadeberg
POCCT-29-Lost-River	POCCT25250034	Lost River Electric Cooperative	Brad J. Gamett
POCCT-30-Fall-River	POCCT25250035	Fall River Rural Electric Cooperative, Inc.	Bryan Case
POCCT-31- Snohomish	POCCT25250036	Public Utility District No. 1 of Snohomish County	Ian Hunter
POCCT-32-PPC	POCCT25250037	Public Power Council	Tom Creekpaum
POCCT-33-Tacoma	POCCT25250038	Tacoma Power	Jim Russell
POCCT-34-WPAG	250516	Western Public Agencies Group	Ryan Neale
POCCT-35-PNGC	250517	PNGC Power	Richard Stover