Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT/PRIVACY PROGRAM

October 13, 2020

In reply refer to: FOIA #BPA-2019-00227-F

Andrew Missel
Advocates for the West
3701 SE Milwaukie Ave., Ste. B
Portland OR 97202
Email: amissel@advocateswest.org

Dear Mr. Missel,

This communication concerns your request for Bonneville Power Administration (BPA) records made under the Freedom of Information Act, 5 U.S.C. § 552 (FOIA). BPA received your records request on November 18, 2019 and formally acknowledged your request on December 16, 2019. An extension letter was sent to you on March 26, 2020, estimating the due date for release of records on August 4, 2020.

Request
"…the records described below pertaining to the Bonneville Power Administration's ("BPA") communications with its customers:

1. Any and all communications received by BPA from any of its wholesale customers or sent from BPA to any of its wholesale customers since January 1, 2018 that refer or relate to development of, consideration of, agreements to enter into, or negotiations about new long-term power contracts.

2. Any and all records that document, memorialize, or refer to any meetings, conversations, or other communications between BPA and its wholesale customers regarding development of, consideration of, agreements to enter into, or negotiations about new long-term power contracts."

On January 3, 2020, BPA sent you a letter which proposed a clarification of scope. The agency explained that knowledgeable agency personnel would, "interpret this [request] to mean any communications related to negotiation of successor agreements to BPA's current Regional Dialogue Power Sales Contracts (i.e., Load Following, Slice/Block, and Block), effective from October 1, 2011, to September 30, 2028."

Clarification
On January 7, 2020, you replied:

> "The proposed clarification/restatement appears to capture the first part of the original request. The proposed clarification/restatement is therefore acceptable as a clarification of the first part of the request, provided that BPA understands and agrees to the following:
>
> - if there are any wholesale power customers whose contract start and end dates are different from October 1, 2011 and September 30, 2028, communications with those customers are responsive to the request;
> - the term "successor agreement" should be broadly construed in favor of disclosure—if a communication relates to the negotiation or discussion of a power purchase agreement or contract that would replace, extend, or modify a current agreement or contract, that communication is responsive to the request; and
> - the clarification applies only to the first part of the request—the second part of the request remains in force."

First Partial Response
BPA has searched for and gathered records responsive to your request. In an effort to both accommodate the review of the large volume of responsive records, and to provide the records expediently within the limitations of available agency resources, BPA is releasing responsive records to you in installments, as permitted by the FOIA. A first partial release of responsive records accompanies this communication.

The first partial response comprises 647 pages with one page containing redactions made under 5 U.S.C. § 552(b)(2) (Exemption 2), 79 pages containing redactions made under 5 U.S.C. § 552(b)(5) (Exemption 5), and 103 pages containing redactions made under 5 U.S.C. § 552(b)(6) (Exemption 6). These redactions are described below.

Explanation of Exemptions
The FOIA generally requires the release of all agency records upon request. However, the FOIA permits or requires withholding certain limited information that falls under one or more of nine statutory exemptions (5 U.S.C. §§ 552(b)(1-9)).

<u>Exemption 2</u>
Exemption 2 permits withholding of agency information "related solely to the internal personnel rules and practices of an agency." BPA invokes Exemption 2 to protect internal internet portals and telephone call-in numbers and their related passwords.

<u>Exemption 5</u>
The FOIA's Exemption 5 deliberative process privilege protects records showing the deliberative or decision-making processes of government agencies. Records protected under Exemption 5 must be both pre-decisional and deliberative. A record is pre-decisional if it is generated before

the adoption of an agency policy. A record is deliberative if it reflects the give-and-take of the consultative process, either by assessing the merits of a particular viewpoint, or by articulating the process used by the agency to formulate a decision. BPA has considered and declined a discretionarily release of some pre-decisional and deliberative information in the responsive records set because BPA can reasonably foresee that disclosure would harm the interests intended to be protected and encouraged by Exemption 5. BPA invokes Exemption 5 to protect discussions related to development of the post-2028 preference power sale contract.

Exemption 6

Exemption 6 protects information in "personnel and medical files and similar files" when the disclosure of such information "would constitute a clearly unwarranted invasion of personal privacy" (5 U.S.C. § 552(b)(6)), and if there is no public interest that outweighs the privacy interest. BPA relies on Exemption 6 in this instance to withhold personal mobile-phone numbers and personal information not related to agency business. BPA can find no public interest in the release of this information as it does not shed light on the mission or working of BPA, as an agency.

Certification

Pursuant to 10 C.F.R. § 1004.7(b)(2), I am the individual responsible for the partial release and exemption determinations described above.

Next Partial Release Target Date

BPA continues to review and process the remaining responsive records collected in response to your request. The remaining records contain third-party information. The agency is required by 5 U.S.C. § 552(b)(4) (Exemption 4) to consult with the third-party information submitters and provide them with an opportunity to formally object to the public release of their information. BPA's Office of General Counsel (OGC) will be tasked with making a determination on any objections received from third parties.

Please know that for an undetermined period, related to the agency's response to the COVID-19 pandemic, BPA personnel are operating within a remote working directive. FOIA request processing is thereby slowed. Owing to the extensive Exemption 4 analyses described above, and the agency's current workforce status, the agency estimates a next partial records release date of March 31, 2021.

Your patience is appreciated as the agency works towards processing your FOIA request to completion. I appreciate the opportunity to assist you. If you have any questions about the content of this communication, please contact FOIA Public Liaison Jason E. Taylor at 503-230-3536 or at jetaylor@bpa.gov.

Sincerely,

Candice D. Palen
Freedom of Information/Privacy Act Officer

Responsive agency records accompany this communication.

From: Garrett,Paul D (BPA) - PSW-6
Sent: Friday, May 18, 2018 11:04 AM
To: Olive,Kelly J (BPA) - PSS-6
Subject: Post-2028 Preference Power Sales Contract Timing (draft 05-17-2018).docx
Attachments: Post-2028 Preference Power Sales Contract Timing (draft 05-17-2018).docx

Great thoughts. How about this? (b) (5)

(b) (5)

-Paul

16190490-0

Risks Associated with Staggered Post-2028 Preference Power Sale Contract Offer Timing

May 17, 2018 (draft)

Background

(b) (5)

[redacted]

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Comment [k.yo1]: Implied that this means billing, and other internal groups, not just PSS.

(b) (5)

[redacted]

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From: Garrett,Paul D (BPA) - PSW-6
Sent: Fri May 18 11:34:12 2018
To: Thompson,Garry R (BPA) - PS-6; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Olive,Kelly J (BPA) - PSS-6; Rickman,Janet L (BPA) - PSSE-MEAD-GOB; Alders,Kyna L (BPA) - PGL-5; Fisher,Daniel H (BPA) - PSR-6; Cook,Joel D (BPA) - P-6
Subject: RE: RD Contract Strategy
Importance: Normal
Attachments: Post-2028 Preference Power Sales Contract Timing (draft 05-18-2018).docx

Hi all,

At our most recent meeting last week Garry asked that I take a first cut at a one-pager in response to the thought put forward by Seattle and several other large customers of an early contract offer for Post-2028. Please find attached that one pager.

Please take a look, and get me any thoughts or proposed edits by **Thursday May 24, close of business**. I'll incorporate thoughts and finalize with Garry the following week ahead of his early June discussion with Joel. Our next meeting is scheduled for June 13, so we can do a report out then.

Thank you and have a great weekend!

-Paul

Paul Garrett
Manager, Power Account Services
Power Services
Bonneville Power Administration

(503) 230-4553

-----Original Appointment-----
From: Thompson,Garry R (BPA) - PS-6
Sent: Thursday, April 26, 2018 10:52 AM
To: Thompson,Garry R (BPA) - PS-6; Garrett,Paul D (BPA) - PSW-6; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Olive,Kelly J (BPA) - PSS-6; Rickman,Janet L (BPA) - PSSE-MEAD-GOB; Alders,Kyna L (BPA) - PGL-5; Fisher,Daniel H (BPA) - PSR-6; Cook,Joel D (BPA) - P-6
Subject: RD Contract Strategy
When: Wednesday, May 09, 2018 2:00 PM-3:00 PM (UTC-08:00) Pacific Time (US & Canada).
Where: HQ 614 - Bridge 503-230-4000 Call ID: 866407188#

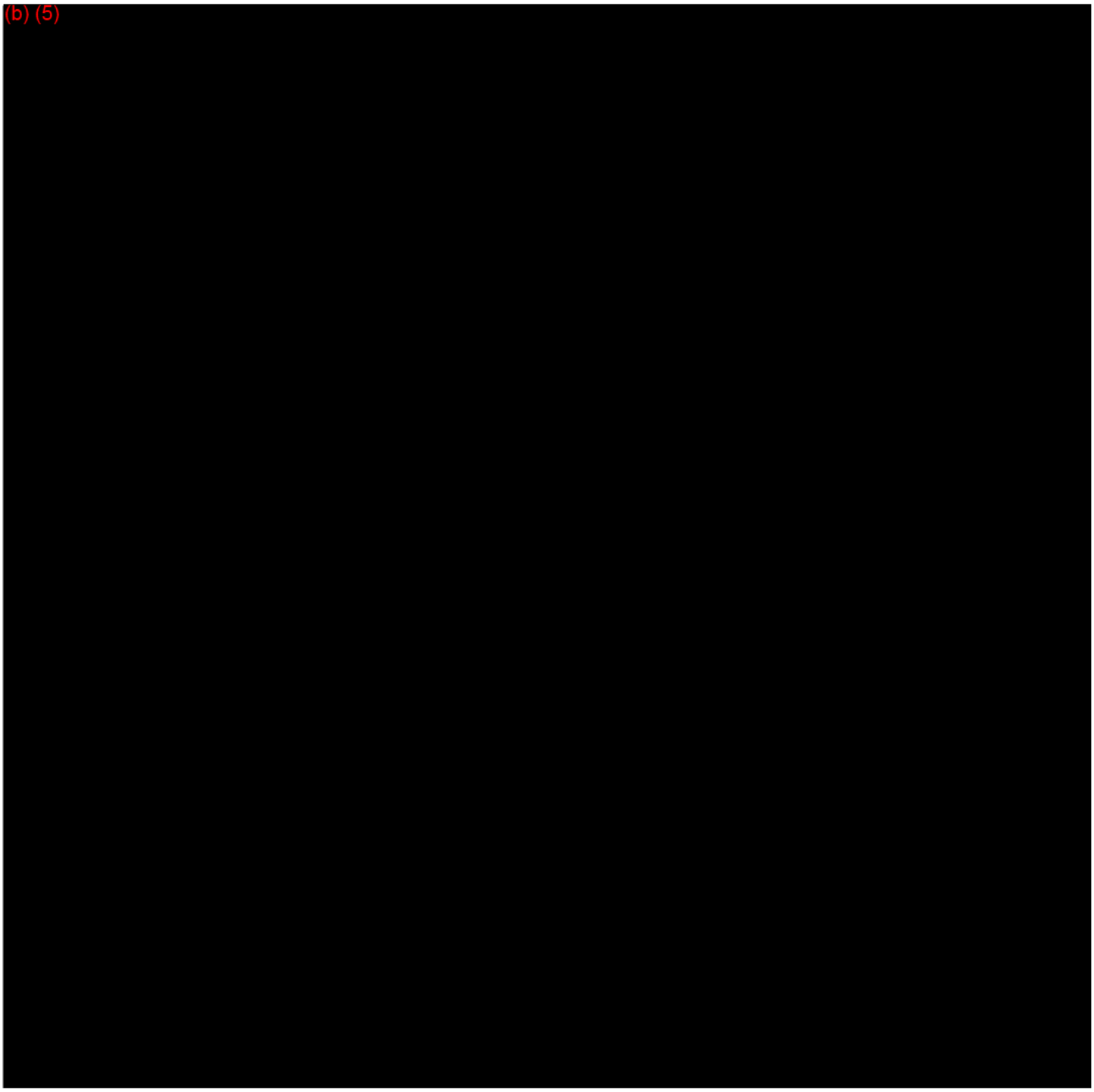
For our first meeting I would like to go over the timeline and discuss the CLIFF – Post 2028. We are still getting interest from Customers to help us avoid the CLIFF and consider offering some contract sooner than 2025 to LOCK UP load for another 20 years. Looking forward to our kick off meeting.

Risks Associated with Staggered Post-2028 Preference Power Sale Contract Offer Timing

May 18, 2018 (draft)

Background

(b) (5)



Pre-decisional - Internal Use Only

From: Garrett,Paul D (BPA) - PSW-6
Sent: Wed Jun 13 14:00:34 2018
To: Thompson,Garry R (BPA) - PS-6; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Olive,Kelly J (BPA) - PSS-6; Rickman,Janet L (BPA) - PSSE-MEAD-GOB; Alders,Kyna L (BPA) - PGL-5
Subject: RE: RD Contract Strategy
Importance: Normal
Attachments: Post-2028 Preference Power Sales Contract Timing (06-05-2018).docx

Final version of doc sent to Joel:

-----Original Appointment-----
From: Thompson,Garry R (BPA) - PS-6
Sent: Thursday, April 26, 2018 10:52 AM
To: Thompson,Garry R (BPA) - PS-6; Garrett,Paul D (BPA) - PSW-6; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Olive,Kelly J (BPA) - PSS-6; Rickman,Janet L (BPA) - PSSE-MEAD-GOB; Alders,Kyna L (BPA) - PGL-5
Subject: RD Contract Strategy
When: Wednesday, June 13, 2018 2:00 PM-3:00 PM (UTC-08:00) Pacific Time (US & Canada).
Where: HQ 614

Risks Associated with Staggered Post-2028 Preference Power Sale Contract Offer Timing

June 5, 2018

Background

Seattle, with support from Cowlitz, Clark, Snohomish, Tacoma and PNGC recently proposed that BPA initiate a process to offer successor contracts to Regional Dialogue (Post-2028 Contract) with a targeted execution as early as 2020. Implementing this proposal would have a certain number, though likely not all, Post-2028 Contracts in place eight years ahead of the Regional Dialogue expiration date in 2028, and five years ahead of current plans for signing Post-2028 Contracts in 2025.

Risks of a 2020 contract:

1. (b) (5)
2. [redacted]
3. [redacted]
4. [redacted]

(b) (5) [redacted]

Risks of a 2025 contract:

5. (b) (5) [redacted]

6. [redacted]

DRAFT

From: Garrett,Paul D (BPA) - PSS-6
Sent: Tue Oct 02 14:54:54 2018
To: Olive,Kelly J (BPA) - PSS-6
Cc: Wilson,Scott K (BPA) - PSW-6
Subject: FW: Future Product Discussions
Importance: Normal

From: Wilson,Scott K (BPA) - PSW-6
Sent: Tuesday, October 02, 2018 2:28 PM
To: Thompson,Garry R (BPA) - PS-6
Cc: Garrett,Paul D (BPA) - PSS-6
Subject: Future Product Discussions

Garry
Based on your request here is a cut at a write-up we could put forward for our Communication Team to incorporate int Elliot's materials for his upcoming road show and conversation with our customers. I tried to strike a balance between its too early to be definitive and we are thinking about the future and will be interested in customer thoughts. We are listening…..
--Scott

Future Preliminary Discussions on Products and Contracts.

(b) (5)

(b) (5)

[redacted]

From: Thompson,Garry R (BPA) - PS-6
Sent: Thu Oct 04 12:00:46 2018
To: Burczak,Sarah E (BPA) - DKP-7
Cc: Adair,Tracy J (CONTR) - PSSE-MEAD-GOB; Gilmore,Douglas R (BPA) - PSE-MEAD-GOB; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Miller,Andrew J (BPA) - PSE-6; Normandeau,Mike (BPA) - PSE-RONAN; Rickman,Janet L (BPA) - PSSE-MEAD-GOB; Rimmer,William T (BPA) - PSE-MEAD-GOB; Ross,Hope E (BPA) - PSE-MEAD-GOB; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Schwendiman,Celeste M (BPA) - PSE-BOISE; Farleigh,Kevin S (BPA) - PSW-6; Garrett,Paul D (BPA) - PSS-6; Gillins,Christine A (CONTR) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Lowe-Sheldon,Jennifer C (CONTR) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Perry,Marcus I (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Wilson,Scott K (BPA) - PSW-6
Subject: FW: Future Product Discussions
Importance: Normal

Sarah, here are our talking points for Elliot's upcoming Road Shows. Thank you.

Future Preliminary Discussions on Products and Contracts.

While it is too early to be definitive, BPA is starting to think about the products that we will offer when the current contracts expire 10 years from now. There are many details that will need to be worked out but so far it seems that the current product approach seems to have worked well in meeting customer's needs. Our expectation is that we will offer similar products after 2028, concluding contract negotiations three years before the current contracts expire. Below is some of our current thinking.

Continuing Product Conversations. BPA expects to explore customer product interests sometime late in 2019, after the next rate case concludes as a part of our the early information gathering needed to hone BPA's future direction on products. This a continuation of BPA's Provider of Choice conversations started several years ago during Focus 2028.

Similar Product Approach. BPA expects to offer products like our current Load Following that meets a customer's actual loads and products that provide power based on a customers planned loads like our suite of Block products and Slice do today.

Rate Construct. BPA currently expects Tiered Rates to continue into the future contracts.

Preference Matters. Our requirements customers will have first **right of refusal** on continuing to purchase power from BPA to meet their needs by signing new contracts. We expect they will continue to want access to BPA's clean cost-based power. In case our requirement customers do not fully subscribe the FCRPS inventory, BPA will develop **contingency** plans to sell the excess firm power.

From: Burczak,Sarah E (BPA) - DKP-7
Sent: Fri Oct 05 07:56:15 2018
To: Thompson,Garry R (BPA) - PS-6
Cc: Adair,Tracy J (CONTR) - PSSE-MEAD-GOB; Gilmore,Douglas R (BPA) - PSE-MEAD-GOB; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Miller,Andrew J (BPA) - PSE-6; Normandeau,Mike (BPA) - PSE-RONAN; Rickman,Janet L (BPA) - PSSE-MEAD-GOB; Rimmer,William T (BPA) - PSE-MEAD-GOB; Ross,Hope E (BPA) - PSE-MEAD-GOB; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Schwendiman,Celeste M (BPA) - PSE-BOISE; Farleigh,Kevin S (BPA) - PSW-6; Garrett,Paul D (BPA) - PSS-6; Gillins,Christine A (CONTR) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Lowe-Sheldon,Jennifer C (CONTR) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Perry,Marcus I (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Wilson,Scott K (BPA) - PSW-6
Subject: RE: Future Product Discussions
Importance: Normal

Thanks Garry. I will include this in the packet that goes to Elliot.

From: Thompson,Garry R (BPA) - PS-6
Sent: Thursday, October 04, 2018 12:01 PM
To: Burczak,Sarah E (BPA) - DKP-7
Cc: Adair,Tracy J (CONTR) - PSSE-MEAD-GOB; Gilmore,Douglas R (BPA) - PSE-MEAD-GOB; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Miller,Andrew J (BPA) - PSE-6; Normandeau,Mike (BPA) - PSE-RONAN; Rickman,Janet L (BPA) - PSSE-MEAD-GOB; Rimmer,William T (BPA) - PSE-MEAD-GOB; Ross,Hope E (BPA) - PSE-MEAD-GOB; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Schwendiman,Celeste M (BPA) - PSE-BOISE; Farleigh,Kevin S (BPA) - PSW-6; Garrett,Paul D (BPA) - PSS-6; Gillins,Christine A (CONTR) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Lowe-Sheldon,Jennifer C (CONTR) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Perry,Marcus I (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Wilson,Scott K (BPA) - PSW-6
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Preference Matters. Our requirements customers will have first **right of refusal** on continuing to purchase power from BPA to meet their needs by signing new contracts. We expect they will continue to want access to BPA's clean cost-based power. In case our requirement customers do not fully subscribe the FCRPS inventory, BPA will develop **contingency** plans to sell the excess firm power.

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thursday, December 06, 2018 12:11 PM
To: Olive,Kelly J (BPA) - PSS-6; Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6
Subject: RE: 2019-2028 timeline, contracts/competitiveness/ResEx.
Attachments: Provider of Choice October 2016 Communications 10252016.doc; TOP 10 REASONS.DOCX

Hi Kelly,

Good observations and questions. When the four of us (Claire, Kirsten, Mike and Paul) talked about this a couple of weeks ago, we came up with a couple of additional documents that also speak to the engagement with customers in regards to the upcoming 2028 contracts. Attached are two of them and below is the recently communicated list of reasons for customers to stay with BPA that was provided to Garry:

I really like Kevin's list. Here are some additions to consider.

1. (b) (5)
2.
3.
4.
5.

We all agreed that we need to be aware of what we have already done and to not totally re-invent the wheel…

Thanks for keeping the conversation moving,

Paul
(206) 220-6763

From: Olive,Kelly J (BPA) - PSS-6
Sent: Thursday, December 06, 2018 11:36 AM
To: Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE
Subject: RE: 2019-2028 timeline, contracts/competitiveness/ResEx.

Hi there,

On the call we had Nov. 6, discussing how AEs can help participate in and shape the conversation with customers on Post-2028 contracts/policy direction, we mentioned that there was a roadshow/outreach done a year or so ago, where Garry and others went out asking customers about their wants. I thought the process was Provider of Choice. I was trying to find the summary notes, collecting the information we gathered from customers at that time. Do you know, was it the Focus 2028 process linked
here: https://www.bpa.gov/Finance/FinancialPublicProcesses/2028/Pages/default.aspx

And are these the summary notes: https://www.bpa.gov/Finance/FinancialPublicProcesses/2028/doc2028/Wrap-Up%20Session.pdf

Or are there other summary notes that outline what we heard from customers regarding Post-2028? If anyone has other summary notes, would you please send them my way?

Thank you!
Kelly

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, October 26, 2018 11:47 AM
To: Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE
Subject: 2019-2028 timeline, contracts/competitiveness/ResEx.

Hi there,

Mike gave me a call this morning and shared the product brainstorming sessions and paper you're working on. So happy to hear this! I wanted to share that there is a team Garry has pulled together to help map out the contract and cost competitiveness issues timeline between now and 2028. The team charter and the draft timeline are attached. You'll see that the details on most cost competitiveness issues aren't filled in (on the second page of the timeline). It's a work in progress. See charter and timeline attached; note the very recent dates on these.

I think for your work, it'll be good to note, on the contract flow, the 6 month customer engagement, using 2020 to come up with internal alignment on what the products, rates, term, high-level goals will be, and then it's envisioned that we'll go out with a concept paper early 2021.

Looking forward to the conversations!
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

Provider of choice discussions with customers

A summary of our customers' views on competiveness for their business and Bonneville's

October 2016

BPA intends to establish long-term cost competitiveness metrics and goals to support our objective of remaining the wholesale power provider of choice when new power sales contracts are offered. In order to reflect customer perspective in the development of a new strategic plan to assure that we will be the wholesale provider of choice, BPA met with several customers and customer group representatives in September and October to collect their views on the competition they are facing now and what they expect to see over the next 10 years. The discussions also covered what competiveness means to our customers, concerns about BPA's competiveness and what BPA needs to do to remain their provider of choice.

We greatly appreciate the time and thoughtful comments and perspectives provided by our customers' executives, managers and subject matter experts.

To expand on these discussions, BPA account executives will be sharing the results of this effort with their customers over the next few months. They will be listening for concurrence with the perspectives we have identified in this paper and for any new observations.

BPA will then evaluate the information gathered from these discussions and incorporate it into the strategic plan development process. BPA also plans to engage the region in the development of BPA's long-term strategic plan in 2017.

Our intent is to have these discussions about every 18 months over the next several years. BPA wants to hear what competitive changes our customers are facing and be able to test where we are at as we strive to remain their provider of choice.

The following is a synopsis of what we heard from these discussions.

Key Themes from Competitiveness Discussions with Customers

1. **Competiveness challenges our customers are facing**
   - Customers are benchmarking against investor owned utilities and other public power utilities. If their rates are above a neighboring IOU's, it's harder to justify the benefits of public power.
   - Customers with substantial hydropower resources understand secondary sales and the upward rate pressure current conditions are placing on rates; they are facing the same market conditions as BPA and having to raise consumer rates.
   - No matter the size of the utility, almost all customers are experiencing declining loads, sales and revenue. The reasons include technology, smaller dwelling size, increased natural gas penetrations, energy efficient appliances/lighting and building codes.
   - Utilities have cut costs everywhere they can and they are running out of options to not raise rates.
   - Evolving markets are one area for new revenues to help keep rates down and bring value to our consumers.
   - Future power supply will be diversified with renewables, distributed generation and storage, but customers will still need energy and capacity products, which they would get from BPA if competitive.
   - Many customers are increasing rates annually from 3 to 6 percent.
   - Non-urban areas are falling further behind in income and are increasingly having to choose between electricity and other needs.

2. **BPA's competitiveness – establishing long-term credibility**
   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
   - BPA's proposed 4 to 9 percent rate increase, when projected forward, does not match with the long-term rate forecast projection. How is BPA going to get there?
   - Customers want to better understand the challenges and obstacles BPA is facing to be more competitive and want to help us where they can. Setting a rate target for 2028 would help.
   - There is a great concern that statutory requirements, such as the Endangered Species Act, energy efficiency, the Columbia River Treaty and the Residential Exchange Program, as well as current discretionary spending that other power suppliers do not face, will keep BPA from bending the cost curve and being competitive in 2028.
   - BPA's preliminary Integrated Program Review and Capital Investment Review spending levels show business as usual. BPA must demonstrate seriousness about controlling costs. BPA must build credibility now by changing the trajectory of its past three rate increases and start bending the cost curve.
   - Does BPA's future net requirement loads justify the level of proposed asset investments? Utilities are seeing growth but overall loads are flat and in many cases declining due to new technologies and resource options. Net requirements may be less in 2028 than today considering distributed generation, and there is a need to challenge the status quo.
   - BPA needs to consistently use a dependable and proven method when making decisions and provide better explanations on decisions as well as provide the details behind decisions.
   - There is a need to conduct market-based benchmarking to determine if cost projections and spending need a "course correction." Benchmarking can also provide significant informational benefits to help customers communicate the differences and value between BPA's products and the short-term energy market to utility boards and consumers.
   - The culture in transmission is not customer-service oriented and needs to be improved and reflect BPA's regional role.
   - Strong working relationships are heavily considered when selecting a provider. Many customers encouraged BPA to invest in our relationship due to the perception that it is an inexpensive way to create substantial value.
   - Customers are supportive of "rate case lite" decision-making process - with BPA staff proposal, stakeholder comment and transparent evaluation of positions with decision.
   - BPA brings too many employees to meetings. Do 25 employees really need to be at a rate case workshop?
   - BPA should consider a customer advisory group to create an ongoing opportunity for deeper discussions. The group would help develop BPA's strategic plan by picking up where Focus 2028 left off and provide a level of transparency.
   - There are too many processes that feel like they are just for the sake of process.
   - BPA appears to give more consideration to non-paying interest groups than the paying customer.
   - Public benefits provided to customers (e.g. Low Density Discount, irrigation rate mitigation and transfer service) are of great value to customers and consumers.
   - BPA needs to show value obtained from evolving markets and carbon-free hydro resources. BPA needs to maximize the value of its hydropower.
   - Customers understand that the short-term spot market is not comparable to the priority firm rate and the forward market is a somewhat better comparison.
   - Customers want to see BPA take a stronger stance on making large hydropower resources relevant in the future. There should be credits for being renewable and carbon free. It's currently being marginalized when it's a premium resource. California is not paying the value of a carbon-free resource today.

- BPA needs to look for opportunities and when needed partner with its customers. For example, opportunities in electric vehicles to increase power demand.
- Customers expect BPA to run like a business, even though it's a power marketing administration under the Department of Energy.

3. Contracts

- BPA should offer both short-term and long-term contracts.
- BPA should consider full and partial requirement contracts and consider offering off-ramps to allow customers out of contracts at different times.
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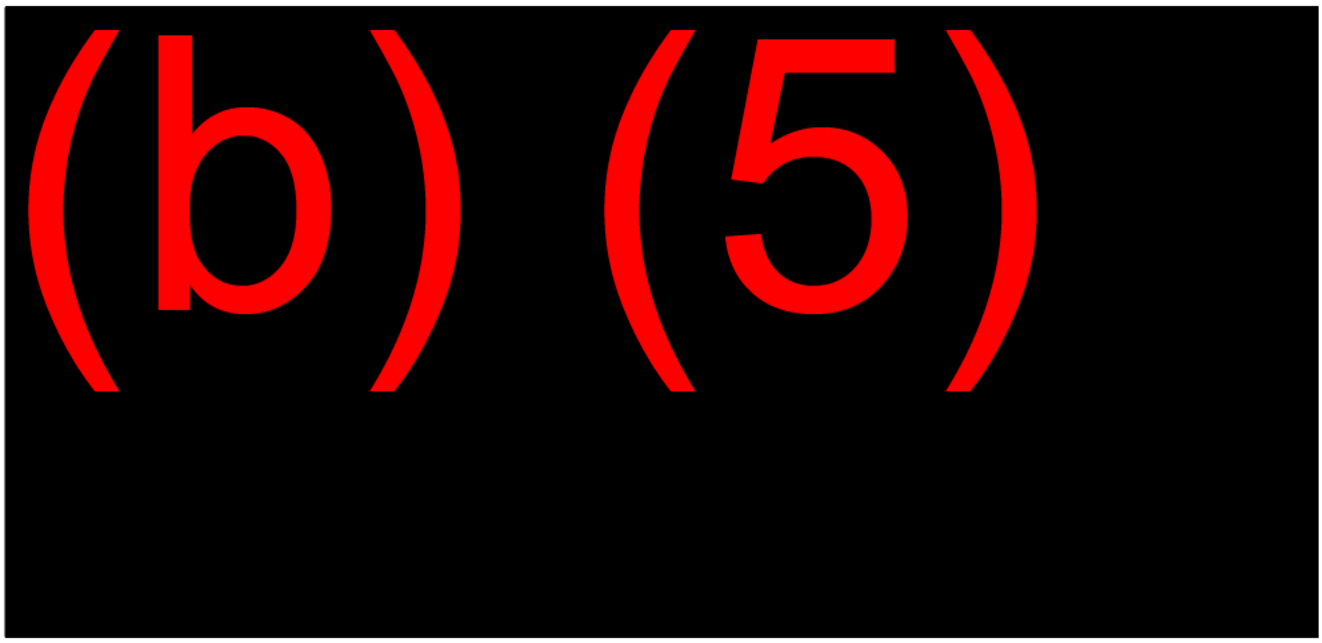
From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Dec 06 12:11:26 2018
To: Olive,Kelly J (BPA) - PSS-6; Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6
Subject: RE: 2019-2028 timeline, contracts/competitiveness/ResEx.
Importance: Normal
Attachments: Provider of Choice October 2016 Communications 10252016.doc; TOP 10 REASONS.DOCX

Hi Kelly,

Good observations and questions. When the four of us (Claire, Kirsten, Mike and Paul) talked about this a couple of weeks ago, we came up with a couple of additional documents that also speak to the engagement with customers in regards to the upcoming 2028 contracts. Attached are two of them and below is the recently communicated list of reasons for customers to stay with BPA that was provided to Garry:

I really like Kevin's list. Here are some additions to consider.



We all agreed that we need to be aware of what we have already done and to not totally re-invent the wheel…

Thanks for keeping the conversation moving,

Paul
(206) 220-6763

From: Olive,Kelly J (BPA) - PSS-6
Sent: Thursday, December 06, 2018 11:36 AM
To: Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) -

Provider of choice discussions with customers

A summary of our customers' views on competiveness for their business and Bonneville's

October 2016

BPA intends to establish long-term cost competitiveness metrics and goals to support our objective of remaining the wholesale power provider of choice when new power sales contracts are offered. In order to reflect customer perspective in the development of a new strategic plan to assure that we will be the wholesale provider of choice, BPA met with several customers and customer group representatives in September and October to collect their views on the competition they are facing now and what they expect to see over the next 10 years. The discussions also covered what competiveness means to our customers, concerns about BPA's competiveness and what BPA needs to do to remain their provider of choice.

We greatly appreciate the time and thoughtful comments and perspectives provided by our customers' executives, managers and subject matter experts.

To expand on these discussions, BPA account executives will be sharing the results of this effort with their customers over the next few months. They will be listening for concurrence with the perspectives we have identified in this paper and for any new observations.

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   - No matter the size of the utility, almost all customers are experiencing declining loads, sales and revenue. The reasons include technology, smaller dwelling size, increased natural gas penetrations, energy efficient appliances/lighting and building codes.
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   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
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From: Normandeau,Mike (BPA) - PSE-RONAN
Sent: Mon Dec 10 13:23:37 2018
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Munz,Paul G (BPA) - PSW-SEATTLE
Subject: First Draft 12-10-18
Importance: Normal
Attachments: First Draft 12-10-18.docx

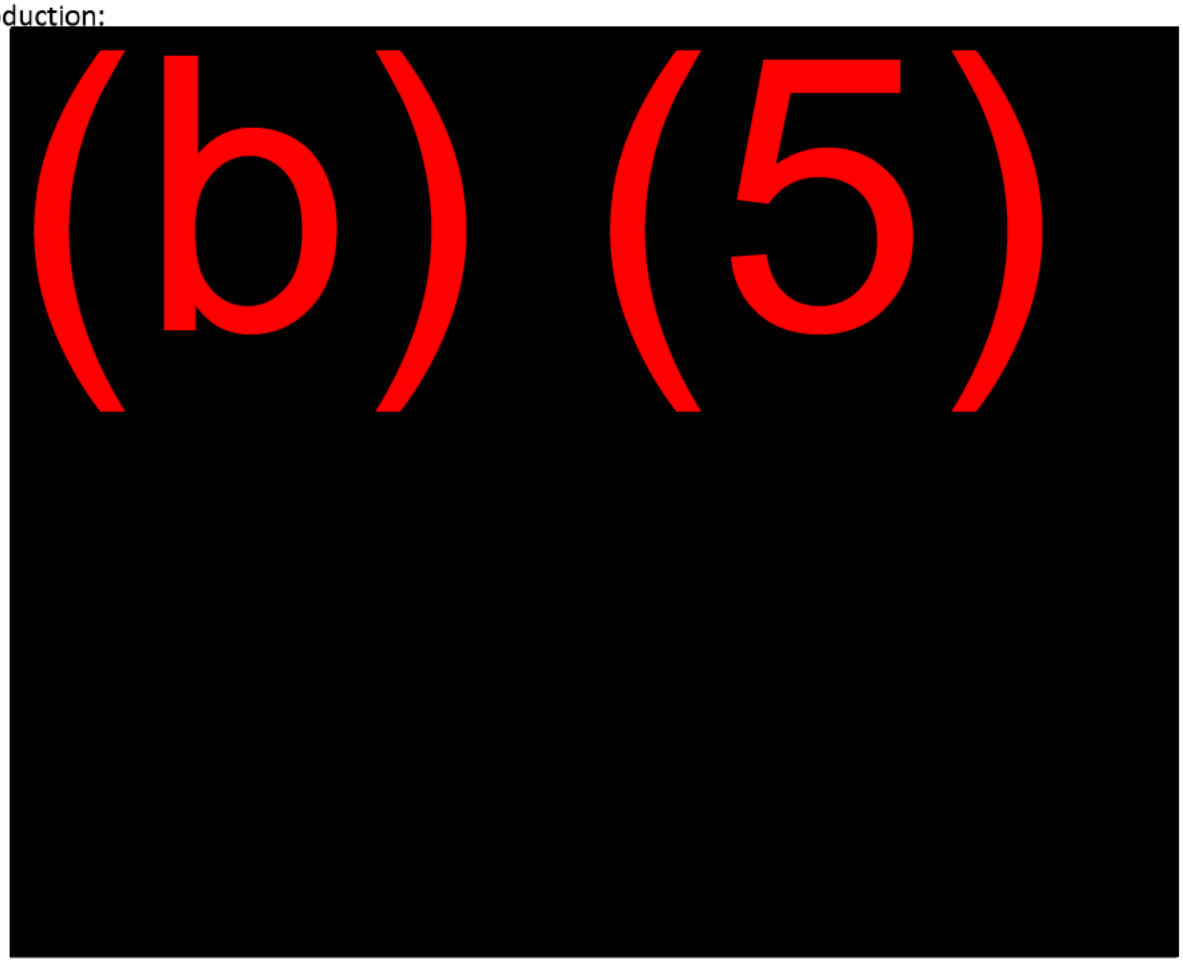
Here's the document we've been working on. Talk to you in about 45 mins.

Mike

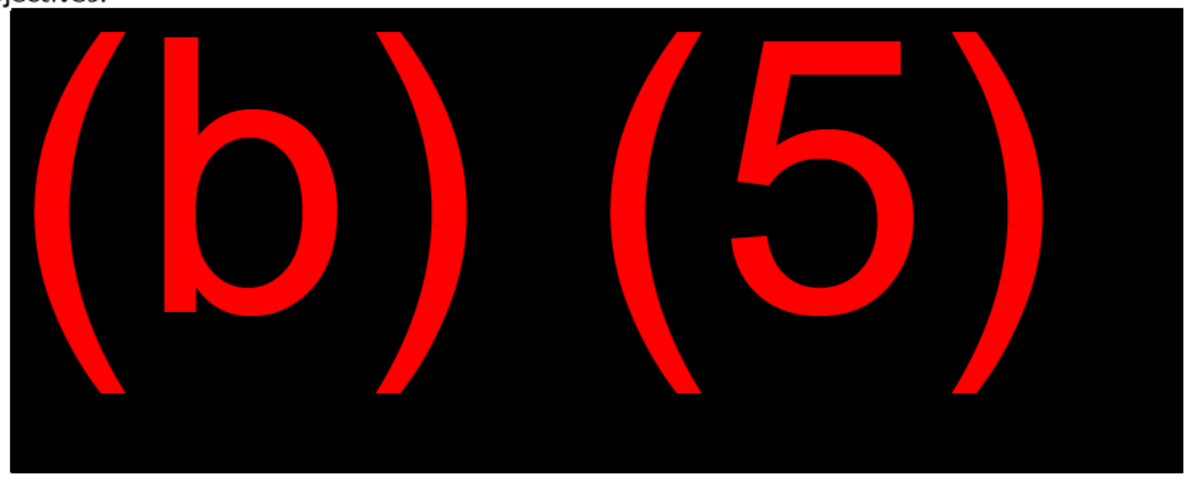
First Draft - New Contract White Paper

December 10, 2018

Introduction:



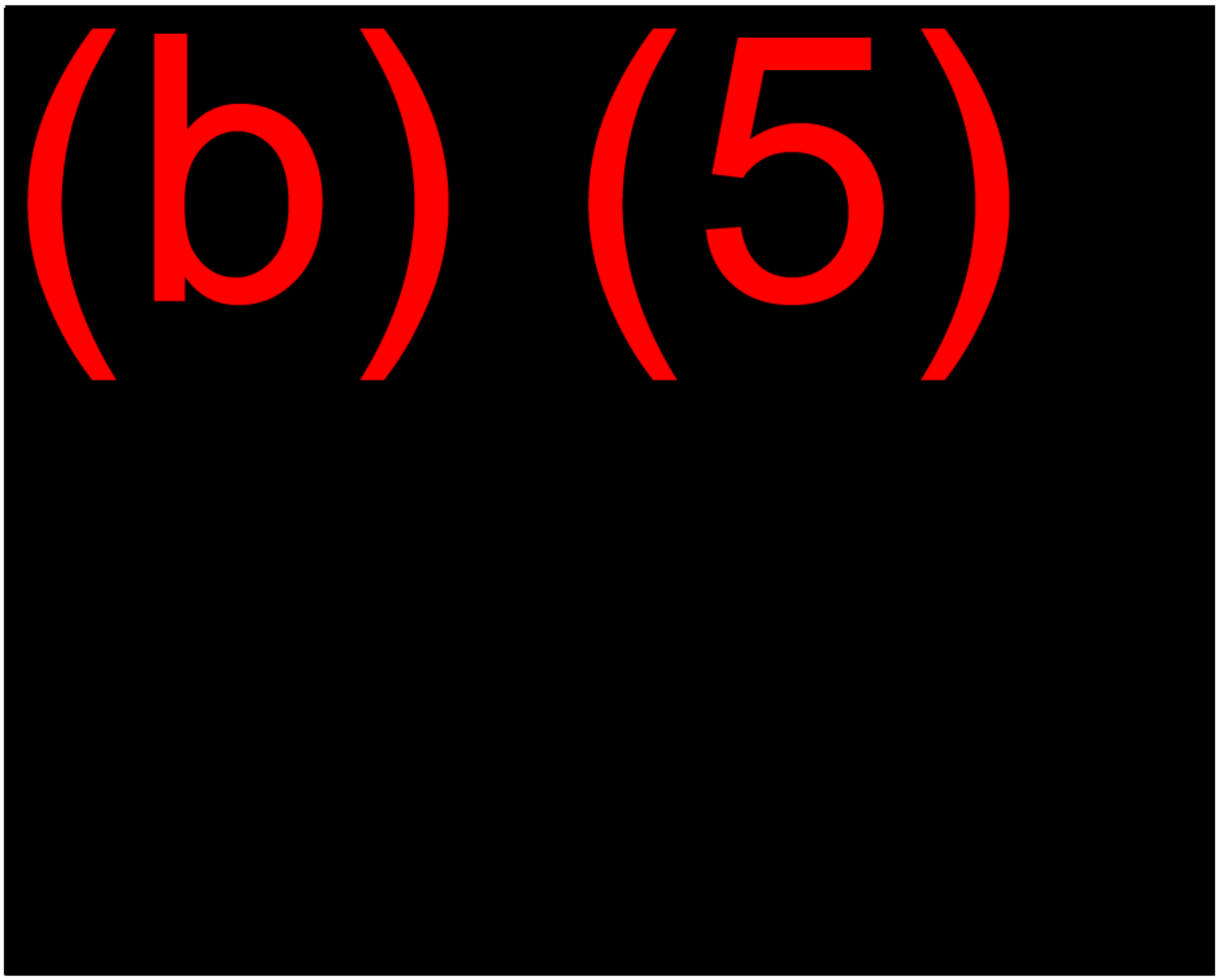
Objectives:



Timing:
January through September

Issue Buckets

Policy questions for consideration



TRM:

Regional Dialogue Contract:

(b) (5)

Evolving Issues:

(b) (5)

Big Drivers:

(b) (5)

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From: Olive,Kelly J (BPA) - PSS-6
Sent: Thu Jan 03 12:02:04 2019
To: Watts,Kirsten (BPA) - PSW-SEATTLE; Munz,Paul G (BPA) - PSW-SEATTLE; Normandeau,Mike (BPA) - PSE-RONAN; Hobson,Claire A (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Garrett,Paul D (BPA) - PSS-6
Subject: FW: Notes from 1/3/19 Kick-off meeting on questionnaire
Importance: Normal
Attachments: Sept 2005_RD Concept_Paper.pdf; RE: 2019-2028 timeline, contracts/competitiveness/ResEx.; Prov of Choice Wrap-Up Session 2_12_16.pdf

And this time with the attachments. Apologies.

From: Olive,Kelly J (BPA) - PSS-6
Sent: Thursday, January 03, 2019 12:01 PM
To: Watts,Kirsten (BPA) - PSW-SEATTLE; Munz,Paul G (BPA) - PSW-SEATTLE; Normandeau,Mike (BPA) - PSE-RONAN; Hobson,Claire A (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Garrett,Paul D (BPA) - PSS-6
Subject: Notes from 1/3/19 Kick-off meeting on questionnaire

Notes from January 3, 2019 'Questionnaire' Kick-off Meeting (w/ advance notes from Kirsten below):

- AE Group is supportive of the AEs going out to customer GMs with a standardized questionnaire soliciting their thoughts on Post-2028.
- Outreach with questionnaire would 'kick-off' (or otherwise align with) the 6-month customer engagement that is scheduled for 4th Q of 2019.
- Goal of 6-month outreach and questionnaire is to gather information that will inform a Concept Paper (scheduled for release Oct. 2021)
- A standardized questionnaire will allow for the systematic collection of data that can then be quantitatively analyzed, sorted. Questions can include rank these, yes/no, and open-ended questions.
- BPA can be strategic about how we structure and phrase the questions. We can build on what we heard during provider of choice and more recent discussions. Also need to know our bookends—what is off the table.
- AE group to take the lead on developing the questions (Kelly and Paul to be included in the conversations). Specific roles and responsibilities still to be determined. Nancy will be the liaison between AE questionnaire group and the Post-2028 contract strategy group; will be responsible for reporting out.
- Goal is to have questions/questionnaire finalized by August, 2019, in advance of Fall 2019 kick-off of 6-month customer engagement.
- As a starting point, it may be good to look back and look ahead. 1. Look ahead: understand what the concept paper is intended to cover—create an outline and ensure we have questions that will gather the information we need to have a robust conversation and meaningful concept paper. 2. Look back: review notes and summary documents from provider of choice discussions and also review the 2005 RD concept paper.
- Need to understand what was the landscape we created RD and TRM under; still relevant?
- Consider developing a PowerPoint presentation that establishes context that AEs will also take

with them as a precursor to the questionnaire.

Next steps:
1. Set up a working session where we will start brainstorming. Prior to February AE/CAT; anticipated that we'll have the best chance of all of us getting together in person.
2. Prior to Feb. 13 meeting, all of us review summary notes on provider of choice, 2005 Concept paper, other(?) to help establish the baseline. (see some docs attached)
3. Kelly and Paul will work to set up a conversation with Garry and/or Scott that will help us understand what the landscape and context was in ~2000-2008, leading up Regional Dialogue policy and Tier Rates construct. (we need to ensure we understand the landscape/context; as we grapple with melded versus tiered rate construct going forward (post-2028), we assume about 50% of customer GMs will have no memory/experience of melded rates; only know tiered rates.)

Please feel free to edit if I inadvertently omitted or mischaracterized part of today's conversation.

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Wednesday, January 02, 2019 2:54 PM
To: Olive,Kelly J (BPA) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Normandeau,Mike (BPA) - PSE-RONAN; Hobson,Claire A (BPA) - PSW-6
Cc: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Garrett,Paul D (BPA) - PSS-6
Subject: RE: Kick-off meeting on questionnaire - Input from Kirsten

Hello and Happy New Year, everybody! I will be on leave during the meeting so am taking this opportunity to provide some general feedback.

I believe asking our customers to complete a questionnaire is a really good idea. We (or whomever is responsible) can structure the instrument to include mostly open-end questions that will facilitate the provision of focused, useful, relevant feedback on desired products, prices, term, and more. Something specific that should be sought is information about what is driving/would drive a customer to recommend a product be structured differently from what is being offered today. In other words, what specific problem or set of problems would be solved with product restructuring?

We should clearly state the purpose of the questionnaire.

A disclaimer should be added to the questionnaire, stating that our quest for answers is not an indication that the agency has opened the contract negotiation period.

Perhaps a high level process timeline can be included with the survey.

Should a summary of responses be compiled and shared with the customers before or during the release of the Concept Paper?

That is all I have for now. I hope the meeting goes well. >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell (b) (6) • Fax: 206.220.6803

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-----Original Appointment-----
From: Olive,Kelly J (BPA) - PSS-6
Sent: Saturday, December 15, 2018 2:32 PM
To: Olive,Kelly J (BPA) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6
Cc: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Garrett,Paul D (BPA) - PSS-6
Subject: Kick-off meeting on questionnaire
When: Thursday, January 03, 2019 9:00 AM-9:30 AM (UTC-08:00) Pacific Time (US & Canada).
Where: HQ 645PR(10); bridge # below

We had a Post-2028 contract strategy meeting with Garry on 12/12, and Nancy gave a summary of the AE conversations/white paper concept. The idea came up of creating a questionnaire that AEs would take out to customers in Fall 2019. I wanted to have a high-level conversation about that concept and perhaps start brainstorming topics we'd want to cover in the questions.

<< OLE Object: Picture (Device Independent Bitmap) >>

From: Munz,Paul G (BPA) - PSW-SEATTLE

Sent: Thu Dec 06 12:11:26 2018

To: Olive,Kelly J (BPA) - PSS-6; Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6

Subject: RE: 2019-2028 timeline, contracts/competitiveness/ResEx.

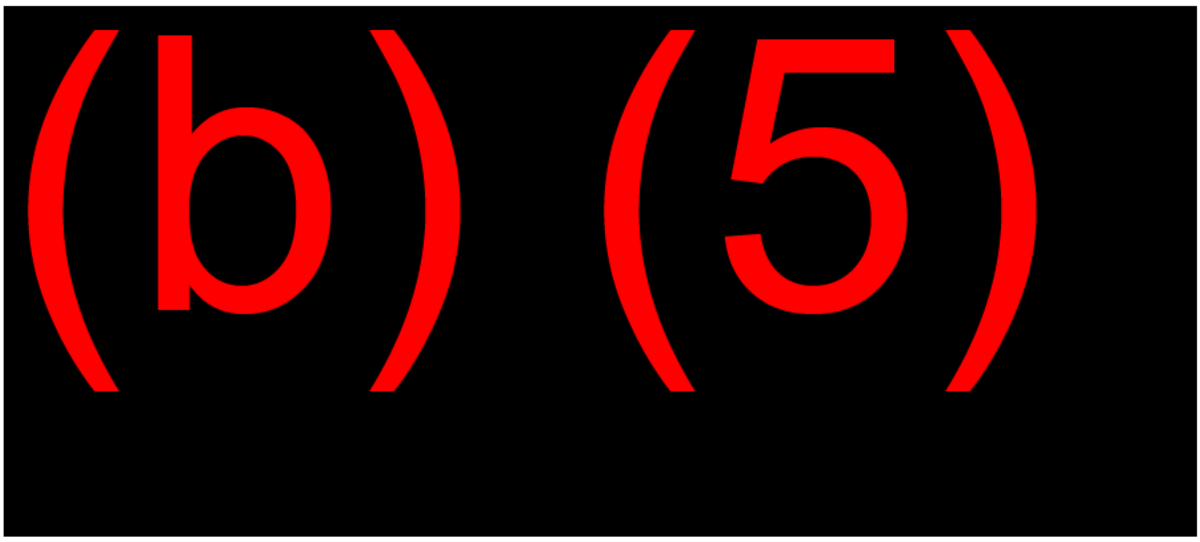
Importance: Normal

Attachments: Provider of Choice October 2016 Communications 10252016.doc; TOP 10 REASONS.DOCX

Hi Kelly,

Good observations and questions. When the four of us (Claire, Kirsten, Mike and Paul) talked about this a couple of weeks ago, we came up with a couple of additional documents that also speak to the engagement with customers in regards to the upcoming 2028 contracts. Attached are two of them and below is the recently communicated list of reasons for customers to stay with BPA that was provided to Garry:

I really like Kevin's list. Here are some additions to consider.



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Thanks for keeping the conversation moving,

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Looking forward to the conversations!

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kelly olive

contract technical lead

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Provider of choice discussions with customers

A summary of our customers' views on competiveness for their business and Bonneville's

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We greatly appreciate the time and thoughtful comments and perspectives provided by our customers' executives, managers and subject matter experts.

To expand on these discussions, BPA account executives will be sharing the results of this effort with their customers over the next few months. They will be listening for concurrence with the perspectives we have identified in this paper and for any new observations.

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Our intent is to have these discussions about every 18 months over the next several years. BPA wants to hear what competitive changes our customers are facing and be able to test where we are at as we strive to remain their provider of choice.

The following is a synopsis of what we heard from these discussions.

Key Themes from Competitiveness Discussions with Customers

1. **Competiveness challenges our customers are facing**
   - Customers are benchmarking against investor owned utilities and other public power utilities. If their rates are above a neighboring IOU's, it's harder to justify the benefits of public power.
   - Customers with substantial hydropower resources understand secondary sales and the upward rate pressure current conditions are placing on rates; they are facing the same market conditions as BPA and having to raise consumer rates.
   - No matter the size of the utility, almost all customers are experiencing declining loads, sales and revenue. The reasons include technology, smaller dwelling size, increased natural gas penetrations, energy efficient appliances/lighting and building codes.
   - Utilities have cut costs everywhere they can and they are running out of options to not raise rates.
   - Evolving markets are one area for new revenues to help keep rates down and bring value to our consumers.
   - Future power supply will be diversified with renewables, distributed generation and storage, but customers will still need energy and capacity products, which they would get from BPA if competitive.
   - Many customers are increasing rates annually from 3 to 6 percent.
   - Non-urban areas are falling further behind in income and are increasingly having to choose between electricity and other needs.

2. **BPA's competitiveness – establishing long-term credibility**
   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
   - BPA's proposed 4 to 9 percent rate increase, when projected forward, does not match with the long-term rate forecast projection. How is BPA going to get there?
   - Customers want to better understand the challenges and obstacles BPA is facing to be more competitive and want to help us where they can. Setting a rate target for 2028 would help.
   - There is a great concern that statutory requirements, such as the Endangered Species Act, energy efficiency, the Columbia River Treaty and the Residential Exchange Program, as well as current discretionary spending that other power suppliers do not face, will keep BPA from bending the cost curve and being competitive in 2028.
   - BPA's preliminary Integrated Program Review and Capital Investment Review spending levels show business as usual. BPA must demonstrate seriousness about controlling costs. BPA must build credibility now by changing the trajectory of its past three rate increases and start bending the cost curve.
   - Does BPA's future net requirement loads justify the level of proposed asset investments? Utilities are seeing growth but overall loads are flat and in many cases declining due to new technologies and resource options. Net requirements may be less in 2028 than today considering distributed generation, and there is a need to challenge the status quo.
   - BPA needs to consistently use a dependable and proven method when making decisions and provide better explanations on decisions as well as provide the details behind decisions.
   - There is a need to conduct market-based benchmarking to determine if cost projections and spending need a "course correction." Benchmarking can also provide significant informational benefits to help customers communicate the differences and value between BPA's products and the short-term energy market to utility boards and consumers.
   - The culture in transmission is not customer-service oriented and needs to be improved and reflect BPA's regional role.
   - Strong working relationships are heavily considered when selecting a provider. Many customers encouraged BPA to invest in our relationship due to the perception that it is an inexpensive way to create substantial value.
   - Customers are supportive of "rate case lite" decision-making process - with BPA staff proposal, stakeholder comment and transparent evaluation of positions with decision.
   - BPA brings too many employees to meetings. Do 25 employees really need to be at a rate case workshop?
   - BPA should consider a customer advisory group to create an ongoing opportunity for deeper discussions. The group would help develop BPA's strategic plan by picking up where Focus 2028 left off and provide a level of transparency.
   - There are too many processes that feel like they are just for the sake of process.
   - BPA appears to give more consideration to non-paying interest groups than the paying customer.
   - Public benefits provided to customers (e.g. Low Density Discount, irrigation rate mitigation and transfer service) are of great value to customers and consumers.
   - BPA needs to show value obtained from evolving markets and carbon-free hydro resources. BPA needs to maximize the value of its hydropower.
   - Customers understand that the short-term spot market is not comparable to the priority firm rate and the forward market is a somewhat better comparison.
   - Customers want to see BPA take a stronger stance on making large hydropower resources relevant in the future. There should be credits for being renewable and carbon free. It's currently being marginalized when it's a premium resource. California is not paying the value of a carbon-free resource today.

- BPA needs to look for opportunities and when needed partner with its customers. For example, opportunities in electric vehicles to increase power demand.
- Customers expect BPA to run like a business, even though it's a power marketing administration under the Department of Energy.

3. Contracts

- BPA should offer both short-term and long-term contracts.
- BPA should consider full and partial requirement contracts and consider offering off-ramps to allow customers out of contracts at different times.
- BPA should consider dropping the Tiered Rates Methodology. Tiered rates used to make sense but it does not anymore.
- Rate cases should be less frequent, such as every five years, partially related to perceived rate certainty but also due to fatigue of two-year budgeting and rate-setting processes.
- Price certainty will be important in signing new contracts in 2025.
- Customers want more flexibility to make or purchase contract changes and on product use.
    - They want the ability to diversify energy sources to meet state and consumer demands by reducing net requirements.
    - They want simplicity. The current contract is too complex and results in unnecessary customer overhead to manage. The implementation tends to be "paternalistic" from BPA.
    - There should be more clarity on how and who decides on penalty waivers. There should be fewer penalties in contracts. Is the Slice requirements Slice output Test, as currently implemented, really needed?

4. Products

- There is significant interest in capacity products.
- Customers want price certainty to hedge secondary risk, rate and cost collars. They are willing to pay a premium for certainty.
- They want a standardized menu of products.
- They also want unbundled products or cafeteria-style approach.
- They want a more flexible and less complex Slice product.
- Customers are going to be interested in a green or carbon-free product that does not include the Columbia Generating Station.

5. General

- The business case for a new financial reserves policy is not compelling. BPA has a current practice. Why not document the current practice as a policy for the credit rating agencies?
- BPA needs to invest in transmission. Transmission is a small portion of bill, but reliability is non-negotiable and wins over price every day.
- Most customers cannot see a world without BPA in their future, but perhaps not to the extent it is today. Regardless, customers will have to do their due diligence with regard to evaluating other providers, and they want BPA to be the easy choice.
- Preference is valued today, but at what cost? Non-paying interests, fish costs, energy efficiency and discretionary spending are eroding the value of preference.
- Several customers acknowledged it is time to re-engage with the Northwest Power and Conservation Council and other areas where BPA needs support to change policies. In order to do so, BPA needs to say no to discretionary spending, political whims and not fund or go along with the "nice to have" initiatives. BPA needs to tell the customers how they can help you with specific information and education.
- BPA needs to be an educator for utilities, board members and consumers of the Pacific Northwest.

TOP 10 REASONS

1. The federal power and transmission system is reliable – 80-year history of serving the Northwest.

2. The federal power and transmission system is cost-based, and BPA is motivated to keep its costs down. We are delivering on a strategic plan that includes aggressive cost-management targets. We are demonstrating our commitment to this in the IPR by reducing costs compared to BP-18.

3. The federal power system is a firm resource. You can always count on it.

4. New resources cannot be built at the cost of BPA's preference power rate, especially when flexibility and reliability is considered.

5. No power producer in the region can produce power cheaper than BPA aside from the Mid-C utilities and their finite low-cost resources. BPA's competitive pressure largely comes from the short-term energy surpluses being sold below the full cost (variable plus fixed) of that generation.

6. The federal power system also supplies capacity, which is becoming more valuable as variable renewable resources come on line. Capacity is expensive, but it's included in BPA's average Tier 1 rate.

7. The federal power system is carbon free. The value of these carbon free attributes are going to increase as west coast states set ambitious carbon reduction goals and create policies for incentivizing entities to meet demand with clean resources.

8. The federal power and transmission system serve widely dispersed communities at postage stamp rates. We value our customers and are working to become more responsive to their needs.

9. We support our communities and work with customers to prevent outages and restore service as quickly as possible.

10. The development and acquisition of energy efficiency savings is an important achievement and legacy of BPA and its customers over the past 38 years. Through energy efficiency, BPA and its utility customer have extended the benefits of the federal power system.

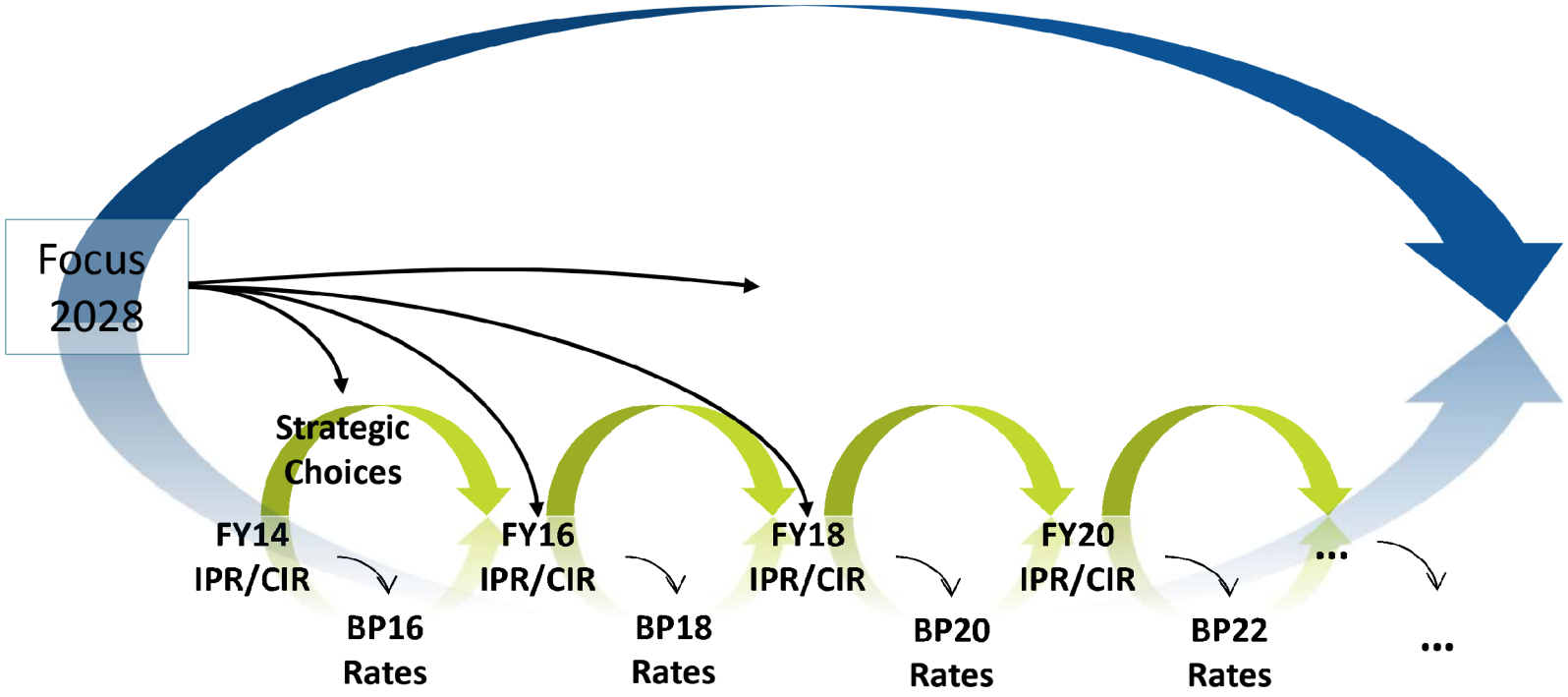
Wrap-up

February 12, 2016

You have all been wonderful!

THANK YOU

BPA Focus 2028

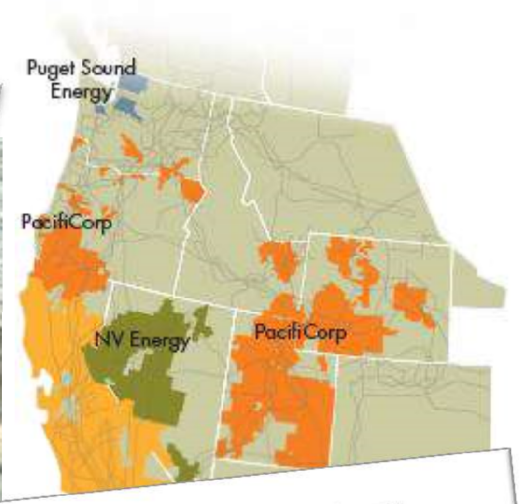


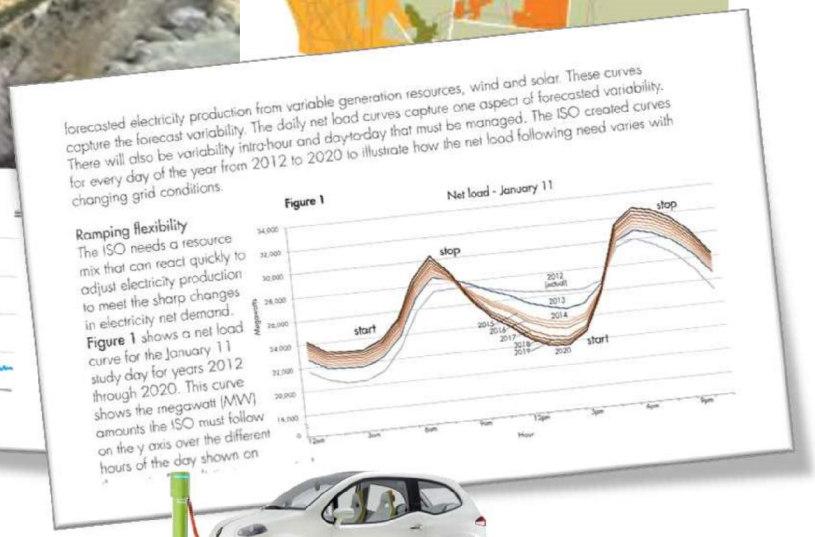
Kick-off Recap

- BPA's vision of being an engine of economic prosperity and environmental sustainability remains strong.
- BPA's goal is to be low cost provider to customers beyond 2028.
- There are a significant risks and uncertainties.
- Significant choices to be made investing in programs and physical assets. BPA wants to ensure investments are made wisely.
- We need to think of the long-term when making decisions.
- Reference Case is a strong tool. Offers a basis for comparing alternatives. The Reference Case is not a forecast of 2030 rates.

Future

CYBER & GRID SECURITY • NEW REGULATIONS • CLIMATE CHANGE • ENVIRONMENTAL STEWARDSHIP • SECONDARY REVENUES • MARKET EVOLUTION • ASSET MAINTENANCE • DISTRIBUTED GENERATION • COMPETITIVENESS




forecasted electricity production from variable generation resources, wind and solar. These curves capture the forecast variability. The daily net load curves capture one aspect of forecasted variability. There will also be variability intra-hour and day-to-day that must be managed. The ISO created curves for every day of the year from 2012 to 2020 to illustrate how the net load following need varies with changing grid conditions.

Ramping flexibility

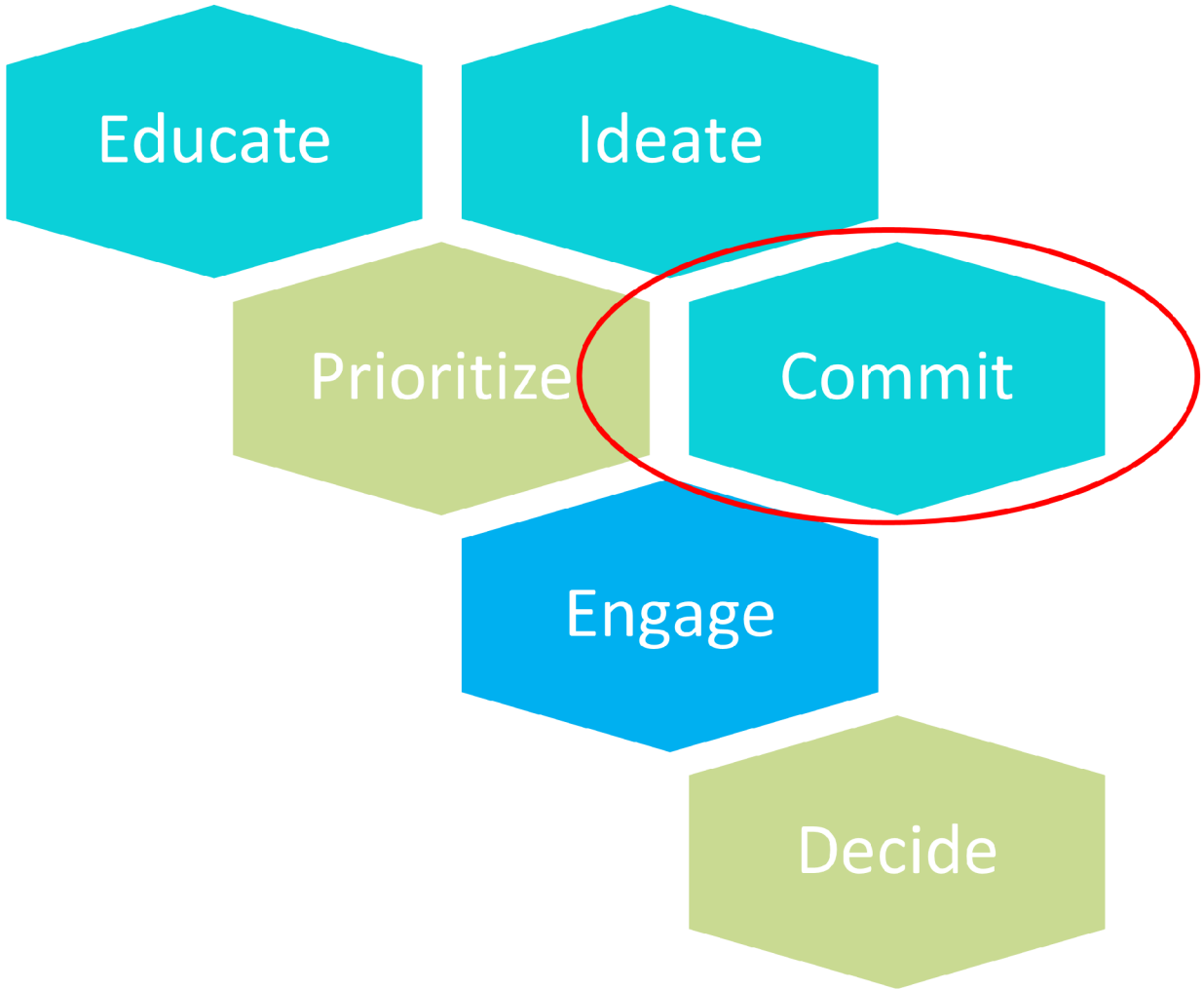
The ISO needs a resource mix that can react quickly to adjust electricity production to meet the sharp changes in electricity net demand. **Figure 1** shows a net load curve for the January 11 study day for years 2012 through 2020. This curve shows the megawatt (MW) amounts the ISO must follow on the y axis over the different hours of the day shown on

Figure 1 Net load - January 11

What We Heard

- Speed and agility are critical to competitiveness in fast changing landscape.
- Competitiveness is a nuanced concept. BPA should consider differences among customers as it considers competitiveness.
- Implications of low load-growth projections.
- BPA should demonstrate rigorous cost control, careful prioritization, and sequencing of investments.
- Diversity of stakeholders is challenging. Will not agree on everything, but there is common ground.
- BPA's view of success must go beyond financial health and encompass the environmental health of the Basin.
- BPA should set rate goals – and meet or beat them
- Big changes are coming including market evolution, technology advancements, climate change regulations, and physical changes to the climate.
  - Consumers want renewables, low cost, and high reliability.
  - BPA needs to manage resources to meet the evolving environment.
  - The PNW needs to adjust to the world around us.

Focus 2028



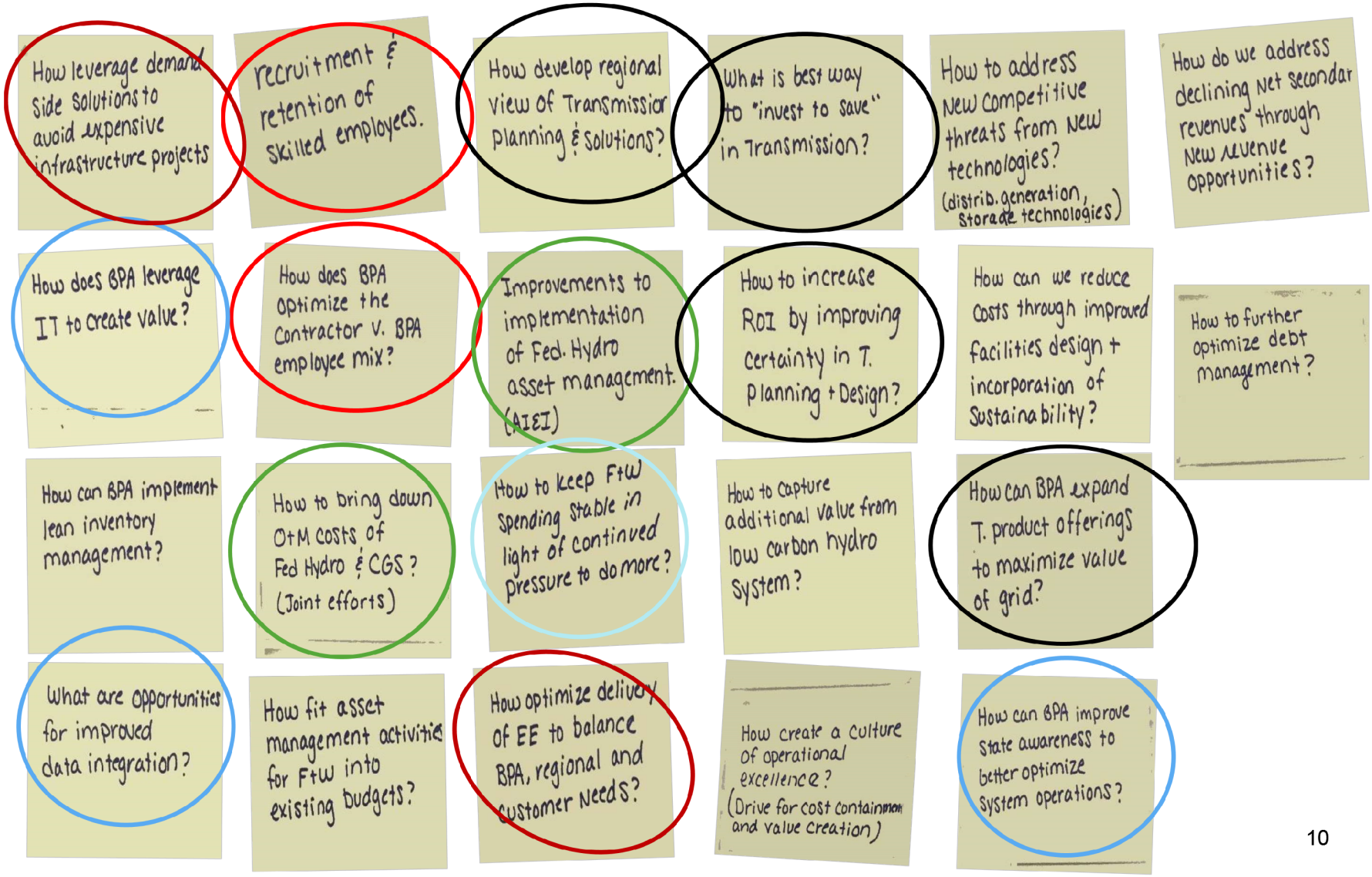
Did we get it all?

WHAT WE HEARD THIS WEEK

Kick-off Q&A

What should the prioritization criteria be?
How does BPA roll up efforts in a way that ensures competitiveness?
How will market changes impact cost competitiveness over time
transparency & value in cost increases
How should BPA prioritize these initiatives? (what are criteria)
How create more certainty on rate increases given 2-yr rate periods
Additional development of reference case & long term cost projections
Rec: Set hard targets to drive internal work toward a competitive outcome.
How create visibility into what costs are and why?
Develop more robust out year forecasts and incorporate those into the reference case
Maintaining long term focus balanced with shorter term rates
Prioritizing actions by providing greatest value at lowest possible cost.
Develop a revised Strategic plan
Develop a long-term plan (e.g. 15 years)
Can have good things done well & still end up as not cost competitive
Challenge
Need rate certainty by year so utilities can do their own long-term planning
Sequencing opportunities
Imbed a rate path in the Strategic plan.
How align BPA employees & region around a common vision?

Kick-off Panel



Cost Management

Managing for Financial Health

Managing for Financial Health (continued)

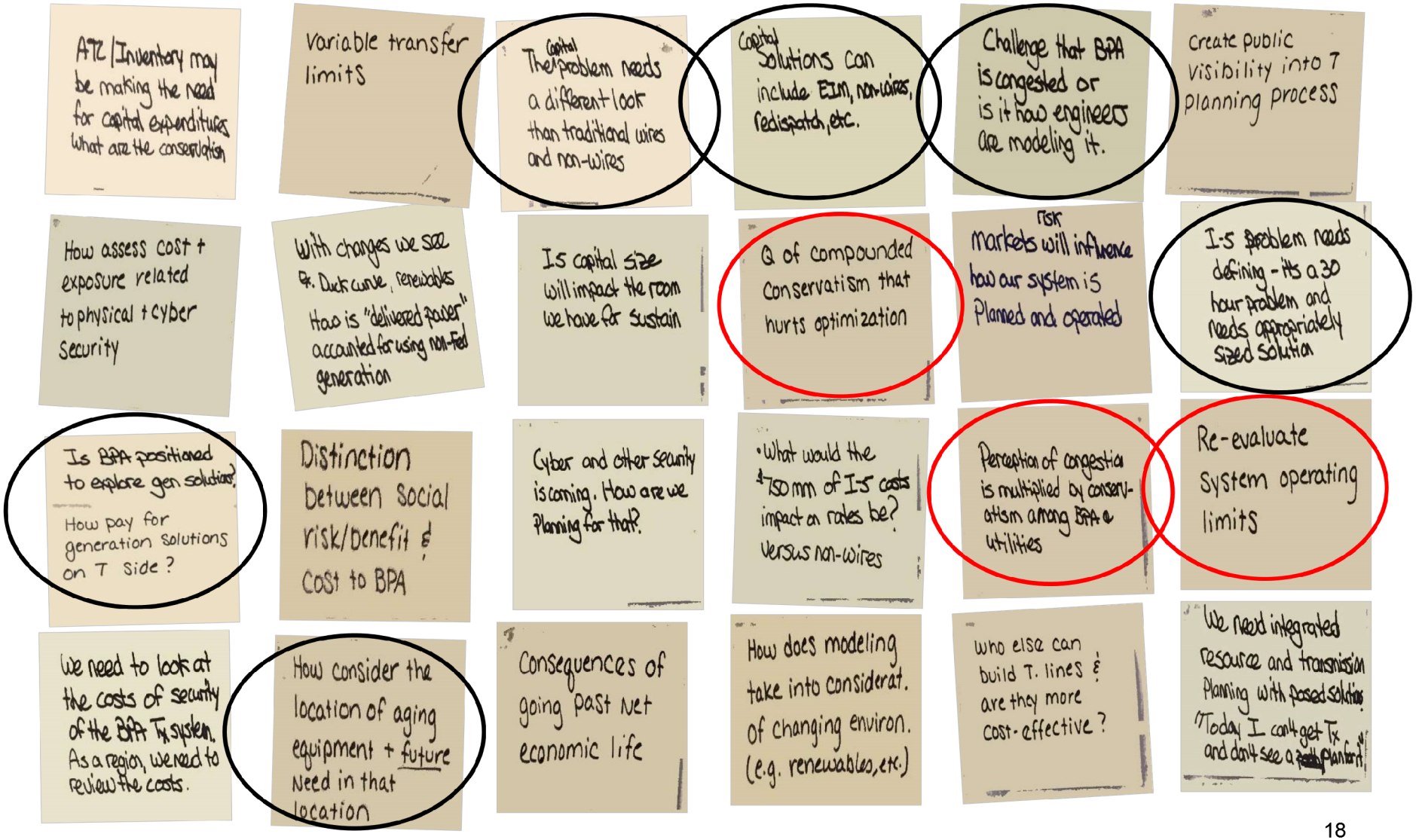
Federal Hydro

Fish and Wildlife

Energy Efficiency

Energy Efficiency (continued)

Transmission



Transmission (continued)

Transmission (continued)

Tension in Our System

• Play it Safe	⟺	• Innovate
• Look Long Term	⟺	• Next Rate Period
• Certainty of Rates	⟺	• Uncertain Future
• Lowest Possible BPA Costs	⟺	• Strong Environmental Stewardship

What have we missed?

QUESTIONS AND INPUT

Wrap-up Inclusion

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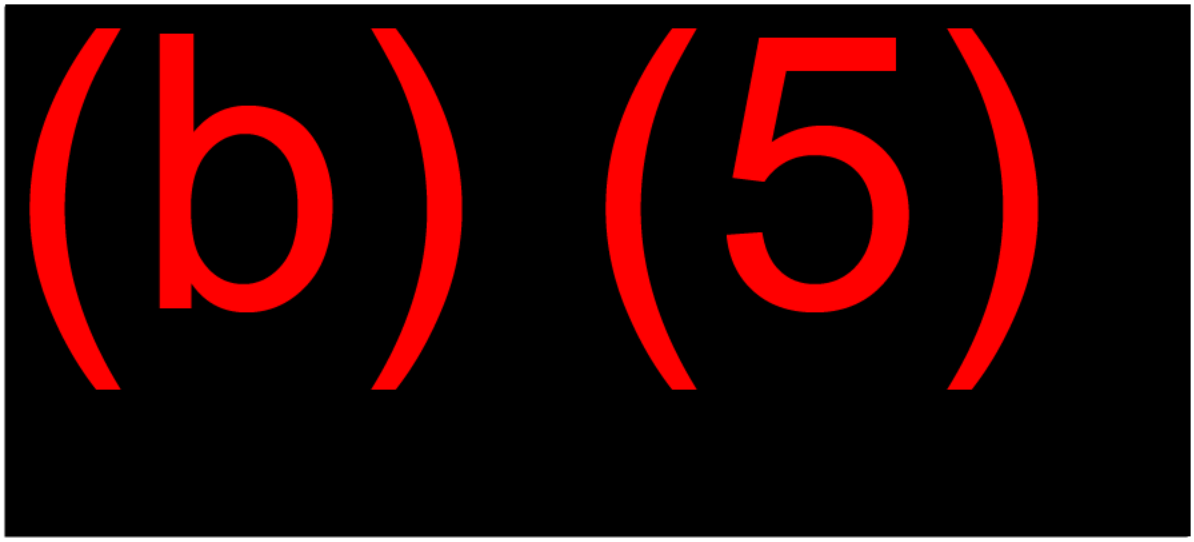

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   - Non-urban areas are falling further behind in income and are increasingly having to choose between electricity and other needs.

2. **BPA's competitiveness – establishing long-term credibility**
   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
   - BPA's proposed 4 to 9 percent rate increase, when projected forward, does not match with the long-term rate forecast projection. How is BPA going to get there?
   - Customers want to better understand the challenges and obstacles BPA is facing to be more competitive and want to help us where they can. Setting a rate target for 2028 would help.
   - There is a great concern that statutory requirements, such as the Endangered Species Act, energy efficiency, the Columbia River Treaty and the Residential Exchange Program, as well as current discretionary spending that other power suppliers do not face, will keep BPA from bending the cost curve and being competitive in 2028.
   - BPA's preliminary Integrated Program Review and Capital Investment Review spending levels show business as usual. BPA must demonstrate seriousness about controlling costs. BPA must build credibility now by changing the trajectory of its past three rate increases and start bending the cost curve.
   - Does BPA's future net requirement loads justify the level of proposed asset investments? Utilities are seeing growth but overall loads are flat and in many cases declining due to new technologies and resource options. Net requirements may be less in 2028 than today considering distributed generation, and there is a need to challenge the status quo.
   - BPA needs to consistently use a dependable and proven method when making decisions and provide better explanations on decisions as well as provide the details behind decisions.
   - There is a need to conduct market-based benchmarking to determine if cost projections and spending need a "course correction." Benchmarking can also provide significant informational benefits to help customers communicate the differences and value between BPA's products and the short-term energy market to utility boards and consumers.
   - The culture in transmission is not customer-service oriented and needs to be improved and reflect BPA's regional role.
   - Strong working relationships are heavily considered when selecting a provider. Many customers encouraged BPA to invest in our relationship due to the perception that it is an inexpensive way to create substantial value.
   - Customers are supportive of "rate case lite" decision-making process - with BPA staff proposal, stakeholder comment and transparent evaluation of positions with decision.
   - BPA brings too many employees to meetings. Do 25 employees really need to be at a rate case workshop?
   - BPA should consider a customer advisory group to create an ongoing opportunity for deeper discussions. The group would help develop BPA's strategic plan by picking up where Focus 2028 left off and provide a level of transparency.
   - There are too many processes that feel like they are just for the sake of process.
   - BPA appears to give more consideration to non-paying interest groups than the paying customer.
   - Public benefits provided to customers (e.g. Low Density Discount, irrigation rate mitigation and transfer service) are of great value to customers and consumers.
   - BPA needs to show value obtained from evolving markets and carbon-free hydro resources. BPA needs to maximize the value of its hydropower.
   - Customers understand that the short-term spot market is not comparable to the priority firm rate and the forward market is a somewhat better comparison.
   - Customers want to see BPA take a stronger stance on making large hydropower resources relevant in the future. There should be credits for being renewable and carbon free. It's currently being marginalized when it's a premium resource. California is not paying the value of a carbon-free resource today.

- BPA needs to look for opportunities and when needed partner with its customers. For example, opportunities in electric vehicles to increase power demand.
- Customers expect BPA to run like a business, even though it's a power marketing administration under the Department of Energy.

3. Contracts

- BPA should offer both short-term and long-term contracts.
- BPA should consider full and partial requirement contracts and consider offering off-ramps to allow customers out of contracts at different times.
- BPA should consider dropping the Tiered Rates Methodology. Tiered rates used to make sense but it does not anymore.
- Rate cases should be less frequent, such as every five years, partially related to perceived rate certainty but also due to fatigue of two-year budgeting and rate-setting processes.
- Price certainty will be important in signing new contracts in 2025.
- Customers want more flexibility to make or purchase contract changes and on product use.
    - They want the ability to diversify energy sources to meet state and consumer demands by reducing net requirements.
    - They want simplicity. The current contract is too complex and results in unnecessary customer overhead to manage. The implementation tends to be "paternalistic" from BPA.
    - There should be more clarity on how and who decides on penalty waivers. There should be fewer penalties in contracts. Is the Slice requirements Slice output Test, as currently implemented, really needed?

4. Products

- There is significant interest in capacity products.
- Customers want price certainty to hedge secondary risk, rate and cost collars. They are willing to pay a premium for certainty.
- They want a standardized menu of products.
- They also want unbundled products or cafeteria-style approach.
- They want a more flexible and less complex Slice product.
- Customers are going to be interested in a green or carbon-free product that does not include the Columbia Generating Station.

5. General

- The business case for a new financial reserves policy is not compelling. BPA has a current practice. Why not document the current practice as a policy for the credit rating agencies?
- BPA needs to invest in transmission. Transmission is a small portion of bill, but reliability is non-negotiable and wins over price every day.
- Most customers cannot see a world without BPA in their future, but perhaps not to the extent it is today. Regardless, customers will have to do their due diligence with regard to evaluating other providers, and they want BPA to be the easy choice.
- Preference is valued today, but at what cost? Non-paying interests, fish costs, energy efficiency and discretionary spending are eroding the value of preference.
- Several customers acknowledged it is time to re-engage with the Northwest Power and Conservation Council and other areas where BPA needs support to change policies. In order to do so, BPA needs to say no to discretionary spending, political whims and not fund or go along with the "nice to have" initiatives. BPA needs to tell the customers how they can help you with specific information and education.
- BPA needs to be an educator for utilities, board members and consumers of the Pacific Northwest.

TOP 10 REASONS

1. The federal power and transmission system is reliable – 80-year history of serving the Northwest.

2. The federal power and transmission system is cost-based, and BPA is motivated to keep its costs down. We are delivering on a strategic plan that includes aggressive cost-management targets. We are demonstrating our commitment to this in the IPR by reducing costs compared to BP-18.

3. The federal power system is a firm resource. You can always count on it.

4. New resources cannot be built at the cost of BPA's preference power rate, especially when flexibility and reliability is considered.

5. No power producer in the region can produce power cheaper than BPA aside from the Mid-C utilities and their finite low-cost resources. BPA's competitive pressure largely comes from the short-term energy surpluses being sold below the full cost (variable plus fixed) of that generation.

6. The federal power system also supplies capacity, which is becoming more valuable as variable renewable resources come on line. Capacity is expensive, but it's included in BPA's average Tier 1 rate.

7. The federal power system is carbon free. The value of these carbon free attributes are going to increase as west coast states set ambitious carbon reduction goals and create policies for incentivizing entities to meet demand with clean resources.

8. The federal power and transmission system serve widely dispersed communities at postage stamp rates. We value our customers and are working to become more responsive to their needs.

9. We support our communities and work with customers to prevent outages and restore service as quickly as possible.

10. The development and acquisition of energy efficiency savings is an important achievement and legacy of BPA and its customers over the past 38 years. Through energy efficiency, BPA and its utility customer have extended the benefits of the federal power system.

From: Garrett,Paul D (BPA) - PSS-6
Sent: Tue Jan 22 15:53:23 2019
To: Olive,Kelly J (BPA) - PSS-6
Subject: FW: PPC Member Survey
Importance: Normal
Attachments: image002.gif; PPC Survey on Future BPA products and contracts Fall 2018.docx

From: Thompson,Garry R (BPA) - PS-6
Sent: Tuesday, January 22, 2019 3:48 PM
To: Wilson,Scott K (BPA) - PSW-6; Garrett,Paul D (BPA) - PSS-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Cc: Rhoads,Abigail M (BPA) - DKE-OPP-2
Subject: FW: PPC Member Survey

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VP NW Requirements Marketing
Bonneville Power Administration
grthompson@bpa.gov 503.230.5175

From: Scott Corwin <scorwin@ppcpdx.org>
Sent: Tuesday, January 22, 2019 3:42 PM
To: Thompson,Garry R (BPA) - PS-6 <grthompson@bpa.gov>
Cc: Cook,Joel D (BPA) - P-6 <jdcook@bpa.gov>
Subject: [EXTERNAL] RE: PPC Member Survey

Hi Garry, here's this survey (the Questions in Word format...) It's a bit bulky because we were loading it into Survey Monkey, but hopefully works for your needs. Thanks, Scott

From: Thompson,Garry R (BPA) - PS-6 < grthompson@bpa.gov>
Sent: Friday, January 18, 2019 2:25 PM
To: Scott Corwin < scorwin@ppcpdx.org>
Cc: Joel Cook < jdcook@bpa.gov>
Subject: PPC Member Survey

Scott, thank you for meeting with Joel and me Wednesday over lunch to discuss some of the results from the PPC's Member survey. It was informative. I mentioned BPA is preparing a Customer Satisfaction Survey and we would like to ask some of the same questions in PPC's survey. You indicated you could share an unanswered survey with us. I am meeting with our Survey Team next

week and it would be great if I could share the PPC questions with them. Thank you and have a great MLK 3-day weekend.

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Please enter your name and utility. *You may leave this section blank if you wish to remain anonymous.*

Question Title

1. Please enter your name and utility. *You may leave this section blank if you wish to remain anonymous.*

Please select your utility's size of current BPA load service.

Question Title

2. Please select your utility's size of current BPA load service.

- ○ 0- 10 aMWh
- ○ 10 – 25 aMWh
- ○ 25 - 50 aMWh
- ○ 50 – 100 aMWh
- ○ 100+ aMWh

Please leave additional comments below.

Please select your utility's size for forecasted load service that could be placed on BPA in 2028.

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Question Title

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- 2022
- 2023
- 2024
- 2025
- 2026
- 2027

Please leave additional comments below.

Concerning product options in the next contract relative to what was offered in this contract, should BPA offer:

Question Title

5. Concerning product options in the next contract relative to what was offered in this contract, should BPA offer:

- Less options / choices
- Similar number of options / choices
- More options / choices, only if this doesn't add cost
- More options / choices, even if they cost significantly more

Please leave additional comments below

On the early process for product design (assuming there would eventually be a public process before BPA adopts a policy and record of decision), do you prefer BPA work individually with various customers and/or different groups on product designs or consolidate the process into more formal product offering design/process?

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- More consolidated process where customers work together to drive consensus products based upon BPA input/desires.

Please leave additional comments below.

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Question Title

7. In general, do you think BPA should maintain a structure like today with a total allocation of system and sharing of costs, or attempt to create a new structure that moves away from the current approach?

- ○ Similar structure
- ○ New structure

Please leave additional comments below.

Many see the current BPA power contracts as relatively lengthy and complex. But, simplifying could have some impacts to equity and individual flexibility. How do you view the issue of simplifying the new contracts, products, and rates?

Question Title

8. Many see the current BPA power contracts as relatively lengthy and complex. But, simplifying could have some impacts to equity and individual flexibility. How do you view the issue of simplifying the new contracts, products, and rates?

- ○ A simpler approach should be on the top of the priority list.
- ○ Simpler is better if possible. This is a priority, but not a top demand.

Simplifying contracts, products and rates might be helpful, but equity/cost causation is important and we are able to operate sufficiently with the current level of complexity.

Please leave additional comments below.

Are you or have you been a slice or block customer of BPA?

Question Title

9. Are you or have you been a slice or block customer of BPA?

Yes

No

Please leave additional comments below.

If you answered "Yes" to Question 9, please answer the following two questions. Otherwise, please continue to question 12.

If BPA only offered the load following or block product (but no Slice) in the same manner as today, what would be the likelihood of making this work for your utility?

Question Title

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If BPA only offered the load following or block product (but no Slice) in the same manner as today, what would be the likelihood of making this work for your utility?

- Very likely
- Possibly
- Not likely
- Certainly cannot work

Please leave additional comments below.

Would a dispatchable slice product that removes your ability to change your schedule within 3 hours of flow work for your utility?

Question Title

11. Would a dispatchable slice product that removes your ability to change your schedule within 3 hours of flow work for your utility?

- Yes
- Maybe
- Not likely
- Certainly not
- Perhaps depending upon price and structure

Please leave additional comments below.

All respondents, please continue here.

Do you lean towards preferring a fixed price contract at perhaps a higher rate, or would you prefer potentially lower prices but with more frequent rate period rate cases and CRAC type adjustments?

Question Title

12. *All respondents, please continue here.*

Do you lean towards preferring a fixed price contract at perhaps a higher rate, or would you prefer potentially lower prices but with more frequent rate period rate cases and CRAC type adjustments?

- Higher Fixed price
- Lower price, with periodic rate cases and adjustments
- Not sure

Please leave additional comments below.

If BPA offered a fixed price option that worked for you, what term length would you consider committing for?

Question Title

13. If BPA offered a fixed price option that worked for you, what term length would you consider committing for?

- 3 years
- 5 years
- 10 years
- 15 years
- 20+ years (over 20 would assume change in law)

Please leave additional comments below.

If BPA only offered a non-fixed price contract, similar to now requiring rate cases, what term length would you commit for (assuming the starting price worked for your utility)?

Question Title

14. If BPA only offered a non-fixed price contract, similar to now requiring rate cases, what term length would you commit for (assuming the starting price worked for your utility)?

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Question Title

15. If BPA were to offer only two products: (1) Traditional full requirements load following (similar to today), or (2) Market type fixed-price and volume with no shaping. Which would you prefer (assuming BPA's starting price is competitive enough for you to be considering any product option)?

- #1 – Regardless of price
- #1 – Depending upon price
- #2 – Regardless of price
- #2 – Depending upon price

Please leave additional comments below

If you chose #2, "Depending upon price": Select*all*price ranges / structures that could work for your utility (assuming comparable market product)? Otherwise please move to the next question.

Question Title

16. If you chose #2, "Depending upon price": Select *all* price ranges / structures that could work for your utility (assuming comparable market product)? Otherwise please move to the next question.

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- ☐ Fixed term and price 30+% above market

Please leave additional comments below.

Do you think energy efficiency in the next contract should be imbedded in BPA like today or placed at each utility?

Question Title

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- ○ Like today
- ○ Imbedded at the utility

Please leave additional comments below.

In the next contract period do you think that secondary sales revenue should be assumed as an offset to Tier 1 rates as it is currently?

Question Title

18. In the next contract period do you think that secondary sales revenue should be assumed as an offset to Tier 1 rates as it is currently?

- Yes
- No

Please leave additional comments below

Please provide any other product ideas, contract ideas, or timeline considerations you would like to see considered in this process? *(There is no length limit on your answer).*

Question Title

19. Please provide any other product ideas, contract ideas, or timeline considerations you would like to see considered in this process? *(There is no length limit on your answer).*

Done

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Sent: Thu Jan 24 15:31:11 2019
To: Normandeau,Mike (BPA) - PSE-RONAN; Schwendiman,Celeste M (BPA) - PSE-BOISE; Ross,Hope E (BPA) - PSE-MEAD-GOB; Gilmore,Douglas R (BPA) - PSE-MEAD-GOB; Miller,Andrew J (BPA) - PSE-6; Rimmer,William T (BPA) - PSE-MEAD-GOB
Cc: Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Wilson,Scott K (BPA) - PSW-6
Subject: FW: PPC Member Survey
Importance: Normal
Attachments: image002.gif; PPC Survey on Future BPA products and contracts Fall 2018.docx

FYI. If you read the email chain below I wanted to let you know that Garry sent a follow up email that said these questions aren't being considered for our Customer Satisfaction Survey. However, we may consider asking some of these questions as we begin to work on the design of new contracts post 2028.

From: Wilson,Scott K (BPA) - PSW-6
Sent: Thursday, January 24, 2019 3:21 PM
To: ADL_PSW_ALL
Cc: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: FW: PPC Member Survey

Garry talked about this at the AE Call last Friday and I thought you would be interested in the details of the questions PPC is asking. It will provide us information as we start to think about how we design some of our next steps around new contracts too.
--Scott

From: Thompson,Garry R (BPA) - PS-6
Sent: Tuesday, January 22, 2019 3:48 PM
To: Wilson,Scott K (BPA) - PSW-6; Garrett,Paul D (BPA) - PSS-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
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In the next contract period do you think that secondary sales revenue should be assumed as an offset to Tier 1 rates as it is currently?

Question Title

18. In the next contract period do you think that secondary sales revenue should be assumed as an offset to Tier 1 rates as it is currently?

- Yes
- No

Please leave additional comments below

Please provide any other product ideas, contract ideas, or timeline considerations you would like to see considered in this process? *(There is no length limit on your answer).*

Question Title

19. Please provide any other product ideas, contract ideas, or timeline considerations you would like to see considered in this process? *(There is no length limit on your answer).*

Done

From: Mainzer,Elliot E (BPA) - A-7
Sent: Fri Feb 01 10:57:57 2019
To: ALLBPA
Subject: Customers comment on BPA's progress one year into the strategic plan
Importance: Normal

Greetings all,
It's been one year since we launched the 2018-2023 Strategic Plan, and I want to thank you all again for everything you've been doing to advance our goals in a very cost-constrained environment. Many of our customers have expressed their appreciation as well, and I'm happy to share some of their feedback.
Those customers affirmed our direction and said we're focusing on the right things – the things they need us to do before they decide where to buy power after 2028, when long-term contracts expire:
"The four strategic goals are spot on and provide the agency critically important and clear direction for the next five years. I see this period as a crossroads, one where BPA must implement the plan and deliver on these goals. Doing so will set us (BPA, customers, stakeholders) up for success post-2028."
– Mark Gendron, interim chief executive officer, Northwest Requirements Utilities (and former BPA senior vice president of Power Services)
I've also heard from customers who appreciate how responsive employees are:
"When I call the people in Power and Transmission at BPA, I see immediate action all the way down to the people on the ground, and I really appreciate it. It feels like we are in a partnership."
– Bryan Case, general manager and CEO, Fall River Rural Electric Cooperative
Customers especially appreciate our cost-management efforts and understand the work we're doing is not easy:
"What has impressed me the most [over the last year] was BPA's continued efforts in cost-cutting, which is well-reflected in the release of the strategic plan. It lays out a strong path for BPA to remain market competitive, relevant and financially sound while meeting the customers' needs."
– John Nguyen, general manager, Columbia River PUD
"BPA has done a great job getting out the initial rate increase that was released in December. I know it' s difficult to trim costs and that it can affect employee morale. I appreciate all of the good work that BPA employees do to support my utility and really enjoy working with the BPA team."
– Joe Morgan, general manager, Modern Electric Water Company
"You have been talking about bending the cost curve for a while. Now we are now seeing significant changes and really appreciate it."
– Bryan Case
Customers also remind me that we have valuable products and services, but we have to stay diligent in an effort to sustain our competitiveness. They are relying on us to deliver on everything we've set out to accomplish:
"As a load following customer, we view BPA as a full-service provider. This has been particularly important when comparing Tier 1 rates to market prices, which typically do not include ancillary services such as firm delivery and scheduling. When you consider these essential services, BPA Tier 1 rates are very competitive... But I believe one of the greatest challenges that BPA faces is how to balance the escalating costs of fish and wildlife protection while remaining competitive."
– John Nguyen
"In order to be prepared for the future, Yakama has positioned its infrastructure and people to operate

flexibly and efficiently. It needs BPA processes and software systems to be stable and responsive to unique customer needs."
– Ray Wiseman, general manager, Yakama Power
"Make the choice for customers in 2028 easier. If you achieve the strategic goals, that can happen. Your customers want to help and see you succeed."
– Mark Gendron
Simply put:
"BPA is headed in a positive direction."
– Jim Webb, CEO and president, Lower Valley Energy
For a recap of some of the great things we accomplished over the last year, take a look at this video, produced in-house by our Communications team. And thanks again to all of you for your many contributions toward our continued success.
Stay safe,
Elliot

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650 NE Holladay St, Suite 810
Portland, OR 97232
(503) 595-9770
www.ppcpdx.org

Competitiveness for the Bonneville Power Administration: Looking Ahead

February 2019

Public Power, BPA, and Jobs: As consumer-owned utilities with preference to federal power, most members of the Public Power Council (PPC) buy much or all of their power and transmission from the Bonneville Power Administration (BPA). Power costs usually constitute a majority of the rates charged to public power consumers. As an economic engine of the Northwest, BPA and its rates visibly affect pocketbooks of residents and the vitality of businesses and job creation.

- Northwest public power utilities serve over 3,000 average megawatts (27 million MWh) of industrial loads for over 34,000 business accounts -- 36% of NW public power loads.
- Northwest businesses operate in highly competitive global markets; any increase in major inputs, such as power costs, directly pressures profitability and employment.
- Manufacturing jobs create a high "multiplier effect", with $1 spent in manufacturing generating $1.33 in additional economic activity throughout local communities.

The Challenge of BPA Competitiveness versus Other Suppliers

BPA's upward rate trajectory over several years raises serious concerns about the long-term competitiveness of BPA and the economic health of the region and the programs that depend on BPA revenues. With low natural gas prices and a surge of renewable energy suppressing market prices, *BPA's recent rate trajectory* is *not sustainable*; power customers will have other supply options when their BPA contracts expire in 2028.

This threat is not in the distant future. Decisions today will set the course for whether the cost trend line can bend enough by the time new contracts are negotiated well-ahead of the 2028 cliff. Customers are weighing their options and will need to see sustained commitment to top-down budget prioritization, performance management and culture, and firm cost control at BPA, the Army Corps of Engineers, and the Bureau of Reclamation. Everything must be on the table; some areas of focus for PPC are described below.

Reconsider Project Cost Allocations

When the federal hydropower projects were authorized, certain assumptions were made about the costs and benefits of each project purpose. As part of that analysis,

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approximately 75 percent of the "joint cost" of the Columbia and Snake River dams is assigned to power customers for repayment – and an equivalent percentage of operations and maintenance expenses. Over the ensuing decades the amount of federal hydropower has been reduced by one-third and the operational flexibility and value of the remaining power output has been reduced. By contrast, the value of other authorized purposes has increased significantly. For instance, with increased construction and development and rising property prices, the value of flood control is much higher than when the projects were built. Despite these shifts in benefits, there has been little attention given to aligning costs and benefits assigned to the various project purposes.

Revisiting the underlying cost allocation is a lengthy and difficult process – but an essential step in promoting equity and addressing the competitive challenges of BPA. Congress needs to ensure the Crops of Engineers and Bureau of Reclamation review the project cost allocations and expeditiously move forward with an equitable allocation.

Fish and Wildlife Costs

PPC and its members have a strong interest in both the effectiveness and cost of programs funded through rates BPA charges its customers; this includes support for science-based, cost-effective programs that help BPA meet its obligations for fish and wildlife mitigation. Fish and wildlife costs are currently one-third of the total BPA bill to customers, including operations costs and less operational flexibility from increased spill at the dams.

Even with some success in other areas of BPA cost management, uncontrolled fish and wildlife costs could threaten economic sustainability. How seriously BPA (and the Army Corps of Engineers and Bureau of Reclamation) can turn the corner on power costs will impact the extent to which PPC members make future purchases of BPA power. And, those future power purchases from BPA provide the revenue stream that would fund fish mitigation efforts and all other BPA programs.

Under existing law, BPA receives a credit against its Treasury repayment obligation for those fish and wildlife expenditures it makes on behalf of other project purposes. First used in the 1990s, this credit provision helps aligns costs and benefits. However, the cost inputs for this credit have not been updated in decades. Moreover, PPC believes that the time is right for a serious bipartisan discussion within the delegation about updating this provision to meet fish and wildlife objectives while controlling ratepayers' cost exposure.

Columbia River Treaty

One of the few areas where there is an opportunity to assist with BPA future competitiveness by gaining access to more federal generation is through modernization of the Columbia River Treaty with Canada. For decades, the Columbia River Treaty between the United States and Canada worked very well to enhance the flood control and power needs of both nations. But, studies continue to show that the current implementation of the Treaty has created a large inequity with the electricity consumers in the U.S. losing

16020076-0

approximately $1 million every three days, as the U.S. overpays Canada 70-90% for the presumed downstream power benefits.

PPC appreciates that the Northwest members of the House and Senate have pushed to get discussions underway between the two countries. We are looking *this year* to see an agreement to fix the power inequity in a way that does not threaten the operational flexibility of hydropower projects (the largest sources of clean, renewable power in the region), and does not threaten river navigation that is so critical to our local economy. Some Treaty provisions, and several agreements associated with the Treaty, expire in 2024, underscoring the need for expeditious action now to get ahead of needed funding requests or legislation that could take additional time to complete.

We continue to support the Regional Recommendation for the Treaty which stated that, "Any payments for Columbia River flood risk management should be consistent with the national flood risk funding policy of federal funding with applicable local beneficiaries sharing those costs as appropriate." Congress has the lead role in flood control funding.

Secondary Revenues and Markets

Another factor in the rising BPA power rates in recent years has been the loss of revenue from "secondary" sales. This involves amounts of power in excess to BPA's base commitments that can be sold on the market either inside or outside the Northwest. Lately, prices are lower than historic levels and sales, used as a credit against BPA rates, are down about $200 million from several years ago (over a 10 percent rate impact).

Today's markets in the West are becoming more technologically advanced and complicated. We support steps BPA has taken to modernize its systems for better knowledge and management of its grid for reliability and for identifying market opportunities. BPA is currently considering participation in an Energy Imbalance Market, and we will be analyzing the costs and benefits of that step. In addition, there may be other opportunities for BPA to enhance revenue from sales outside the region. This will require careful balancing, and there may be some ways in which Congress can play a role, including authorizing BPA to pay carbon fees on sales to states requiring it.

Conclusions and Outlook

Prompt action is needed if BPA and its partner generating agencies are going to turn the corner and ensure a future power supply that is economic. We urge the delegation to work together on changes to address BPA costs and protect ratepayers and the economy.

From: Munz,Paul G (BPA) - PSW-SEATTLE

Sent: Thu Dec 06 12:11:26 2018

To: Olive,Kelly J (BPA) - PSS-6; Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6

Subject: RE: 2019-2028 timeline, contracts/competitiveness/ResEx.

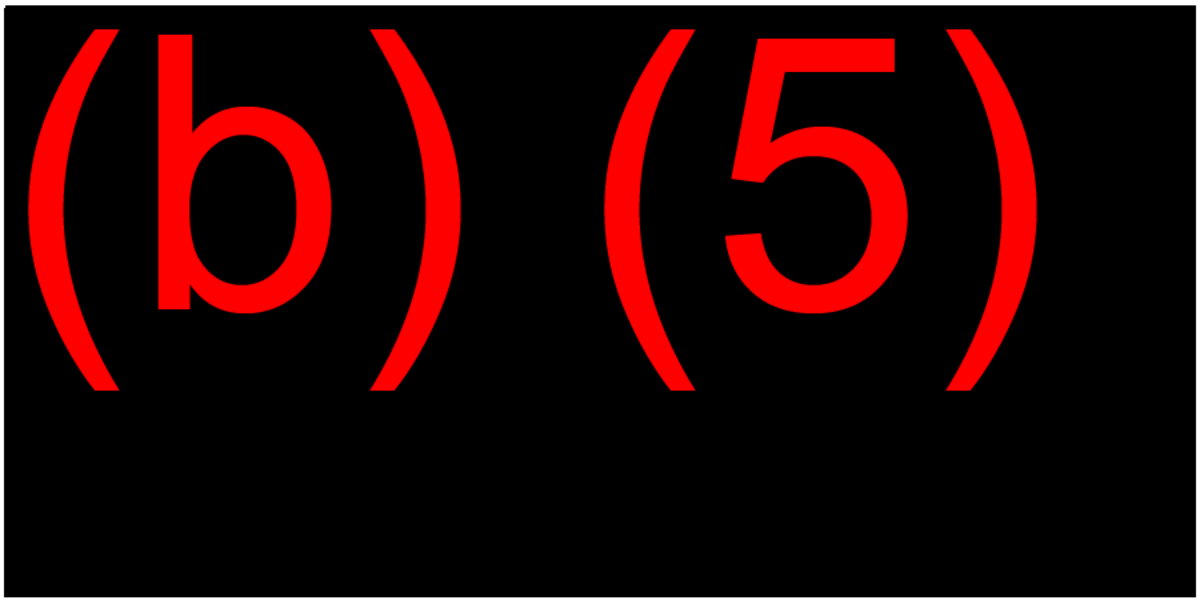
Importance: Normal

Attachments: Provider of Choice October 2016 Communications 10252016.doc; TOP 10 REASONS.DOCX

Hi Kelly,

Good observations and questions. When the four of us (Claire, Kirsten, Mike and Paul) talked about this a couple of weeks ago, we came up with a couple of additional documents that also speak to the engagement with customers in regards to the upcoming 2028 contracts. Attached are two of them and below is the recently communicated list of reasons for customers to stay with BPA that was provided to Garry:

I really like Kevin's list. Here are some additions to consider.



We all agreed that we need to be aware of what we have already done and to not totally re-invent the wheel…

Thanks for keeping the conversation moving,

Paul

(206) 220-6763

From: Olive,Kelly J (BPA) - PSS-6
Sent: Thursday, December 06, 2018 11:36 AM
To: Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE
Subject: RE: 2019-2028 timeline, contracts/competitiveness/ResEx.

Hi there,

On the call we had Nov. 6, discussing how AEs can help participate in and shape the conversation with customers on Post-2028 contracts/policy direction, we mentioned that there was a roadshow/outreach done a year or so ago, where Garry and others went out asking customers about their wants. I thought the

process was Provider of Choice. I was trying to find the summary notes, collecting the information we gathered from customers at that time. Do you know, was it the Focus 2028 process linked here: https://www.bpa.gov/Finance/FinancialPublicProcesses/2028/Pages/default.aspx

And are these the summary notes: https://www.bpa.gov/Finance/FinancialPublicProcesses/2028/doc2028/Wrap-Up%20Session.pdf

Or are there other summary notes that outline what we heard from customers regarding Post-2028? If anyone has other summary notes, would you please send them my way?

Thank you!

Kelly

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, October 26, 2018 11:47 AM
To: Normandeau,Mike (BPA) - PSE-RONAN; Watts,Kirsten (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE
Subject: 2019-2028 timeline, contracts/competitiveness/ResEx.

Hi there,

Mike gave me a call this morning and shared the product brainstorming sessions and paper you're working on. So happy to hear this! I wanted to share that there is a team Garry has pulled together to help map out the contract and cost competitiveness issues timeline between now and 2028. The team charter and the draft timeline are attached. You'll see that the details on most cost competitiveness issues aren't filled in (on the second page of the timeline). It's a work in progress. See charter and timeline attached; note the very recent dates

on these.

I think for your work, it'll be good to note, on the contract flow, the 6 month customer engagement, using 2020 to come up with internal alignment on what the products, rates, term, high-level goals will be, and then it's envisioned that we'll go out with a concept paper early 2021.

Looking forward to the conversations!

Kelly

kelly olive

contract technical lead

bpa, pss-6

p.o. box 3621

portland, or 97208

phone: 503.230.4735

Provider of choice discussions with customers

A summary of our customers' views on competiveness for their business and Bonneville's

October 2016

BPA intends to establish long-term cost competitiveness metrics and goals to support our objective of remaining the wholesale power provider of choice when new power sales contracts are offered. In order to reflect customer perspective in the development of a new strategic plan to assure that we will be the wholesale provider of choice, BPA met with several customers and customer group representatives in September and October to collect their views on the competition they are facing now and what they expect to see over the next 10 years. The discussions also covered what competiveness means to our customers, concerns about BPA's competiveness and what BPA needs to do to remain their provider of choice.

We greatly appreciate the time and thoughtful comments and perspectives provided by our customers' executives, managers and subject matter experts.

To expand on these discussions, BPA account executives will be sharing the results of this effort with their customers over the next few months. They will be listening for concurrence with the perspectives we have identified in this paper and for any new observations.

BPA will then evaluate the information gathered from these discussions and incorporate it into the strategic plan development process. BPA also plans to engage the region in the development of BPA's long-term strategic plan in 2017.

Our intent is to have these discussions about every 18 months over the next several years. BPA wants to hear what competitive changes our customers are facing and be able to test where we are at as we strive to remain their provider of choice.

The following is a synopsis of what we heard from these discussions.

Key Themes from Competitiveness Discussions with Customers

1. **Competiveness challenges our customers are facing**
   - Customers are benchmarking against investor owned utilities and other public power utilities. If their rates are above a neighboring IOU's, it's harder to justify the benefits of public power.
   - Customers with substantial hydropower resources understand secondary sales and the upward rate pressure current conditions are placing on rates; they are facing the same market conditions as BPA and having to raise consumer rates.
   - No matter the size of the utility, almost all customers are experiencing declining loads, sales and revenue. The reasons include technology, smaller dwelling size, increased natural gas penetrations, energy efficient appliances/lighting and building codes.
   - Utilities have cut costs everywhere they can and they are running out of options to not raise rates.
   - Evolving markets are one area for new revenues to help keep rates down and bring value to our consumers.
   - Future power supply will be diversified with renewables, distributed generation and storage, but customers will still need energy and capacity products, which they would get from BPA if competitive.
   - Many customers are increasing rates annually from 3 to 6 percent.
   - Non-urban areas are falling further behind in income and are increasingly having to choose between electricity and other needs.

2. **BPA's competitiveness – establishing long-term credibility**
   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
   - BPA's proposed 4 to 9 percent rate increase, when projected forward, does not match with the long-term rate forecast projection. How is BPA going to get there?
   - Customers want to better understand the challenges and obstacles BPA is facing to be more competitive and want to help us where they can. Setting a rate target for 2028 would help.
   - There is a great concern that statutory requirements, such as the Endangered Species Act, energy efficiency, the Columbia River Treaty and the Residential Exchange Program, as well as current discretionary spending that other power suppliers do not face, will keep BPA from bending the cost curve and being competitive in 2028.
   - BPA's preliminary Integrated Program Review and Capital Investment Review spending levels show business as usual. BPA must demonstrate seriousness about controlling costs. BPA must build credibility now by changing the trajectory of its past three rate increases and start bending the cost curve.
   - Does BPA's future net requirement loads justify the level of proposed asset investments? Utilities are seeing growth but overall loads are flat and in many cases declining due to new technologies and resource options. Net requirements may be less in 2028 than today considering distributed generation, and there is a need to challenge the status quo.
   - BPA needs to consistently use a dependable and proven method when making decisions and provide better explanations on decisions as well as provide the details behind decisions.
   - There is a need to conduct market-based benchmarking to determine if cost projections and spending need a "course correction." Benchmarking can also provide significant informational benefits to help customers communicate the differences and value between BPA's products and the short-term energy market to utility boards and consumers.
   - The culture in transmission is not customer-service oriented and needs to be improved and reflect BPA's regional role.
   - Strong working relationships are heavily considered when selecting a provider. Many customers encouraged BPA to invest in our relationship due to the perception that it is an inexpensive way to create substantial value.
   - Customers are supportive of "rate case lite" decision-making process - with BPA staff proposal, stakeholder comment and transparent evaluation of positions with decision.
   - BPA brings too many employees to meetings. Do 25 employees really need to be at a rate case workshop?
   - BPA should consider a customer advisory group to create an ongoing opportunity for deeper discussions. The group would help develop BPA's strategic plan by picking up where Focus 2028 left off and provide a level of transparency.
   - There are too many processes that feel like they are just for the sake of process.
   - BPA appears to give more consideration to non-paying interest groups than the paying customer.
   - Public benefits provided to customers (e.g. Low Density Discount, irrigation rate mitigation and transfer service) are of great value to customers and consumers.
   - BPA needs to show value obtained from evolving markets and carbon-free hydro resources. BPA needs to maximize the value of its hydropower.
   - Customers understand that the short-term spot market is not comparable to the priority firm rate and the forward market is a somewhat better comparison.
   - Customers want to see BPA take a stronger stance on making large hydropower resources relevant in the future. There should be credits for being renewable and carbon free. It's currently being marginalized when it's a premium resource. California is not paying the value of a carbon-free resource today.

- BPA needs to look for opportunities and when needed partner with its customers. For example, opportunities in electric vehicles to increase power demand.
- Customers expect BPA to run like a business, even though it's a power marketing administration under the Department of Energy.

3. **Contracts**
   - BPA should offer both short-term and long-term contracts.
   - BPA should consider full and partial requirement contracts and consider offering off-ramps to allow customers out of contracts at different times.
   - BPA should consider dropping the Tiered Rates Methodology. Tiered rates used to make sense but it does not anymore.
   - Rate cases should be less frequent, such as every five years, partially related to perceived rate certainty but also due to fatigue of two-year budgeting and rate-setting processes.
   - Price certainty will be important in signing new contracts in 2025.
   - Customers want more flexibility to make or purchase contract changes and on product use.
     - They want the ability to diversify energy sources to meet state and consumer demands by reducing net requirements.
     - They want simplicity. The current contract is too complex and results in unnecessary customer overhead to manage. The implementation tends to be "paternalistic" from BPA.
     - There should be more clarity on how and who decides on penalty waivers. There should be fewer penalties in contracts. Is the Slice requirements Slice output Test, as currently implemented, really needed?

4. **Products**
   - There is significant interest in capacity products.
   - Customers want price certainty to hedge secondary risk, rate and cost collars. They are willing to pay a premium for certainty.
   - They want a standardized menu of products.
   - They also want unbundled products or cafeteria-style approach.
   - They want a more flexible and less complex Slice product.
   - Customers are going to be interested in a green or carbon-free product that does not include the Columbia Generating Station.

5. **General**
   - The business case for a new financial reserves policy is not compelling. BPA has a current practice. Why not document the current practice as a policy for the credit rating agencies?
   - BPA needs to invest in transmission. Transmission is a small portion of bill, but reliability is non-negotiable and wins over price every day.
   - Most customers cannot see a world without BPA in their future, but perhaps not to the extent it is today. Regardless, customers will have to do their due diligence with regard to evaluating other providers, and they want BPA to be the easy choice.
   - Preference is valued today, but at what cost? Non-paying interests, fish costs, energy efficiency and discretionary spending are eroding the value of preference.
   - Several customers acknowledged it is time to re-engage with the Northwest Power and Conservation Council and other areas where BPA needs support to change policies. In order to do so, BPA needs to say no to discretionary spending, political whims and not fund or go along with the "nice to have" initiatives. BPA needs to tell the customers how they can help you with specific information and education.
   - BPA needs to be an educator for utilities, board members and consumers of the Pacific Northwest.

TOP 10 REASONS

1. The federal power and transmission system is reliable – 80-year history of serving the Northwest.

2. The federal power and transmission system is cost-based, and BPA is motivated to keep its costs down. We are delivering on a strategic plan that includes aggressive cost-management targets. We are demonstrating our commitment to this in the IPR by reducing costs compared to BP-18.

3. The federal power system is a firm resource. You can always count on it.

4. New resources cannot be built at the cost of BPA's preference power rate, especially when flexibility and reliability is considered.

5. No power producer in the region can produce power cheaper than BPA aside from the Mid-C utilities and their finite low-cost resources. BPA's competitive pressure largely comes from the short-term energy surpluses being sold below the full cost (variable plus fixed) of that generation.

6. The federal power system also supplies capacity, which is becoming more valuable as variable renewable resources come on line. Capacity is expensive, but it's included in BPA's average Tier 1 rate.

7. The federal power system is carbon free. The value of these carbon free attributes are going to increase as west coast states set ambitious carbon reduction goals and create policies for incentivizing entities to meet demand with clean resources.

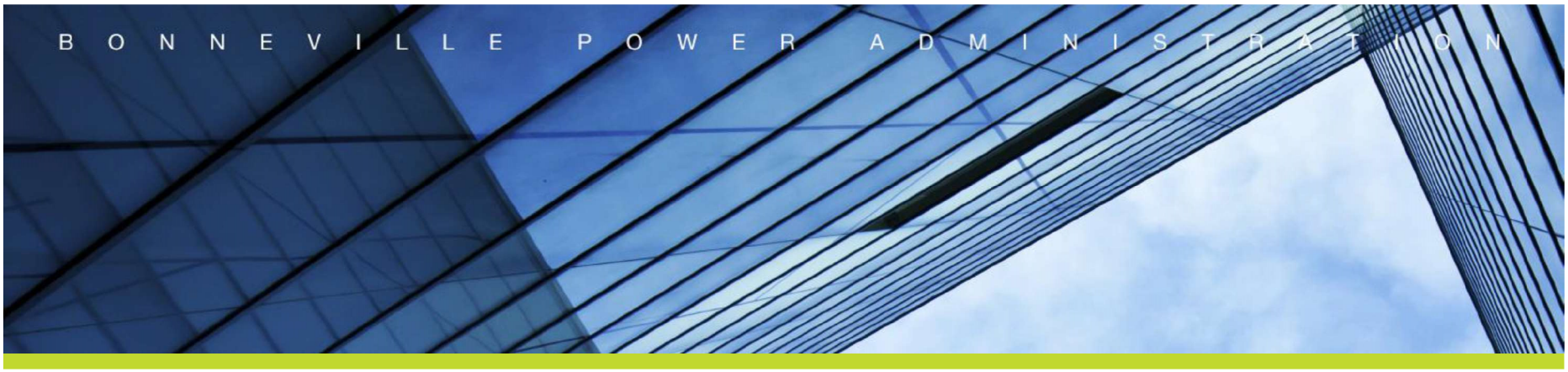
8. The federal power and transmission system serve widely dispersed communities at postage stamp rates. We value our customers and are working to become more responsive to their needs.

9. We support our communities and work with customers to prevent outages and restore service as quickly as possible.

10. The development and acquisition of energy efficiency savings is an important achievement and legacy of BPA and its customers over the past 38 years. Through energy efficiency, BPA and its utility customer have extended the benefits of the federal power system.

Wrap-up

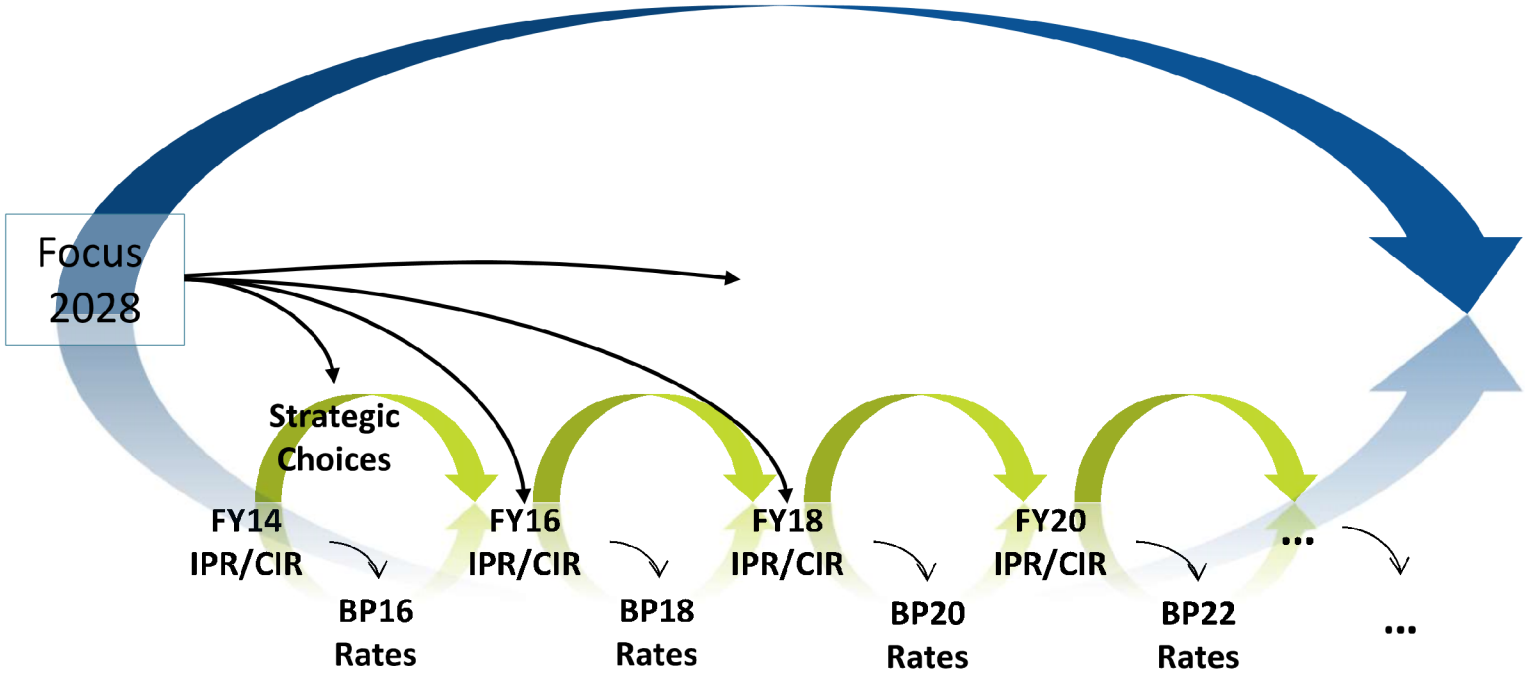
February 12, 2016



You have all been wonderful!

THANK YOU

BPA Focus 2028



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Kick-off Recap

- BPA's vision of being an engine of economic prosperity and environmental sustainability remains strong.
- BPA's goal is to be low cost provider to customers beyond 2028.
- There are a significant risks and uncertainties.
- Significant choices to be made investing in programs and physical assets. BPA wants to ensure investments are made wisely.
- We need to think of the long-term when making decisions.
- Reference Case is a strong tool. Offers a basis for comparing alternatives. The Reference Case is not a forecast of 2030 rates.

Future

CYBER & GRID SECURITY • NEW REGULATIONS • CLIMATE CHANGE • ENVIRONMENTAL STEWARDSHIP • SECONDARY REVENUES • MARKET EVOLUTION • ASSET MAINTENANCE • DISTRIBUTED GENERATION • COMPETITIVENESS

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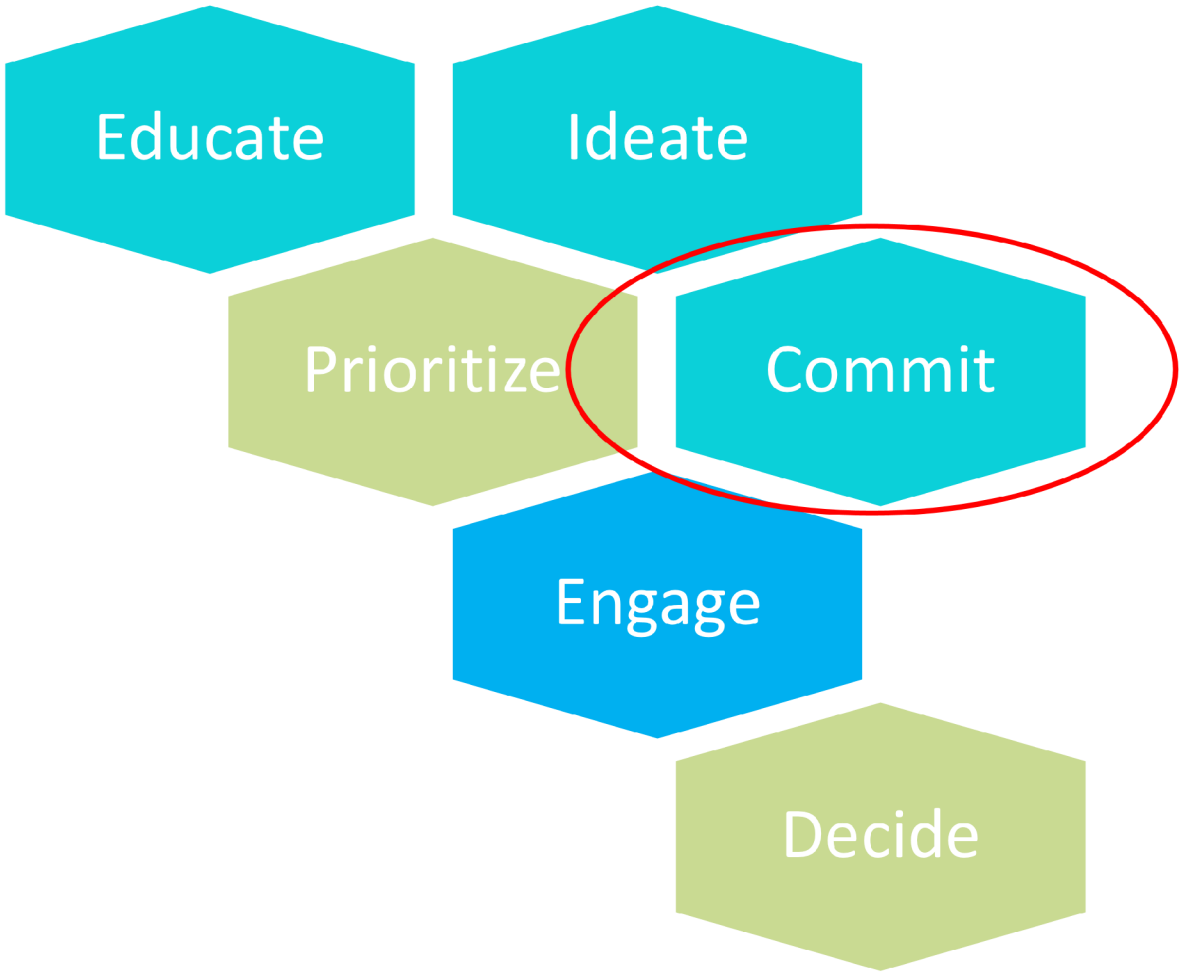
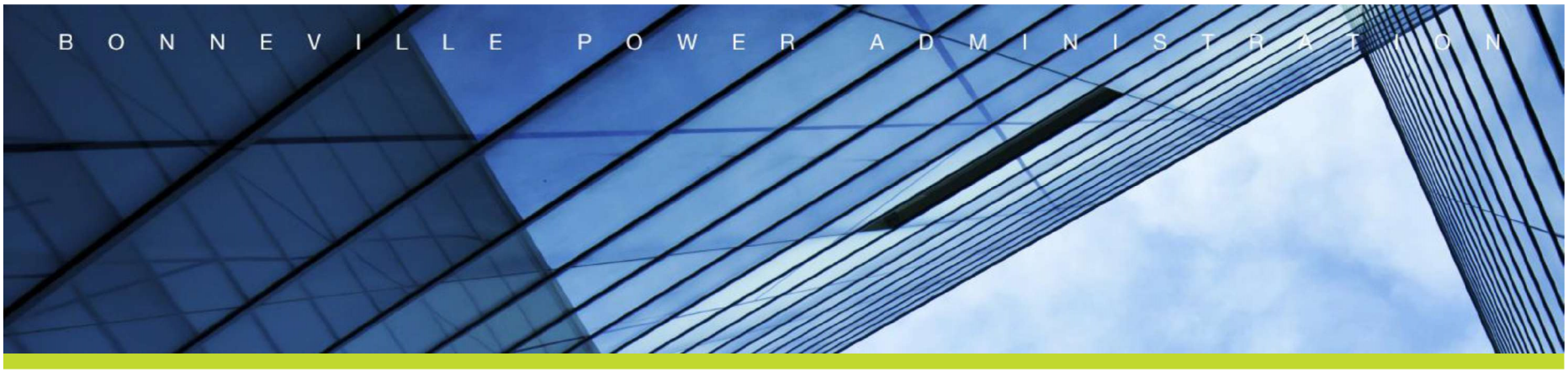
What We Heard

- Speed and agility are critical to competitiveness in fast changing landscape.
- Competitiveness is a nuanced concept. BPA should consider differences among customers as it considers competitiveness.
- Implications of low load-growth projections.
- BPA should demonstrate rigorous cost control, careful prioritization, and sequencing of investments.
- Diversity of stakeholders is challenging. Will not agree on everything, but there is common ground.
- BPA's view of success must go beyond financial health and encompass the environmental health of the Basin.
- BPA should set rate goals – and meet or beat them
- Big changes are coming including market evolution, technology advancements, climate change regulations, and physical changes to the climate.
  - Consumers want renewables, low cost, and high reliability.
  - BPA needs to manage resources to meet the evolving environment.
  - The PNW needs to adjust to the world around us.

Focus 2028





Did we get it all?

WHAT WE HEARD THIS WEEK

Kick-off Q&A

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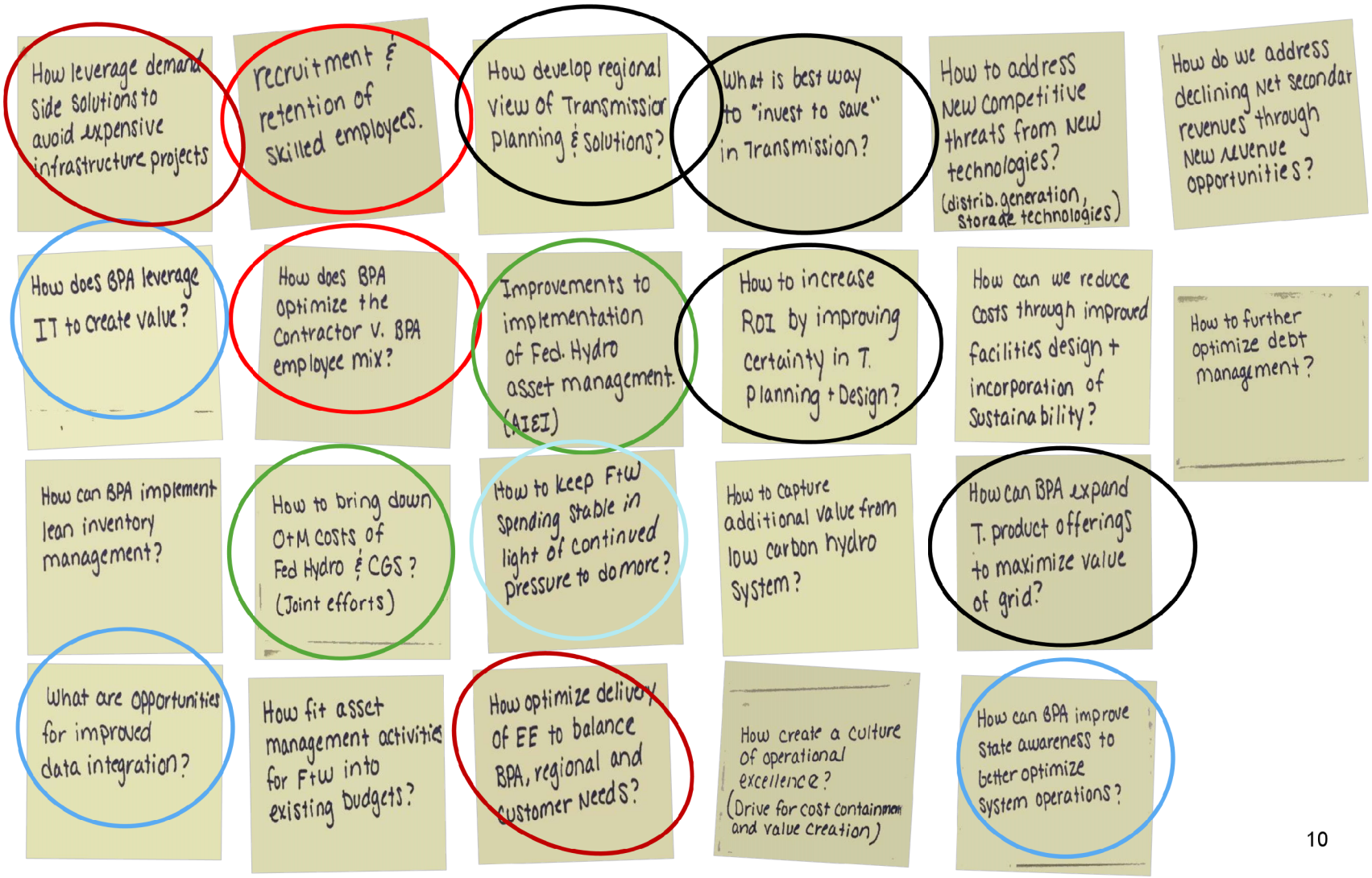
Kick-off Panel



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Cost Management

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Managing for Financial Health

16191168-0-2

Managing for Financial Health (continued)

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Federal Hydro

Fish and Wildlife

16191168-0-2

Energy Efficiency

Energy Efficiency (continued)

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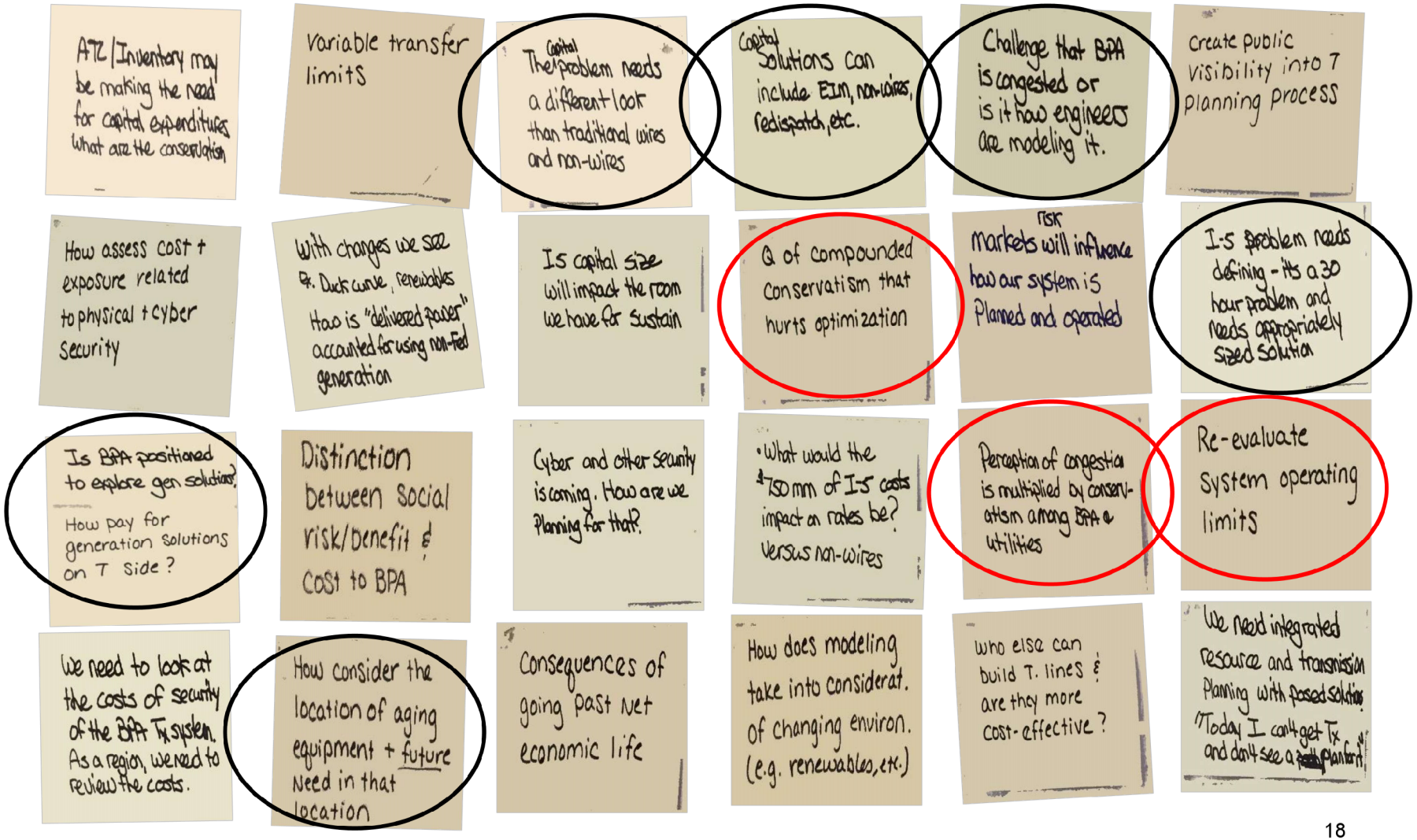
Transmission



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Transmission (continued)

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Transmission (continued)

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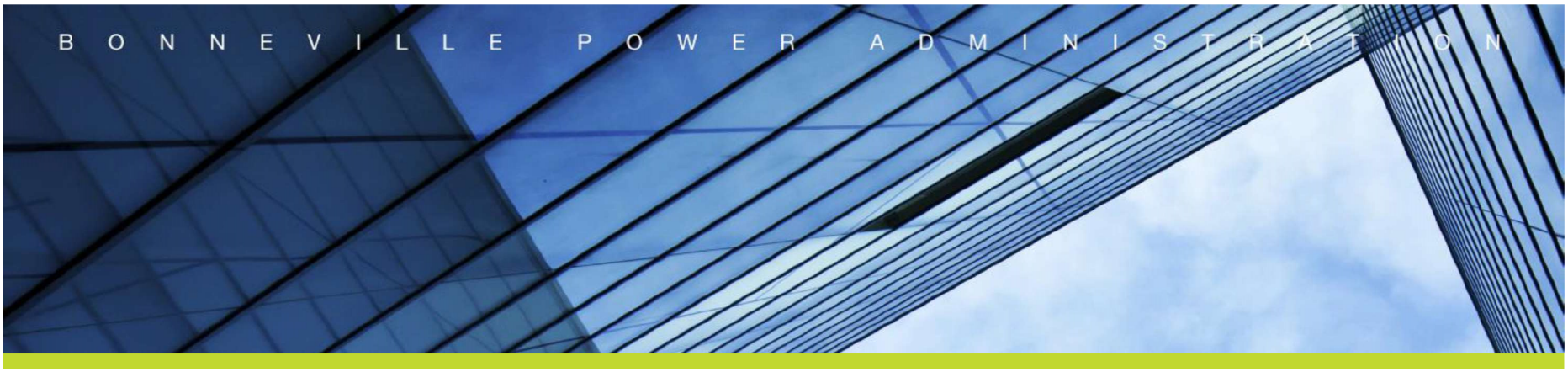
Tension in Our System

• Play it Safe	⟺	• Innovate
• Look Long Term	⟺	• Next Rate Period
• Certainty of Rates	⟺	• Uncertain Future
• Lowest Possible BPA Costs	⟺	• Strong Environmental Stewardship



What have we missed?

QUESTIONS AND INPUT

Wrap-up Inclusion

Appreciation of Process

What are business units to bend cost curve?

Importance of driving to actionable items

Insight/Engagement on CGS costs over time

Evolving cost management

Focus 2028 is a central theme of work being done at BPA today

Policies around borrowing authority and repayment

From: Olive,Kelly J (BPA) - PSS-6
Sent: Thu Mar 14 12:16:24 2019
To: Normandeau,Mike (BPA) - PSE-RONAN; Hobson,Claire A (BPA) - PSW-6; Watts,Kirsten (BPA) - PSW-SEATTLE; Munz,Paul G (BPA) - PSW-SEATTLE
Cc: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: FW: PPC Member Survey and BPA's draft internal survey
Importance: Normal
Attachments: image001.gif; Draft Req Marketing survey on Post-2028 based on PPC 3_13_19(2).docx

All,

See note below from Garry on getting the results of PPC survey.

Also, attached are the draft questions for certain internal BPA power staff (AEs, Account Specialists, Slice team, rates, etc) (if we get a green light). Once we do get the green light from Garry, I'll set up a Skype meeting for us to modify, add, clean up the questions. I believe the attached reflects new questions, omissions and edits that we discussed yesterday.

Thanks,
kelly

From: Thompson,Garry R (BPA) - PS-6
Sent: Thursday, March 14, 2019 9:36 AM
To: Olive,Kelly J (BPA) - PSS-6
Subject: RE: PPC Member Survey

The "ask" and clarification is on the way. (:

Garry R. Thompson
VP NW Requirements Marketing
Bonneville Power Administration
grthompson@bpa.gov 503.230.5175

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Wednesday, March 13, 2019 4:33 PM
To: Thompson,Garry R (BPA) - PS-6 <grthompson@bpa.gov>
Subject: FW: PPC Member Survey

Garry,

Can you reach out to PPC and ask them if we can have the aggregated results for this survey? Additionally, when you reach out, can you please ask them what their definition of 'volume' is, as it is used in question 15?

Thank you,
Kelly

From: Garrett,Paul D (BPA) - PSS-6
Sent: Tuesday, January 22, 2019 3:53 PM
To: Olive,Kelly J (BPA) - PSS-6
Subject: FW: PPC Member Survey

From: Thompson,Garry R (BPA) - PS-6
Sent: Tuesday, January 22, 2019 3:48 PM
To: Wilson,Scott K (BPA) - PSW-6; Garrett,Paul D (BPA) - PSS-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Cc: Rhoads,Abigail M (BPA) - DKE-OPP-2
Subject: FW: PPC Member Survey

Here is the PPC Survey I mentioned on last Friday's AE Call and that Power may want to use some of these questions, or at least consider them in our Customer Satisfaction Survey.

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From: Scott Corwin < scorwin@ppcpdx.org>
Sent: Tuesday, January 22, 2019 3:42 PM
To: Thompson,Garry R (BPA) - PS-6 < grthompson@bpa.gov>
Cc: Cook,Joel D (BPA) - P-6 <
jdcook@bpa.gov>
Subject: [EXTERNAL] RE: PPC Member Survey

Hi Garry, here's this survey (the Questions in Word format...) It's a bit bulky because we were loading it into Survey Monkey, but hopefully works for your needs. Thanks, Scott

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Sent: Friday, January 18, 2019 2:25 PM
To: Scott Corwin < scorwin@ppcpdx.org>
Cc: Joel Cook < jdcook@bpa.gov>
Subject: PPC Member Survey

Scott, thank you for meeting with Joel and me Wednesday over lunch to discuss some of the results from the PPC's Member survey. It was informative. I mentioned BPA is preparing a Customer Satisfaction Survey and we would like to ask some of the same questions in PPC's survey. You indicated you could share an unanswered survey with us. I am meeting with our Survey Team next week and it would be great if I could share the PPC questions with them. Thank you and have a great MLK 3-day weekend.

Garry R. Thompson
VP NW Requirements Marketing
Bonneville Power Administration
grthompson@bpa.gov 503.230.5175

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From: Wilson,Scott K (BPA) - PSW-6
Sent: Friday, March 15, 2019 3:09 PM
To: ADL_PSW_ALL; ADL_PSE_ONLY
Subject: FW: Blue Sky paper
Attachments: Blue Sky Meeting Material (12-19-2018).pdf

Since it's "cleared to share more broadly" internally thought I would pass this along. It was referenced at the AE meeting this morning. Enjoy the weekend
--Scott

From: Garrett,Paul D (BPA) - PSS-6
Sent: Friday, March 15, 2019 10:30 AM
To: Olive,Kelly J (BPA) - PSS-6; Wilson,Scott K (BPA) - PSW-6
Subject: RE: Blue Sky paper

Here you go. Cleared with Garry to share more broadly also (I think we did paper initially because was thought to be more sensitive).

-Paul

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, March 15, 2019 8:35 AM
To: Garrett,Paul D (BPA) - PSS-6; Wilson,Scott K (BPA) - PSW-6
Subject: Blue Sky paper

Paul, Scott,

Do you happen to have the Blue Sky paper from December 2018 (paper or electronic)? I have a paper copy, but had forgotten I only had a paper copy and wrote notes all over it. When we met on Wednesday, the Post-2028 AE Questionnaire team was interested in having a copy.

Thank you,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

BPA-Customer "Blue Sky" Meeting

December 19, 2018

A group of BPA customers and organizations have been working together brainstorming and examining ways in which BPA can further reduce it operating costs or increase revenues and therefore lower its net revenue requirement. The overall goal to is to make sure BPA rates are competitive when customers begin to make power decisions well ahead of 2028 (e.g. 2022-2024).

The following is a list of ideas focused on both cost reduction or revenue increases. These ideas are shared in the spirit of blue sky brainstorming only and are not yet official positions of any individual BPA customer or organization.

The results of that examination are included in the table below. Although BPA has recently taken many significant steps towards reducing costs, the customers believe BPA can take further actions to reduce costs and/or increase revenues to insure they are on a competitive rate trajectory going forward.

Customers suggest that BPA use formal benchmarking of BPA business functions to establish the effectiveness and efficiency of those functions and that benchmarking be used to develop specific targets. For example, if BPA business function A falls in the 3rd or 4th quartile of a benchmark then BPA would develop plans to bring that business function in to 1st or 2nd quartile performance. Business functions and products and services could also be assessed for customer value. Low value services should be cut-back or eliminated. If those "services" are mandated or required by federal statutes that are out-of-date with current realities, then we should explore modifications to those statutes to modernize BPA's ability to compete in the marketplace.

Our group also thinks that BPA needs **"specific targets"** to accomplish this effort over both the shorter and longer term (i.e. now to 3 years for short-term goals and 3 to 10 years for long-term goals).

IDEA, MEASURE or ACTION	COST REDUCTION OR REVENUE INCREASE	COMMENTS	ESTIMATED ANNUAL COST REDUCTION OR REVENUE INCREASE	TIMEFRAME
Transition Energy Efficiency to 100% Customer Self-Funded for certain customers. For customers wishing to remain with BPA EE services develop an "a al carte" option.	Cost reduction	BPA could establish a new energy efficient program providing customers an opt-in program which they would fund directly. BPA-delivered services should benchmark well or they should be eliminated or outsourced. Satisfaction of contractual and statutory requirements could require modifications of contracts of changes to law depending on scope.	$100+ million	Short-term of some changes (i.e. not requiring law changes) and longer-term of other ideas (i.e. requiring law changes)
Stop or reduce funding NEEA	Cost reduction	Manufacturers and market are producing energy efficient appliances/products. EE has matured substantially in the past several decades. Customers run many of their own programs. Codes and standards	$15 million	End of current funding period.

		drive a lot of results at the federal and state levels.		
Cut Fish and Wildlife Program	Cost reduction	Beginning in 2009 these program costs increased dramatically beyond historical levels putting pressure on BPA's wholesale power rate. In addition to these substantial increases in direct costs, BPA continues to see substantial increases in indirect costs (e.g. spill).	$30 million	ASAP without violating explicit contractual commitments.
Fish Accords	Cost reduction	Let the Accords expire. While we understand the argument for the recent renewal of the Fish Accords, the reality is that they did not achieve one of their primary goals. The District Court did not really accept them. We need a comprehensive restructuring of the F&W programs (everything including Accords) that meets these objectives: o) meets EIS requirements and assists in actual recovery of fish. o) creates certainty and stability for power costs (i.e. solves the endless litigation exposure and	$100+ million	4 years (2022)

		uncertainty) o) creates more direct and appropriate accountability for "fish managers" who develop and run programs.		
Capital Spending	Cost reduction	Cut all non-essential capital spending. Continue to deploy and pursue supply chain and asset mgt best practices. Limit capital spending to 1.X times current depreciation. Assign accountability to all projects. Apply forced ranking of competing capital. Develop controls and better accountability for other federal agencies (Corp, USBR).	$30 million	Immediately.
Increase Wholesale Power Revenues	Revenue increase	Pursue Load Market Expansion Rate (Revised NR rate?)	????	Immediately.
		Develop Coal/Carbon Displacement Program to take advantage of closing coal plants and possible carbon policies in WA, OR, etc.. This could be a win for both the environment and BPA's revenues.	????	Immediately.
		Provide additional capacity and load following services. (e.g. Consider selling firm power on other than critical water year basis. Understand the	????	Immediately.

		additional risks and adopt necessary hedging programs).		
Revenue Protection and risk management -	Revenue protection	This is also called "hedging", but fundamentally, BPA should develop a more comprehensive and longer-term strategy and set of tools to protect revenues against declining market prices that we've seen pretty consistently for the last 10 years. Conceptually, BPA could "budget hedge" or "rate case hedge" to help lock-in revenues. There are 3 major risks that BPA and its customers face in terms of revenue risk: (1) market/price risk, (2) firm power sales risk and (3) hydro risk. Each of these major risks needs a specific risk management solution that likely will involve physical, financial and structural changes to BPA's business. Of note is the fact that customers essentially bears these risks today given the contractually and financial structure we have now.	????	Immediately if within existing laws or statutory limitations. Longer-term of changes to law are required.
Willamette Hydro System	Cost reduction	Explore divesting of this system with the exception of flood	????	Possibly shorter-term for changes made

		control. Major reset of the cost allocation factors of dams/plants to better reflect reality of cost and value of power. (e.g. Willamette system, S. Idaho system, smaller plants, etc.). For example, the Willamette system is facing an extremely large capital cost driven by fish ($1B+?). It appears that this system may already be well above market value given its small spring-dominated R-O-R production. It is not clear what could be accomplished within existing mechanisms of allocation and cost distribution versus changes that would require Congressional action.		within existing statutes and formulas. Possibly longer-term if statutory changes are required.
Southern Idaho Projects	Cost reduction	See Willamette item	See Willamette item	See Willamette item
Canadian Treaty - CRT	Revenue increase (more product to sell)	Terminate Treaty and underlying obligation for returning Canadian Entitlement.	$150 to $250 million	10 years from termination notice
BPA Rate Process	Cost reduction	Eliminate BPA rate proceeding every two years. BPA is required to conduct rate processes no less than every five years. This would free up a considerable	?????	ASAP

		amount of staff time to concentrate on running BPA more effectively and efficiently. To increase revenue certainty and lower operating risks, examine new wholesale rate structures to capture both fixed and variable costs and revenue uncertainties.	?????	
BPA Staffing and Organization Structure	Cost reduction	Combine Power and Transmission Business Lines, eliminate lower value customer programs, reduce FTE count by X%	$10+ million	Immediately.
Explore a smaller and more competitive BPA system	Structural	"Divest" of uneconomic assets through a major reset (e.g. S. Idaho and Willamette dams). Either sell less (but more competitive) product or supplement with new resources to maintain current level of firm sales.	Focus on competitive result/target	Long-term (post 2028)
Reexamine BPA rate design and rate structures so that cost and cost structures reflect the reality of current and likely future markets	Structural	The California market is no longer a "safety valve" where BPA can sell power at market rates well above cost-basis. Specifically, have a very close evaluation of fixed and volumetric charges for products and services. Assess whether it is possible to develop a rate design that is more stable and predictable.		Long-term (around likely decision points for 2028 contracts which could be 2022-2024)

Residential Exchange	Cost reduction	The current settlement is a significant cost driver of BPA rates. It was negotiated in a very different environment than exists today. Implementing the Residential Exchange contemplated under the Power Act in the future is likely going to be a major dispute. Fixing this provision in advance might make sense	????	Post settlement to incur savings, but work on it well before.

From: Olive,Kelly J (BPA) - PSS-6
Sent: Mon Mar 18 15:42:05 2019
To: Normandeau,Mike (BPA) - PSE-RONAN; Hobson,Claire A (BPA) - PSW-6; Watts,Kirsten (BPA) - PSW-SEATTLE; Munz,Paul G (BPA) - PSW-SEATTLE; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: 3/18/19 vrsn BPA'sinternal Pst-2028 survey
Importance: Normal
Attachments: image002.gif; Draft Req Marketing survey on Post-2028 based on PPC 3_18_19.docx

With today's conversation incorporated…

From: Olive,Kelly J (BPA) - PSS-6
Sent: Thursday, March 14, 2019 12:16 PM
To: Normandeau,Mike (BPA) - PSE-RONAN; Hobson,Claire A (BPA) - PSW-6; Watts,Kirsten (BPA) - PSW-SEATTLE; Munz,Paul G (BPA) - PSW-SEATTLE
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Bonneville Power Administration
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Can you reach out to PPC and ask them if we can have the aggregated results for this survey? Additionally, when you reach out, can you please ask them what their definition of 'volume' is, as it is used in question 15?

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From: Garrett,Paul D (BPA) - PSS-6
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PPC is gathering more information from members to begin to shape options for future BPA products and contracts. The objective is to help assess future resource options in general, and identify where there may be consensus among members on future BPA options before discussions begin with BPA staff on products and contracts.

Some utilities may not have opinions on all questions. But please respond as best you can. There is also a comment box for each question in case you would like to offer further explanation or other input. *Unless there is further discussion and agreement by members, all responses will be held internal for PPC use only.*

Please enter your name and utility. *You may leave this section blank if you wish to remain anonymous.*

Question Title

1. Please enter your name and utility. *You may leave this section blank if you wish to remain anonymous.*

Please select your utility's size of current BPA load service.

Question Title

2. Please select your utility's size of current BPA load service.

- ○ 0- 10 aMWh
- ○ 10 – 25 aMWh
- ○ 25 - 50 aMWh
- ○ 50 – 100 aMWh
- ○ 100+ aMWh

Please leave additional comments below.

Please select your utility's size for forecasted load service that could be placed on BPA in 2028.

Question Title

3. Please select your utility's size for forecasted load service that could be placed on BPA in 2028.

- 0- 10 aMWh
- 10 – 25 aMWh
- 25 - 50 aMWh
- 50 – 100 aMWh
- 100+ aMWh

Please leave additional comments below.

Current contracts are for service through September 2028. What is the latest date you would want to see product offerings and prices from BPA for the next round of contracts? These are "end of calendar year" dates:

Question Title

4. Current contracts are for service through September 2028. What is the latest date you would want to see product offerings and prices from BPA for the next round of contracts? These are "end of calendar year" dates:

- 2022
- 2023
- 2024
- 2025
- 2026
- 2027

Please leave additional comments below.

Concerning product options in the next contract relative to what was offered in this contract, should BPA offer:

Question Title

5. Concerning product options in the next contract relative to what was offered in this contract, should BPA offer:

- Less options / choices
- Similar number of options / choices
- More options / choices, only if this doesn't add cost
- More options / choices, even if they cost significantly more

Please leave additional comments below

On the early process for product design (assuming there would eventually be a public process before BPA adopts a policy and record of decision), do you prefer BPA work individually with various customers and/or different groups on product designs or consolidate the process into more formal product offering design/process?

Question Title

6. On the early process for product design (assuming there would eventually be a public process before BPA adopts a policy and record of decision), do you prefer BPA work individually with various customers and/or different groups on product designs or consolidate the process into more formal product offering design/process?

- More individual customer product and contract creation.
- More consolidated process where customers work together to drive consensus products based upon BPA input/desires.

Please leave additional comments below.

In general, do you think BPA should maintain a structure like today with a total allocation of system and sharing of costs, or attempt to create a new structure that moves away from the current approach?

Question Title

7. In general, do you think BPA should maintain a structure like today with a total allocation of system and sharing of costs, or attempt to create a new structure that moves away from the current approach?

- ○ Similar structure
- ○ New structure

Please leave additional comments below.

Many see the current BPA power contracts as relatively lengthy and complex. But, simplifying could have some impacts to equity and individual flexibility. How do you view the issue of simplifying the new contracts, products, and rates?

Question Title

8. Many see the current BPA power contracts as relatively lengthy and complex. But, simplifying could have some impacts to equity and individual flexibility. How do you view the issue of simplifying the new contracts, products, and rates?

- ○ A simpler approach should be on the top of the priority list.
- ○ Simpler is better if possible. This is a priority, but not a top demand.

Simplifying contracts, products and rates might be helpful, but equity/cost causation is important and we are able to operate sufficiently with the current level of complexity.
Please leave additional comments below.

Are you or have you been a slice or block customer of BPA?

Question Title

9. Are you or have you been a slice or block customer of BPA?

Yes

No

Please leave additional comments below.

If you answered "Yes" to Question 9, please answer the following two questions. Otherwise, please continue to question 12.

If BPA only offered the load following or block product (but no Slice) in the same manner as today, what would be the likelihood of making this work for your utility?

Question Title

10. *If you answered "Yes" to Question 9, please answer the following two questions. Otherwise, please continue to question 12.*

If BPA only offered the load following or block product (but no Slice) in the same manner as today, what would be the likelihood of making this work for your utility?

- Very likely
- Possibly
- Not likely
- Certainly cannot work

Please leave additional comments below.

Would a dispatchable slice product that removes your ability to change your schedule within 3 hours of flow work for your utility?

Question Title

11. Would a dispatchable slice product that removes your ability to change your schedule within 3 hours of flow work for your utility?

- Yes
- Maybe
- Not likely
- Certainly not
- Perhaps depending upon price and structure

Please leave additional comments below.

All respondents, please continue here.

Do you lean towards preferring a fixed price contract at perhaps a higher rate, or would you prefer potentially lower prices but with more frequent rate period rate cases and CRAC type adjustments?

Question Title

12. *All respondents, please continue here.*

Do you lean towards preferring a fixed price contract at perhaps a higher rate, or would you prefer potentially lower prices but with more frequent rate period rate cases and CRAC type adjustments?

- Higher Fixed price
- Lower price, with periodic rate cases and adjustments
- Not sure

Please leave additional comments below.

If BPA offered a fixed price option that worked for you, what term length would you consider committing for?

Question Title

13. If BPA offered a fixed price option that worked for you, what term length would you consider committing for?

- 3 years
- 5 years
- 10 years
- 15 years
- 20+ years (over 20 would assume change in law)

Please leave additional comments below.

If BPA only offered a non-fixed price contract, similar to now requiring rate cases, what term length would you commit for (assuming the starting price worked for your utility)?

Question Title

14. If BPA only offered a non-fixed price contract, similar to now requiring rate cases, what term length would you commit for (assuming the starting price worked for your utility)?

- 3 years
- 5 years
- 10 years
- 15 years
- 20+ years (over 20 would assume change in law)

Please leave additional comments below.

If BPA were to offer only two products: (1) Traditional full requirements load following (similar to today), or (2) Market type fixed-price and volume with no shaping. Which would you prefer (assuming BPA's starting price is competitive enough for you to be considering any product option)?

Question Title

15. If BPA were to offer only two products: (1) Traditional full requirements load following (similar to today), or (2) Market type fixed-price and volume with no shaping. Which would you prefer (assuming BPA's starting price is competitive enough for you to be considering any product option)?

- #1 – Regardless of price
- #1 – Depending upon price
- #2 – Regardless of price
- #2 – Depending upon price

Please leave additional comments below

If you chose #2, "Depending upon price": Select*all*price ranges / structures that could work for your utility (assuming comparable market product)? Otherwise please move to the next question.

Question Title

16. If you chose #2, "Depending upon price": Select *all* price ranges / structures that could work for your utility (assuming comparable market product)? Otherwise please move to the next question.

- ☐ Fixed term and price below market
- ☐ Fixed term and price at current market
- ☐ Fixed term and price 10% above market
- ☐ Fixed term and price 20% above market
- ☐ Fixed term and price 30+% above market

Please leave additional comments below.

Do you think energy efficiency in the next contract should be imbedded in BPA like today or placed at each utility?

Question Title

17. Do you think energy efficiency in the next contract should be imbedded in BPA like today or placed at each utility?

- ○ Like today
- ○ Imbedded at the utility

Please leave additional comments below.

In the next contract period do you think that secondary sales revenue should be assumed as an offset to Tier 1 rates as it is currently?

Question Title

18. In the next contract period do you think that secondary sales revenue should be assumed as an offset to Tier 1 rates as it is currently?

- Yes
- No

Please leave additional comments below

Please provide any other product ideas, contract ideas, or timeline considerations you would like to see considered in this process? *(There is no length limit on your answer).*

Question Title

19. Please provide any other product ideas, contract ideas, or timeline considerations you would like to see considered in this process? *(There is no length limit on your answer).*

Done

From: Hobson,Claire A (BPA) - PSW-6
Sent: Wednesday, April 10, 2019 3:01 PM
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Normandeau,Mike (BPA) - PSE-RONAN; Olive,Kelly J (BPA) - PSS-6; Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE
Subject: Draft Req Marketing survey on Post-2028 based on PPC 04102019
Attachments: Draft Req Marketing survey on Post-2028 based on PPC 04102019.docx

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Done

Contract No. 05EO-«#####»

AGREEMENT REGARDING

TRANSFER SERVICE

executed by the

BONNEVILLE POWER ADMINISTRATION

and

«FULL NAME OF CUSTOMER»

Table of Contents

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3.	Arrangements for Transfer Service	4
4.	Proposed Treatment of Transmission Component Costs	4
5.	Duties of «Customer Name»	5
6.	Stranded Costs	5
7.	Treatment of Other Issues	5
8.	Principles for Treatment of Other Cost Categories	6
9.	Losses	7
10.	Standard Provisions	7
11.	Signatures	8
	Exhibit A Other Issues as They Relate to Transfer Service	
	Exhibit B Other Issues as They Relate to Power Delivery	

This AGREEMENT REGARDING TRANSFER SERVICE (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA) and «FULL NAME OF CUSTOMER» («Customer Name») a «_____» duly organized and operating under the laws of the State of «_____». BPA and «Customer Name» hereinafter sometimes are referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, BPA sells electric power to public body and cooperative utilities in the Pacific Northwest Region;

WHEREAS, BPA and «Customer Name» have entered into Contract No. 00PB-«#####» (Power Sales Agreement), as such agreement may be amended or replaced providing electric power for «Customer Name»;

16020003-0-1

WHEREAS, BPA is authorized to build, operate and maintain electric transmission and substation facilities when the Administrator determines such facilities are necessary and appropriate;

WHEREAS, BPA did not construct transmission facilities to interconnect certain public body and cooperative utilities to the Federal Columbia River Transmission System when, among other reasons, it was demonstrated to be less expensive for BPA to acquire transmission service over existing transmission facilities owned by other entities to deliver Firm Power sold by BPA to such public body or cooperative utility;

WHEREAS, Firm Power purchased from BPA under the Power Sales Agreement is delivered to «Customer Name» through Transfer Service;

WHEREAS, Since January, 2002, representatives of BPA and various public power utilities and associations have engaged in lengthy discussions and negotiations regarding issues pertaining to future arrangements for wholesale federal power deliveries over transmission systems owned and operated by other utilities; and

WHEREAS, BPA customers receiving deliveries via Transfer Service have expressed their desire for delivery of wholesale power to load at rates and on terms and conditions of service equivalent to the rates and terms and conditions of service available to public power utilities Directly Connected to BPA's main grid;

NOW, THEREFORE, the Parties agree as follows:

1. TERM AND TERMINATION

This Agreement shall become effective upon execution by BPA and «Customer Name» (Effective Date), and shall continue in effect until the earliest of: (a) 2400 hours on September 30, 2024; or, (b) the date on which «Customer Name» allows its Power Sales Agreement to expire, or on which «Customer Name»'s Power Sales Agreement terminates, without a replacement BPA firm power purchase. BPA's obligations pursuant to this Agreement shall continue notwithstanding the termination of similar obligations in «Customer Name»'s Power Sales Agreement section «#».

2. DEFINITIONS

The following terms, when used in this Agreement with initial capitalization, whether singular or plural, shall have the meanings specified.

(a) "Directly Connected" means a utility customer whose delivery of Firm Power is not dependent upon Transfer Service.

(b) "Firm Power" means electric power (capacity and energy) that BPA makes available on a continuous basis to meet the firm power requirements of «Customer Name»'s load as defined in section 5(b)(1) of the Northwest Power Act. Firm Power does not include power sold as surplus power, including, but not limited to, surplus power under the Block and Slice Power Sales Agreements.

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(c) "Initial Rate Proposal" means BPA's proposal, as published in the Federal Register from time to time, to initiate a hearing to establish or revise wholesale power or transmission rates pursuant to section 7(i) of the Northwest Power Act.

(d) "Integrated Network Segment" means those facilities of the Federal Columbia River Transmission System that are required for the delivery of bulk power supplies, the costs for which are recovered through generally applicable transmission rates, and that are identified as Integrated Network Segment, or its successor, in the BPA segmentation study for the applicable transmission rate period as determined in a hearing establishing or revising BPA's transmission rates pursuant to section 7(i) of the Northwest Power Act.

(e) "Northwest Power Act" means the Pacific Northwest Electric Power Planning and Conservation Act of 1980, Public Law 96-501.

(f) "Rolled In"

(1) For BPA power rates, Rolled In means that the Transfer Service costs included in BPA's power revenue requirement are not directly assigned or allocated to a subgroup of firm power load of preference customers under section 5(b)(1) of the Northwest Power Act; or,

(2) For BPA transmission rates, Rolled In means the Transfer Service costs are included in the Integrated Network Segment, are spread over all Integrated Network Segment load, and are not directly assigned or allocated to any subgroup of Integrated Network Segment load.

(g) "Third Party Transmission Provider" means a transmission provider other than BPA or a regional transmission organization that delivers Firm Power to «Customer Name».

(h) "Transfer Service" means the service provided by a Third Party Transmission Provider to deliver Firm Power sold by BPA pursuant to a Power Sales Agreement to «Customer Name». Transfer Service does not include service to loads in territory annexed by «Customer Name» except as provided for in such Power Sales Agreement.

(i) "Transmission Component Costs" means the costs of Transfer Service to deliver Firm Power to «Customer Name» over non-federally owned facilities that have characteristics comparable to the characteristics used to define BPA's Integrated Network Segment. Transmission Component Costs do not include losses, which are treated in section 9 of this Agreement. Transmission Component Costs do not include Ancillary Services, except as may be agreed upon by the Parties pursuant to section 7 of this Agreement.

3. ARRANGEMENTS FOR TRANSFER SERVICE

BPA shall arrange for Transfer Service to «Customer Name» for the duration of this Agreement; provided, however, that BPA and «Customer Name» may agree to make other arrangements for Transfer Service.

4. PROPOSED TREATMENT OF TRANSMISSION COMPONENT COSTS

(a) BPA shall be financially responsible for payment of Transmission Component Costs.

(b) Except as provided in sections 4(d) and 4(e) below, BPA shall have a continuing obligation to propose Rolled In treatment of Transmission Component Costs into either the wholesale power or the transmission service Initial Rate Proposal, or partly into one and the rest into the other proposal, for rates that are effective during the term of this Agreement. BPA shall include testimony supporting Rolled In treatment of Transmission Component Costs in its Initial Rate Proposal, and, in its judgment, make good faith, best efforts to defend its proposal.

(c) Nothing in this Agreement shall limit the Administrator's discretion and authority or predetermine the Administrator's final decision in establishing or revising rates.

(d) (1) If the Federal Energy Regulatory Commission (FERC) does not approve and confirm Rolled In treatment of Transmission Component Costs included in BPA's final rate proposal for its wholesale power rates, or if FERC approves and confirms BPA's final rate proposal which includes Rolled In treatment of Transmission Component Costs for wholesale power rates, and such Rolled In treatment is subsequently overturned by a court with jurisdiction, then BPA shall have no obligation to propose Rolled In treatment of Transmission Component Costs in any subsequent Initial Rate Proposal for setting such wholesale power rates, and BPA shall propose Rolled In treatment of Transmission Component Costs in transmission rates.

(2) If FERC does not approve and confirm Rolled In treatment of Transmission Component Costs included in BPA's final rate proposal for its transmission rates, or if FERC approves and confirms BPA's final rate proposal which includes Rolled In treatment of Transmission Component Costs for transmission rates, and such Rolled In treatment is subsequently overturned by a court with jurisdiction, then BPA shall have no obligation to propose Rolled In treatment of Transmission Component Costs in any subsequent Initial Rate Proposal for setting transmission rates, and BPA shall propose Rolled In treatment of Transmission Component Costs in wholesale power rates.

(e) If BPA has proposed Rolled In treatment of Transmission Component Costs in both wholesale power rates and transmission rates and FERC does not

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approve and confirm the Rolled In treatment, or FERC does approve and confirm Rolled In treatment and such Rolled In treatment is subsequently overturned by a court with jurisdiction, then BPA will no longer be obligated to propose Rolled In treatment for Transmission Component Costs.

5. DUTIES OF «CUSTOMER NAME»

«Customer Name» shall:

(a) Cooperate with BPA in assessing actions that may be undertaken to minimize costs incurred by BPA in meeting its obligations pursuant to this Agreement, consistent with the Power Sales Agreement;

(b) Provide, or cause to be provided, timely planning information to BPA, including, but not limited to information pertaining to «Customer Name»'s long-term annual peak and energy load forecasts and system expansion and upgrade;

(c) Provide, or cause to be provided, timely notice to BPA of events, including, but not limited to, load loss or load addition on its system that may have a material impact on Transmission Component Costs; and,

(d) Provide, or cause to be provided, support for the Rolled In treatment of Transmission Component costs in BPA's Initial Rate Proposal described in section 4(b) of this Agreement.

6. STRANDED COSTS

(a) If «Customer Name» takes action to reduce the amount of Transfer Service it requires, and BPA continues to be liable for Transmission Component Costs of such unused Transfer Service, then BPA may require «Customer Name» to reimburse BPA for such costs which BPA incurred in reliance on «Customer Name»'s continued use of Transfer Service.

(b) BPA shall give notice to «Customer Name» and the parties shall consult before BPA executes any new contract for Transfer Service or incurs additional obligations under existing contracts which may expose «Customer Name» to stranded costs as used in this section 6; provided, however, BPA shall retain the right to decide whether to incur such costs, after considering such consultation.

7. TREATMENT OF OTHER ISSUES

(a) In separate discussions, unless prohibited by *ex parte* rules, the Parties shall endeavor to find acceptable solutions or approaches for solving other issues related to Transfer Service that are not included in this Agreement. Such solutions or approaches or their implementation may require separate public processes. Such other issues are described in Exhibit A. Excluding treatment of these issues under this Agreement is not intended to prejudice the outcome of the discussion of such issues in the separate process(es). In

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undertaking the obligations of this section 7(a) for the issues described in Exhibit A, unless otherwise stated, it is BPA's intent to provide «Customer Name» with transmission service and Ancillary Services that are comparable to the service that BPA provides to its customers that are Directly Connected to the Federal Columbia River Transmission System.

(b) In separate discussions, unless prohibited by *ex parte* rules, the Parties shall endeavor to find acceptable solutions or approaches for solving other issues related to power deliveries. Such other issues are described in Exhibit B. The issues listed for discussion in Exhibit B may be addressed in more than one public process.

(c) BPA shall initially identify the process or processes that will address the issues referenced in section 7(a) and (b), above, no later than 180 days after the effective date of this Agreement.

(d) Nothing in this section 7 shall limit the Administrator's discretion and authority or predetermine the Administrator's final decision in establishing or revising policies or proposals regarding the issues to be discussed pursuant to this section 7.

8. PRINCIPLES FOR TREATMENT OF OTHER COST CATEGORIES

(a) To the extent that BPA undertakes responsibility for costs related to Transfer Service that are not addressed pursuant to section 7(a) of this Agreement, or agrees to be responsible for costs that are required to provide Transfer Service to «Customer Name» but that are not identified or incurred by BPA as of the effective date of this Agreement, including but not limited to congestion costs, it is BPA's intent to propose to allocate such costs to «Customer Name» in a manner comparable to the allocation BPA applies to recover similar costs from its customers that are Directly Connected to the Federal Columbia River Transmission System.

(b) To the extent that BPA incurs costs associated with facilities expansions and upgrades to provide Transfer Service to «Customer Name», it is BPA's intent to allocate such costs in a manner that is comparable to the allocation BPA proposes for similar costs for customers Directly Connected to the Federal Columbia River Transmission System.

(c) Nothing in this section 8 shall limit the Administrator's discretion and authority or predetermine the Administrator's final decision in establishing or revising rates.

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9. LOSSES

BPA shall propose to treat real power losses and their costs that are incurred through use of a Third-Party Transmission Provider's transmission system to provide Transfer Service pursuant to this Agreement in a manner comparable to BPA's treatment of losses and costs for a similarly situated customer that is Directly Connected to BPA's transmission system. For purposes of determining comparability, BPA shall view the facilities used to provide Transfer Service pursuant to this Agreement as if they were part of BPA's transmission system.

10. STANDARD PROVISIONS

(a) **Amendments**

No amendment, rescission, waiver, modification or other change of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

(b) **No Third-Party Beneficiaries**

This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with this Agreement.

(c) **Waivers**

Any waiver at any time by either Party to this Agreement of its rights with respect to any default or any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

(d) **Expression of Intent**

No expression of intent herein shall be legally binding against a Party, except if and to the extent such expression of intent has been incorporated hereafter into an enforceable agreement between the parties that has been lawfully executed and delivered.

(e) **Incorporation of Exhibits**

Exhibits A and B are hereby incorporated and made part of this Agreement.

11. SIGNATURES

Each Party represents that it has the authority to execute this Agreement and that it has been duly authorized to enter into this Agreement.

«FULL NAME OF CUSTOMER»

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

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Name	_____ *(Print/Type)*	Name	Stephen J. Wright *(Print/Type)*
Title	_____	Title	Administrator
Date	_____	Date	_____

(PBLLAN-PS«X/LOC»-W:\PS«X»\PM\CT\«#####».DOC) «mm/dd/yy» *{Insert date of finalized contract here}*

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Exhibit A
OTHER ISSUES AS THEY RELATE TO TRANSFER SERVICE

1. Development of Direct Assignment Guidelines for Transfer Service customers, including:

(a) Treatment of costs and allocation of responsibilities associated with facilities not included in the definition of Transmission Component Costs (*e.g.*, low voltage service).

(b) Treatment of costs and allocation of responsibilities associated with upgrades on facilities not included in the definition of Transmission Component Costs:

(1) Expansion of facilities and upgrades to existing facilities.

(2) New facilities (*e.g.*, new substations).

2. Quality of service.

3. Respective roles of customers and BPA in management of General Transfer Agreements (GTA), including whether to do periodic evaluations of the costs or benefits of replacing GTA with Open Access Transmission Tariff service.

4. Treatment of costs of, and allocation of responsibility for, ancillary services.

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Exhibit B
OTHER ISSUES AS THEY RELATE TO POWER DELIVERY

1. Non-Federal Power Deliveries
The treatment of costs associated with transmission service provided by Third Party Transmission Providers, other than BPA or a regional transmission organization, for delivery of non-federal power to «Customer Name».

2. Transfer Service for Annexed Load
Service to load in annexed territories, as defined in «Customer Name»'s Power Sales Agreement.

3. Transfer Service for Block and Slice Power Sales Agreements
Issues as they relate to Block and Slice Power Sales Agreements, including:

(a) Delivery of surplus energy under Block and Slice Power Sales Agreements to GTA customer load; and,

(b) Service to customers for hourly generation in excess of hourly load under Block and Slice Power Sales Agreements.

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Proposed Contract With Transfer Service Customers Regarding the Initial Rate Treatment of Certain Transfer Service Costs And Other Issues Related To Transfer Service

Administrator's Record Of Decision

Bonneville Power Administration
U.S. Department of Energy

December 22, 2004

INTRODUCTION

This Record of Decision (ROD) addresses the comments and issues raised with respect to BPA's proposal to offer contracts to all its power customers that take delivery of federal power over third party transmission systems (Transfer Service). The purpose of the proposed contract is to provide a degree of certainty regarding future rate proposal treatment of Transfer Service costs to BPA's Transfer Service customers. This ROD is a determination to offer the proposed contract to the individual Transfer Service customers unsigned, which will be followed by a decision by BPA to sign the contracts if the Administrator determines a sufficient number of Transfer Service customers have returned signed contracts.

The proposed contract requires BPA to (1) continue to arrange for Transfer Service with the third party transmission owners; (2) continue to be financially responsible for specified costs of Transfer Service; and (3) propose in its initial rate proposal to continue rolling in specified costs of Transfer Service into either power or transmission rates or partly into each. The term of the proposed contract is 20 years. The proposed contract requires the Transfer Service customers to work with BPA to reasonably minimize the cost of Transfer Service. The proposed contract also describes the intent of the parties to address other Transfer Service issues in the future.

This ROD provides a background description of (1) the history of Transfer Service; (2) past rate treatment of Transfer Service costs; (3) Transfer Service customers' concerns that led up to the development of the proposed contract; (4) the process engaged to develop the proposed contract; and (5) the plan for submitting the proposed contract to Transfer Service customers unsigned. This ROD also contains a detailed description of the terms of the proposed contract. Finally, this ROD addresses comments that were received when the proposed contract was posted for comment.

BACKGROUND

A. Description of Transfer Service and the History of BPA's Involvement

BPA has an obligation to sell federal power to preference customers in the Pacific Northwest whenever the preference customers request federal power to serve load. Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) 16 U.S.C. §839c(b)(1). BPA's transmission system was built to deliver federal power from the federal resources to the region's loads, but at the same time several other public, cooperative, and investor owned utilities were building or had already built transmission facilities in the region. In many cases it was more efficient to contract with one of these other transmission owners to deliver federal power over their facilities, rather than BPA building duplicate facilities.

The number of these contractual arrangements grew as BPA sold power to additional preference customers around the region. In 1974 the Federal Columbia River Transmission System Act (Transmission Act) limited BPA's ability to build major transmission facilities or condemn existing facilities in the region, without specific authorization by an act of Congress. 16 U.S.C. §§838b(d) and 838c. This Act and the common practice of not duplicating existing facilities

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encouraged the use of Transfer Service. Currently, BPA has 79 preference customers that receive all or part of their federal power deliveries over Transfer Service.

BPA contracts for Transfer Service with all six investor owned utilities in the region and several public utilities and cooperatives. Many of these contractual arrangements have been in place, in one form or another, for several decades. Some are simple transmission agreements, while others are complex agreements such as the PacifiCorp Exchange Agreement providing for both transmission and power exchange services and Transfer Agreements. As these contractual arrangements terminate, they are usually replaced by Open Access Transmission Tariff (OATT) Service Agreements.[1]

B. Past Rate Treatment of Transfer Service Costs

Prior to deregulation developments in the mid 1990's, power and transmission services were sold as a bundled product. BPA had historically rolled a component of Transfer Service costs into the revenue requirement for its bundled power rates. These costs have never been directly assigned to the individual Transfer Service customers or the Transfer Service customers as a group.[2] The 1996 rate case resulted in a settlement that assigned Transfer Service costs to be rolled into the unbundled power rates. In the Subscription ROD process it was determined that the initial proposal for the 2002 Wholesale Power Rate Case would roll a component of the cost of Transfer Service into power rates through 2006.

C. Transfer Service Customer Concerns

The rate treatment of Transfer Service costs has historically been an important issue for Transfer Service customers in BPA rate proceedings. The Transfer Service customers have been concerned that, if BPA were to directly assign the cost of Transfer Services to Transfer Service customers, it would have a devastating effect on their economic health. For many of the smaller Transfer Service customers, BPA's role as the middleman in arranging the Transfer Service is crucial to the quality of service they receive from the third party transmission owner.

To ensure that BPA would continue its historic practices, the Transfer Service customers have requested in various forums that BPA make a long-term commitment to roll-in Transfer Service costs. This concern was stated in a policy position paper sent to the Administrator from the Public Power Council Executive Committee dated May 20, 2003. The policy position paper addressed several Transfer Service issues including, access, cost recovery, cost evaluation, quality of service, cost due to RTO formation, non-federal deliveries, rate treatment, and direct assignment. The policy position paper also requested that resolution of these issues be memorialized in a 20-year agreement. In March of 2004, the Idaho Consumer-Owned Utilities Association prepared a cost benefit study on the value of Transfer Service to the region. While BPA expresses no opinion on the study or its results, the study compared Transfer Service to the

[1] OATT service is currently taken from Puget Sound Energy and Idaho Power for all BPA customers located in their control areas, and from PacifiCorp and Portland General Electric for a limited number of the customers in their control areas.

[2] Some of the cost, such as low voltage delivery service, is broken out and passed on directly to the Transfer Service customers.

potential cost if BPA had built the necessary transmission to directly connect all preference customers and concluded that Transfer Service provided a great benefit to the region. The study requested that BPA acknowledge these benefits by providing assurance that Transfer Service customers would receive treatment comparable to directly connected customers.

The Transfer Service customers have expressed concerns over several aspects of Transfer Service, but the most prevalent concern has been the future rate treatment of Transfer Service costs. The Transfer Service customers have suggested that these costs should be rolled into transmission rates, because they view Transfer Service as a substitute for BPA having built transmission facilities to serve their loads. Notwithstanding where these costs are collected, the Transfer Service customers want assurance that the costs will not be directly assigned to individual customers or to Transfer Service customers as a class.

D. Process Engaged to Develop the Proposed Contract

BPA staff met with Transfer Service customer representatives in October 2003 to discuss these concerns. Through a series of follow-on meetings, BPA committed to work with the Transfer Service customer representatives to provide some assurances regarding the future treatment of Transfer Service costs. In March 2004, BPA staff began holding regular meetings with the Transfer Service customer representatives to determine the appropriate format and scope for the assurance. The Transfer Service customer representatives were steadfast in their desire that BPA commit to this assurance in a long-term contract.

BPA staff and the Transfer Service customer representatives continued to meet from March through August 2004 to work on the terms of the proposed contract. BPA staff wanted to ensure that a long-term contract would not infringe upon the Administrator's discretion regarding Transfer Service policy decisions. Based on these concerns, Transfer Service issues were segregated into primary issues that are addressed in the proposed contract and secondary issues that will be addressed in other BPA processes.

In August 2004, the discussions with the Transfer Service customer representatives were concluded and the resulting proposed contract was posted for comment. A letter describing the proposed contract and soliciting comments was sent to BPA customers and regional stakeholders on August 27, 2004. The comment period was originally open from September 1, 2004 to September 30, 2004, but it was later extended to October 19, 2004. BPA received 37 comments, and the proposed contract has been modified slightly based on some of these comments.

E. Plan for Submitting the Proposed Contract to Transfer Service Customers

The proposed contract would obligate BPA to propose rolled-in rate treatment in the initial rate proposal for the transmission component of Transfer Service cost in future rate proceedings for the next 20 years. Because it would be difficult to meet the terms of the proposed contract for some of the Transfer Service customers and not others, the proposed contract will be presented to each of the 79 Transfer Service customers unsigned. For this reason, the contract is not open to modification by individual customers. The customers will have until March 31, 2005, to return the signed contracts to BPA. At that time, BPA will counter-sign the proposed contract if the

Administrator determines that a sufficient number of the Transfer Service customers have returned a signed agreement. By following this procedure, BPA will not be bound by the terms of the proposed contract until it is clear that a sufficient number of Transfer Service customers have signed the agreement.

TERMS OF THE PROPOSED CONTRACT

A. Overview of the Proposed Contract

The proposed contract is composed of four interrelated commitments by BPA and the Transfer Service customer regarding Transfer Service for the next 20 years. In general, the proposed contract is intended to continue certain practices that BPA has traditionally provided to customers for federal power delivered by Transfer Service. First, sections 3 and 4 describe BPA's commitment to provide the Transfer Service customer with long-term certainty regarding BPA's role in arranging for service over third-party systems (section 3); BPA's obligation to pay for certain aspects of Transfer Service (section 4(a)); and BPA's intent to initially propose rolled-in rate treatment for certain Transfer Service costs (sections 4(b)-(d)). Second, sections 5 and 6 outline the Transfer Service customer's commitment to work with BPA to help minimize Transfer Service costs, and to take responsibility for certain costs in the event the Transfer Service customer takes actions that expose BPA to stranded costs. Third, section 7 describes BPA's commitment to address additional Transfer Service issues in future processes. Fourth, sections 8 and 9 express BPA's intent to allocate to the Transfer Service customers yet unidentified costs, certain facility upgrade costs, and costs associated with real power losses in a manner comparable to the practice BPA adopts for its directly connected customers. Finally, section 10 states that expressions of intent, such as those in section 7, are not legally binding on BPA.

B. Contract Provisions

1. Term and Definitions (Sections 1 and 2)

(i) Proposed Section 1

The proposed contract is between BPA and the signing Transfer Service customer. The term for the proposed contract is 20 years, and will expire September 30, 2024, or when the Transfer Service customer's Power Sales Contract expires without replacement. The parties intended that the obligations in the proposed contract exist independent of any similar obligations that may exist in a Power Sales Contract between BPA and the Transfer Service customer.

(ii) Proposed Section 2

The definition section describes several key components of the proposed contract. First, the definition of "Firm Power" makes clear that BPA obligations under the proposed contract only extends to firm federal power being used to serve a Transfer Service customer's load. Specifically excluded from this definition are non-federal and surplus federal power deliveries.

Section 2 also defines "Integrated Network Segment." This is intended to mean the facilities that BPA includes as part of its Network Segmentation Study prepared in a transmission rate case.

The term "Rolled In" means a rate methodology in which costs are not directly assigned to a specific customer or to a subgroup of applicable customers. This provision also contains a specific definition for "Rolled In" for transmission and power rates. In the event BPA were to propose tiered power rates, this provision would not preclude BPA from proposing to allocate costs to whatever tier or tiers BPA determined appropriate.

"Transfer Service," as the proposed contract describes, means all of the services provided by a third-party provider to deliver federal power to the customer. It does not include service to loads that have been annexed by the customer, except as provided for in the Power Sales Contract.

"Transmission Component Costs" means the costs for transmission services over facilities that have characteristics comparable to the facilities BPA includes as part of its Integrated Network Segment. The intent of this provision is to identify costs BPA is committing to roll-in, which is dependent on the costs associated with similar service provided over BPA's transmission system.

2. BPA's Commitment To Arrange For Transfer Service (Section 3)

Section 3 of the proposed contract continues BPA's current practice of arranging for all of the services necessary to deliver federal power over a third-party's transmission system to the Transfer Service customer. This would generally include deliveries over high and low voltage transmission facilities, ancillary services, and like services. BPA would in most cases be the party holding the respective contracts for these services with the third-party transmission provider, although the proposed contract allows for the Transfer Service customer to obtain these services if mutually agreed between BPA and the customer. By agreeing to arrange for these services, however, BPA is not committing to pay for all of the costs involved to provide the services. Rather, BPA's obligation to pay for and roll-in Transfer Service costs are described in section 4.

3. BPA's Commitment to Pay For the Transmission Component Costs of Transfer Service and the Initial Rate Proposal For Rolled In Rate Treatment (Section 4)

Section 4 describes BPA's commitment to pay for certain Transfer Service costs and to initially propose to roll such costs into a revenue requirement. Section 4(a) provides that BPA will pay for the "Transmission Component Costs" of the Transfer Service obtained over the third-party transmission provider's system. The "Transmission Component Costs", as discussed above, means the costs of transmitting federal power over third-party facilities that have characteristics that are comparable to the facilities that BPA includes in its Integrated Network Segment. The intent of referring to the Integrated Network Segment in this provision is to provide a "measure" by which to determine the treatment of costs over third-party facilities. For purposes of allocation of costs between the Transfer Service customer and BPA, the third-party facilities are compared with BPA's facilities. If the third-party facilities have characteristics that are similar to the characteristics of facilities that BPA includes as part of its Integrated Network Segment, then the costs would be included as part of the costs BPA proposes to roll into its initial rate

proposal. Conversely, if the third-party facilities have characteristics that are not like facilities that are included as part of the Integrated Network Segment, then BPA does not have an obligation to propose rolled-in treatment.

To recover the costs BPA incurs as described in section 4(a), BPA commits in section 4(b) to propose in an initial rate proposal to roll the costs into an applicable revenue requirement, or partly into one business line's revenue requirement and the rest into the other business line's revenue requirement. The term "Rolled In" is a defined term in the proposed contract, and contains a specific meaning for the Power and Transmission business lines. The proposed contract is silent on which business line must bear the costs, and therefore, BPA retains the discretion to decide which revenue requirement will contain the costs and whether a portion might be allocated to each business line so long as the total is rolled in. It does not require BPA to change its current approach to how these costs are allocated. In addition, the proposed contract only obligates BPA to propose rolled-in treatment of the costs in the initial rate proposal. Section 4(c) specifically preserves the Administrator's discretion in establishing rates based on the record material in the rate case proceeding.

Finally, section 4(d) describes BPA's commitment to initially proposing "Rolled In" treatment of the Transmission Component Costs into one of the business line's rates in the event a court or FERC rejects the proposed rate treatment. For example, as described in section 4(d)(1), if a court or FERC rejects BPA's decision to roll-in the costs in the wholesale power rates, then BPA would have an obligation to propose to roll-in the costs in the transmission initial rate proposal. If a court or FERC rejects the rolled-in rate treatment for both power and transmission rates, then, in accordance with section 4(e), BPA would no longer have an obligation to propose rolled-in treatment of the Transmission Component Costs.

4. Transfer Service Customer's Commitments (Sections 5 and 6)

(i) Proposed Section 5

Section 5 describes the Transfer Service customer's commitment to work with BPA to reduce the costs of Transfer Service, and provide certain information to support BPA in its effort to implement the proposed contract. Specifically, section 5(a) requires that the Transfer Service customer cooperate with BPA to help identify areas in which Transfer Service costs may be reduced. In addition, pursuant to section 5(b), the Transfer Service customer must provide, or cause to be provided, timely information related to the customer's long-term annual peak and energy load forecasts, including system expansions and upgrades. The Transfer Service customer also agrees in section 5(c) to provide timely notice to BPA of events that may have a significant effect on the Transmission Component Costs, such as load loss or load additions. Finally, the Transfer Service customer is to provide support for BPA's "Rolled In" treatment of the Transmission Component Costs described in section 4(b).

(ii) Proposed Section 6

Because of the duration of the proposed contract, BPA was concerned that it might incur long-term commitments to pay for Transfer Services for its Transfer Service customers. The proposed

contract, however, contained no mechanism to protect BPA in the event a Transfer Service customer takes unilateral action that reduces the customer's need for Transfer Service. BPA could then be left with a "stranded cost." To protect BPA and its other ratepayers from this individual behavior, the parties negotiated section 6 into the propose contract.

The purpose of section 6(a) is to provide BPA with the opportunity to recover cost from a Transfer Service customer that takes unilateral action to reduce its need for Transfer Services. The scope of the stranded cost commitment by the Transfer Service customers is limited to the costs that BPA would be obligated to incur as part of the Transmission Component Costs.

During the contract negotiations, it was recognized that the Transfer Service customer should have the ability to provide input regarding whether BPA should undertake a cost responsibility which may impose a stranded cost obligation on the Transfer Service customer. In light of this concern, the parties negotiated section 6(b), which commits BPA to notifying and consulting with the Transfer Service customer before entering service arrangements that may result in a stranded cost assignment. While BPA retains the ultimate right to decide whether to purchase the additional service, the parties believe that communication between BPA and the Transfer Service customer will help the parties evaluate and identify the best and most cost effective plans of service.

5. BPA and Transfer Service Customer Joint Commitments (Section 7)

The proposed contract is a first step in resolving a number of concerns between BPA and the Transfer Service customers regarding Transfer Services. During the contract negotiations, the parties recognized that further discussions were needed to address other Transfer Service questions. The parties thus included section 7 in the proposed contract as a commitment by BPA and the Transfer Service customers to address other Transfer Service issues in other processes.

Section 7(a) recites this commitment by BPA to begin or identify these processes. BPA agreed to discuss with the Transfer Service customer in one or more public processes various Transfer Services issues. The intent of these proceedings is to allow customers to comment on future Transfer Service practices, as well as provide BPA with the opportunity to further explain and clarify its existing policies that affect Transfer Service customers. Guiding the discussions of the parties, as described in section 7(a), is an intent to apply the principle that customers served by Transfer Service be provided transmission and ancillary services that are comparable to what is provided to customers that are directly connected to the Federal Columbia River Transmission System (FCRTS).

Section 7(b) describes a commitment by the parties to begin discussions on a subset of issues that are not subject to the comparability principle of section 7(a). These sub-issues, listed in Exhibit B of the proposed contract include Transfer Services for the following: (1) non-federal power deliveries over third party systems; (2) annexed loads; and (3) Slice surplus. These issues were removed from the list of issues subject to the comparability principle in Exhibit A to avoid confusion and conflicts with BPA's existing policies and contract provisions. Instead, BPA believes these issues should be reviewed separately.

Section 7(c) provides a timetable for the identification of the processes that will address the issues noted in sections 7(a) and (b). BPA made changes to this section after receiving comments that the timeline identified in the proposed contract was very aggressive considering the variety of issues to be discussed. The provision now provides that BPA has 180 days from the execution of the proposed contract to identify the process or processes where items described in Exhibits A and B will be discussed.

Finally, section 7(d) preserves the Administrator's discretion to establish policy when addressing the issues described in sections 7(a)-(c). BPA believes that the principles expressed in section 7 are designed to guide the discussions and to set in motion various public processes to facilitate such conversations. These provisions, however, are not designed to bind the Administrator's ability to establish policy.

6. Principle of Comparability for Other Cost Categories and Losses (Sections 8 and 9)

(i) Principle of Comparability for Other Cost Categories (Section 8)

The proposed contract as a whole is designed to provide the Transfer Service customers with certain assurances of treating Transfer Service costs comparable to treatment of similar costs for service to directly connected customers. These assurances, whether expressed in affirmative obligations as in sections 3 and 4, or in statements of principles, as in section 7, are focused on existing known Transfer Service costs. During the contract negotiations, the parties recognized that future industry changes might result in the addition of new cost categories not captured in the previous sections. For these new costs, BPA wanted to assure the Transfer Service customers that it would treat such costs in a manner comparable to the allocation of similar costs to customers directly connected to the FCRTS. The parties drafted section 8 for this purpose.

Section 8(a) expresses BPA's general intent to treat costs not otherwise addressed in section 7(a) in a manner comparable to treatment of similar costs for directly connected customers. This principle is expressed in section 8 in terms of the obligations BPA "undertakes" for its directly connected customers. Thus, to the extent that BPA undertakes as yet unidentified cost obligations in the future for directly connected customers, it is BPA's intent to incur a comparable obligation for Transfer Service customers.

Section 8(b) expresses a similar intent with respect to costs associated with facilities upgrades on a third-party transmission system. Thus, if BPA incurs costs for facility expansions or upgrades on the third-party system, this provision expresses BPA's intent to assign (or not assign) those costs to the applicable Transfer Service customer depending upon how BPA would treat the same or similar upgrade or expansion on its own transmission system.

(ii) Principle of Comparability for Losses (Section 9)

Section 9 commits BPA to providing real power losses, or the costs associated with real power losses, for federal power deliveries in a manner comparable to the treatment of real power losses for directly connected customers. It does not require BPA to change its current treatment of

losses. For purposes of determining comparable treatment, BPA will treat the applicable Transfer Service customer as if it were directly connected to the FCRTS.

(iii) Miscellaneous Provisions (Section 10)

The proposed contract contains general miscellaneous provisions in section 10. Because of the high level nature of the Transfer Service issues described in the proposed contract, BPA included section 10(d), which makes clear that expressions of intent in the proposed contract are designed to be statements of principle between the parties rather than contractual obligations. BPA believes this provision is important to ensure that it retains flexibility as it adopts future policies and practices that affect Transfer Service customers.

RESPONSE TO PUBLIC COMMENTS

On August 27, 2004, BPA sent a letter to interested parties in the region, attaching the proposed contract and asking for public comments. The public comment period ended on October 19, 2004. BPA received a total of 37 comments. Of these, 34 of the comments were supportive of the proposed contract. Most of the supporting comments were from Transfer Service customers or organizations that represent these customers. Many of the supportive comments noted that their major concern was the possibility that Transfer Service costs might be directly assigned in the future and this proposed contract would alleviate those concerns.

Issue 1: *Should the second sentence of section 2(g), which defines Transfer service as not including annexed loads, be removed from the proposed contract?*

Comments: Big Bend Electric Cooperative and Inland Power & Light Company (Inland) commented that the second sentence of section 2(g), which excludes service to annexed load from the definition of Transfer Service, is in conflict with the references to "service to annexed load" as an issue in Exhibit A to be addressed in a future process. Inland also suggested that this exclusion from the definition of Transfer Service could have a negative impact on Transfer Service customers if they decided to merge with another Transfer Service customer.

Evaluation: BPA's policy regarding annexed loads is addressed in the Power Sales Contracts. Currently, BPA is not obligated to pay for the cost of Transfer Service to serve annexed load, unless the annexed load is already served by Transfer Service at the time of annexation. It is important that the proposed contract not conflict with the current policy or terms contained in the Power Sales Contracts. Thus, BPA believes that the second sentence in section 2(g) is necessary. As for an apparent conflict between this definition and the inclusion of "service to annexed loads" in Exhibit A, the issues listed in Exhibit A are intended to be discussed in a future public process and "service to annexed loads" will be an issue when policy regarding new Power Sales Contracts is addressed. In reviewing section 2(g), BPA staff noted that there may be an inconsistency in including "service to annexed loads" in Exhibit A, because section 7(a) refers to an intent to use a comparability principle for issues listed in Exhibit A. Arguably the "service to annexed loads" is only a Transfer Service issue and would not be comparable to directly connected customers. Accordingly, BPA has added an Exhibit B and edited section 7(b) to refer to issues not covered by the intent to use the comparability principle.

Regarding Inland's concern that excluding annexed loads from the definition of Transfer Service may have a negative impact if two Transfer Service customers merge, the proposed contract is not intended to modify the existing Power Sales Contract between the Transfer Service customer and BPA. BPA recognizes that the current Power Sales Contract provides an exception for annexed loads that are served by Transfer Service at the time of annexation. To ensure consistency between the Power Sales Contract and the proposed contract, BPA will add the phrase "except as provided for in such Power Sales Agreement(s)" to the end of the second sentence in section 2(g).

Decision: BPA will not remove the second sentence that would exclude annexed loads from the definition of Transfer Service from section 2(g) of the proposed contract. However, BPA will add language to the section to recognize the excepted circumstances allowed under the current Power Sales Contract.

Issue 2: *Does the reclassification of facilities by a Third Party Transmission Provider affect the definition of BPA's "Integrated Network Segment"?*

Comments: Orcas Power & Light Cooperative's (OPALCO) comment questions whether the reclassification of facilities by a third party transmission provider from transmission to distribution would have any effect on the definition of Integrated Network Segment as it is used in the proposed contract. OPALCO raised this concern by pointing out that the Transmission Component Costs as defined in section 2(h) of the proposed contract only includes "non-federally owned facilities that have characteristics comparable to the characteristics used to define BPA's Integrated Network Segment." The Transmission Component Costs are the costs that BPA is obligated to roll-in under section 4(b) of the proposed contract.

Evaluation: The term Integrated Network Segment, as used in the proposed contract, refers to the facilities of the FCRTS that are defined in a BPA rate case. Reclassification of facilities by a third-party transmission provider will not affect the definition of Integrated Network Segment, because the definition is only dependent on how BPA defines its facilities. For purposes of the comparison described in the definition of Transmission Component Costs, the actual characteristics of the facilities will be compared. In general, this will be determined based on voltage levels of the facilities, and the type of use may also be considered. The fact that a Third Party Transmission Provider has reclassified its facilities would not be a consideration. If BPA changes its definition of Integrated Network Segment in a future rate proceeding the new definition would be applied to the definition of Transmission Component Costs.

Decision: A Third Party Transmission Provider's reclassification of facilities will not affect BPA's definition of "Integrated Network Segment," and it will not be a factor in the comparison described in the definition of "Transmission Component Costs."

Issue 3: *Should section 6 of the proposed contract imposing stranded cost obligations on the Transfer Service customer be clarified to limit this obligation to only cases in which the Transfer Service customer is solely responsible for the stranded cost?*

Comments: OPALCO, Canby Utility, and Wells Rural Electric Company (WREC) commented on the stranded cost obligations addressed in section 6 of the proposed contract. OPALCO stated that under the terms of section 6(a), if OPALCO had an unusually large peak one winter, the third party transmission provider could force BPA to acquire more Transfer Service capacity. When normal conditions return, OPALCO is concerned that it would then be responsible for the cost associated with the additional Transfer Service capacity BPA purchased. Canby Utility stated that section 6 is worded too broadly and could be read to impose a stranded cost obligation if the utility switches from a full requirements contract to a partial requirements contract or if it institutes a conservation or load shedding program reducing the amount of Transfer Service needed to serve its load. WREC suggested additional language to add to section 6(a) to clarify that stranded cost obligations would not arise if the cause of the stranded cost is beyond the control of the Transfer Service customer.

Evaluation: Section 6 is part of the Transfer Service customer's commitment to work with BPA to keep Transfer Service cost at a reasonable level. The purpose of this section is to place responsibility on the Transfer Service customer when decisions are being made to expand Transfer Service capacity. If the Transfer Service customer is requesting additional service, and BPA incurs costs in reliance on the customer's request, but thereafter the customer changes its plans, BPA needs to be able to pass the cost of those actions through to the customer.

OPALCO's concern is tenuous, because it is in BPA's interest to keep Transfer Service costs under control, and BPA would not accept the terms of an increase in Transfer Service capacity that is based on one or a few unusual events. This is not an issue for most Transfer Service contracts, because they are based on demand.

BPA also does not agree with Canby Utility's position that this section is open-ended and could be manipulated by BPA in the future to impose stranded cost obligations based on legitimate load reduction decisions. BPA has historically encouraged its customers to do the things Canby Utility suggested, and it is not BPA's intent to use this proposed contract to penalize customers for using their initiative. In addition, section 6(b) of the proposed contract ensures that the Transfer Service customers are involved in the decision to incur the additional costs.

WREC suggested an addition to section 6(a) which would remove the obligation if the cause of the stranded cost is beyond the control of the Transfer Service customer. This addition is problematic because it places the risk of potential load losses and other unforeseen events on BPA and its other customers. For example, a stranded cost obligation could arise when the Transfer Service customer requests a new point of delivery for a new industrial customer. If BPA agrees to incur the additional cost and contracts with the third party transmission provider, and then the industrial customer backs out, it would arguably be beyond the control of the Transfer Service customer. In this situation, it would be unreasonable for BPA and its customers to bear the cost obligations or the risk that should fall on the Transfer Service customer.

Decision: Section 6 of the proposed contract captures the intent of the parties and will not be modified.

Issue 4: *Should charges for low-voltage delivery service be rolled-in and treated the same as Transmission Component Costs?*

Comments: Umpqua Indian Utility Cooperative (UIUC) and Western Montana Electric Generation & Transmission Cooperative (WMG&T) stated that low voltage service should be included in the Integrated Network Segment, and Transfer Service customers should not be charged separately for a low voltage delivery charge. WMG&T commented that it appreciates that this issue is included in Exhibit A to be addressed in a future process, but that charging its members for low voltage delivery is inequitable when the third party transmission provider that serves WMG&T members does not charge BPA separately for low voltage delivery.

Evaluation: Currently, the PBL low voltage delivery charge is applied to all Transfer Service customers that are interconnected below 34.5 kV, unless the particular low voltage facilities have been directly assigned. A similar rate is applied to BPA's directly connected customers through the TBL low voltage delivery charge, which is based on the cost of low voltage facilities owned by BPA. At present, the two rate levels are the same.

WMG&T is correct in pointing out that some of BPA's Transfer Service contracts with third party transmission providers do not include a separate charge for low voltage delivery. This reflects one of the differences between OATT service and older Transfer Service contracts. Under the OATT service, there is usually a separate charge for low voltage delivery or distribution. Most of the contracts that BPA has with third party transmission providers that have not yet been converted to OATT do not have a separate low voltage delivery or distribution charge. The costs of the lower voltage facilities are still included in the rate BPA is charged. If BPA were to follow WMG&T's suggestion, BPA would directly assign low voltage delivery charges to only those Transfer Service customers that receive service under an OATT, and the result would be that some Transfer Service customers would pay significantly more than directly connected customers, while others pay nothing.

BPA included the low voltage delivery service in Exhibit A, because this issue will be addressed in a future process. Currently, the PBL low voltage delivery charge is equivalent to the TBL low voltage delivery, even though the underlying cost for the services are different. In the future process, BPA will examine if this is equitable, and other approaches to calculating the low voltage delivery charge may be considered.

Decision: Low voltage delivery charges will not be included in the Transmission Component Costs and consequent rolled-in treatment, and the low voltage delivery service will be addressed in a future process.

Issue 5: *Should all the Transfer Service issues recognized in Exhibit A be resolved and incorporated into the proposed contract before it is offered to the Transfer Service customers?*

Comments: Canby Utility stated that the proposed contract does not provide a complete package because several important Transfer Service issues remain unresolved. These issues are identified in Exhibit A as issues to be discussed in future processes. Canby Utility commented that without knowing the outcome of these issues it is difficult to decide whether to accept the

proposed contract. Canby suggests that the proposed contract is a good start, but BPA should continue negotiations with the public power representatives until all the Transfer Service issues are resolved and included in the proposed contract.

Evaluation: The original goal of the proposed contract was to provide some certainty to Transfer Service customers regarding future rate treatment of Transfer Service costs. During the negotiation process, several other Transfer Service issues were discussed, but BPA staff and the Transfer Service customer representatives recognized that it was important to keep the focus of the proposed contract narrow to achieve the original goal. Many of the issues listed in Exhibits A and B impact other BPA policy decisions and should be addressed in the processes focused on similar issues.

Decision: The issues listed in Exhibit A will be addressed in future BPA processes and will not be resolved prior to offering the proposed contract.

Issue 6: *Should the proposed contract include a provision for the collection of attorney fees in the event that a party is required to pursue legal action to enforce or interpret the terms or conditions of the proposed contract?*

Comments: WREC suggested language to allow for the collection of attorney fees by the prevailing party if legal action is necessary to enforce or interpret any term or condition of the proposed contract. WREC commented that this provision is necessary because under Nevada law if the proposed contract does not provide for attorney fees, parties are not entitled to claim attorney fees under most circumstances.

Evaluation: If a party pursues legal action to enforce or interpret the proposed contract, the claim will be subject to federal jurisdiction and Nevada state law will not apply. As such, issues regarding attorney fees will be a matter of the applicable federal law governing the dispute. BPA does not generally include an attorney fees clause in contracts.

Decision: BPA will not include a provision regarding attorney fees in the proposed contract.

Issue 7: *Do sections 4(d) and (e) give FERC jurisdiction over BPA rates or the authority to eliminate rolled-in rate treatment for Transfer Service costs and should these sections be rewritten to limit FERC jurisdiction?*

Comments: Ravalli County Electric Cooperative (Ravalli) expressed concerns about sections 4(d) and (e) providing additional FERC jurisdiction over BPA rates and allowing FERC to order BPA to directly assign Transfer Service costs to individual customers. Ravalli suggested new language for sections 4(b) and (d) intended to require FERC to recognize rolled-in treatment of Transfer Service costs in either transmission or power rates and to limit FERC jurisdiction by only allowing FERC to approve or disapprove rolling the cost into transmission rates. Ravalli also requested that section 4(e) be deleted from the proposed contract because section 4(e) appears to give FERC the authority to reject the obligation BPA would incur under the terms of the proposed contract. In a follow-up comment, received after the close of the comment period, WMG&T supported Ravalli's position on this issue.

Evaluation: Section 4(d) of the proposed contract recognizes the potential that FERC or a court with jurisdiction may reject rolled-in treatment of Transfer Service costs in either transmission or power rates. In such case, the proposed contract requires BPA to submit an initial proposal for rolled-in treatment in the rates that were not subject to this determination. This recognition is necessary to allow flexibility as to where these costs are rolled-in without excusing BPA's obligation in the case of one rejection. Section 4(e) is necessary to account for the situation in which rolled-in treatment is rejected for both power and transmission rates. BPA needs this protection to avoid a situation in which it would be forced to breach this proposed contract due to FERC decisions or rulings by a court with jurisdiction.

FERC's limited jurisdiction over BPA is established by statute and BPA cannot increase or limit FERC jurisdiction through the proposed contract. Currently, FERC jurisdiction over power rates is limited to a determination that BPA will recover its costs, but it is impossible to predict whether this jurisdiction will be expanded in the next 20 years. Both 4(d) and 4(e) refer to a court with jurisdiction over BPA rates, and, as with FERC jurisdiction, it is difficult to determine what statutory changes may occur in the next 20 years or what jurisdiction a court may assert over BPA.

In section 4, BPA has promised to propose rolled-in treatment in either power or transmission initial rate proposals and to propose the rolled-in treatment in the other if this treatment is rejected. BPA must retain section 4(e) to protect against breaching the proposed contract if the rolled-in treatment is rejected in both power and transmission rates.

Decision: Sections 4(d) and 4(e) do not expand FERC jurisdiction over BPA rates, and these sections need to be included as written in the proposed contract.

Issue 8: *Should the term of the proposed contract be modified to coordinate with the term of the Transfer Service customer's Power Sales Contract?*

Comments: Tacoma Power suggested that the term of the proposed contract be shortened to coincide with the term of the current Power Sales Contract. Tacoma Power stated that it is highly likely that many changes could take place over the 20 year term of the proposed contract and that having a Transfer Service commitment that overlaps BPA Power Sales Contracts may frustrate the process and implementation of new Power Sales Contracts.

Evaluation: A primary feature of the proposed contract is to provide a degree of certainty for the Transfer Service customer for a term of 20 years. The Transfer Service customers were adamant in their request for a 20-year term for the proposed contract. Their primary goal was to gain some certainty regarding rate treatment of Transfer Service costs. BPA's commitment in the proposed contract to initially propose rolled-in treatment of Transfer Service costs is a rate design issue. The proposed contract allows BPA enough flexibility to avoid most conflicts that may arise between the commitments in this proposed contract and future Power Sales Contracts. Many of the issues listed in Exhibit A for further discussion in future processes may have a substantive impact on the development of new Power Sales Contracts, and those future processes should help with the development of the new Power Sales Contracts.

Decision: The term in the proposed contract will be 20 years as agreed upon by BPA and the Transfer Service customer representatives.

Issue 9: *Should Transfer Service costs be rolled into the Transmission Business Lines network rate revenue requirement?*

Comments: Tacoma Power stated that since Transfer Service is essentially wheeling agreements executed as a least cost alternative to building transmission, the cost should be treated like any other BPA transmission facility and rolled into BPA's transmission revenue requirement for Network rates.

Evaluation: Section 4 of the proposed contract allows for rolled-in treatment of Transfer Service costs in either power or transmission rates or partly into each. Currently and historically BPA has rolled these costs into power rates, but BPA recognizes that this practice may change in the future. The proposed contract was drafted so as not to foreclose this option. BPA anticipates that a decision to move Transfer Service costs to transmission rates would be strongly opposed by some affected parties, and BPA could face legal challenges. If FERC policy changes in the future or an RTO type organization is developed that is conducive to rolling these cost into transmission rates, BPA will have the flexibility to initially propose rolling Transfer Service costs into transmission rates. BPA's intent is to keep this option open, and a decision as to which rates these cost will be assigned to is not part of the proposed contract.

Decision: BPA will keep this option in the proposed contract, and this decision will not be made a part of the proposed contract.

Issue 10: *Does the proposed contract significantly depart from BPA's existing Transfer Service practices?*

Comments: Avista Corporation, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc., (Transmission Customers) submitted joint comments regarding the proposed contract. The Transmission Customers expressed concern that the proposed contract is a departure from the services BPA has historically provided to the Transfer Service customers. Specifically, the Transmission Customers contend that the proposed contract may require BPA to roll-in Transfer Service losses into the main grid segment, thereby causing the Transmission Customers to pay for Transfer Service losses. In addition, the Transmission Customers are concerned that the "comparability" principle may be read too broadly and require BPA to undertake unintended obligations, such as capital improvements of low voltage facilities. Finally, the Transmission Customers express concern that the proposed contract creates open-ended obligations that could potentially result in additional costs being rolled in to the main grid segment. The Transmission Customers conclude that each of the above-mentioned issues would be a clear departure from existing Transfer Service practices.

Evaluation: The proposed contract does not require a departure from BPA's existing Transfer Service practices. First, sections 3 and 4 of the proposed contract are, in effect, a continuation of

BPA's existing Transfer Service practice. BPA has in the past arranged the Transfer Service for delivery of federal power to the Transfer Service customers and rolled-in certain aspects of the Transfer Service costs into a revenue requirement. Sections 3 and 4 of the proposed contract express BPA's acknowledgement that this practice will continue, subject to certain restrictions, for a term of 20 years.

Similarly, sections 7 and 8 do not require a departure from BPA's existing Transfer Service practices. BPA agrees that sections 7(a), 8(a) and 8(b) are unique in that they are termed as an expression of BPA's intent to provide the Transfer Service customers with "comparability" on certain issues. However, these provisions do not require BPA to depart from its existing Transfer Service practices. Rather, the operative language of these sections provide that BPA and the customer intend to discuss certain issues and seek to find a measure of comparability with directly connected customers. Section 10(d) of the contract makes it clear that these expressions of intent are not legally binding on BPA or the other party. Thus, BPA does not agree that the principles expressed in the proposed contract would compel BPA to undertake the specific obligations suggested by the Transmission Customers.

Finally, where appropriate, BPA has included language in the proposed contract that specifically preserves the Administrator's discretion in establishing policies and practices. These provisions, and section 10(d), were included to ensure that the Administrator retains flexibility when implementing the principles of the proposed contract. Thus, BPA believes sufficient protections are built into the proposed contract to prevent any unintended and unlimited obligations.

Decision: The proposed contract does not require a departure from BPA's existing Transfer Service practices. Section 10(d) has been added to the contract to make it explicitly clear that expressions of intent are not legally binding on the parties.

Issue 11: *Should BPA limit the scope of the proposed contract by defining the term "comparability"?*

Comments: The Transmission Customers note that the proposed contract is unusual in that much of the document is an expression of "intent." While the parties may intend this language not to be binding, the Transmission Customers warn that a court or FERC may interpret the language differently. The Transmission Customers recommend that BPA carefully limit its commitments under the proposed contract. Specifically, the Transmission Customers suggest that BPA define the concept of "comparability" in the proposed contract. In addition, BPA should find other ways of clarifying and limiting the scope of the proposed contract.

Evaluation: BPA believes the language in the proposed contract strikes the proper balance between providing assurances to Transfer Service customers regarding future Transfer Service practices as well as preserving BPA's flexibility. Defining the term "comparability" could prove too restrictive when attempting to adapt the principles of the proposed contract to the myriad of situations that may occur during its 20-year term. Instead, BPA intends the proposed contract to provide the "high level" principles that will guide the parties in developing policies for the future. In some parts of the proposed contract, BPA found that in addressing broad principles it was necessary to avoid precise definitions of certain terms.

BPA recognizes the concern the Transmission Customers note with respect to the interpretation of some of the provisions. To limit the risk of unintended interpretations by a reviewing judicial body, BPA has included in the proposed contract section 10(d), which makes clear that expressions of intent are not binding until they are incorporated into a specific agreement between the customer and BPA. BPA believes that the addition of this provision will enable BPA to agree to the broad principles in the proposed contract without subjecting itself and other customers to the unlimited risk noted by the Transmission Customers.

Decision: BPA will not define the term "comparability" or otherwise limit the scope of the proposed contract. BPA has, however, added a provision which makes clear that references to expressions of intent are not to be binding until reduced to a separate agreement.

Issue 12: *Will other customers be allowed to participate in the Transfer Service discussions described in the proposed contract?*

Comments: The Transmission Customers are troubled that BPA did not seek the input of non-Transfer Service customers until August of 2004 on the proposed contract. The Transmission Customers expressed concern about the consequences to them if BPA were to adopt a similar approach with respect to the further issues that the parties agree to discuss in the proposed contract. In particular, they noted that Transfer Service customers are not the only entities impacted by the resolution of the enumerated issues, and that the Transmission Customers could suffer potentially major impacts from the resolution of such issues. Thus, the Transmission Customers request that BPA make a commitment to include them in any further discussions or proceedings.

Evaluation: BPA believes that it is important to include the opinion and positions of non-Transfer Service customers when addressing the issues described in the proposed contract. This concern is why BPA posted the proposed contract for general public comment. As noted by the Transmission Customers, the Transfer Service customers may not be the only customers impacted by the resolution of the issues listed in Exhibits A and B. When and where such input should be included, though, should be governed by the processes that address the enumerated issues. Since the proposed contract is between BPA and the Transfer Service customers, BPA does not believe it would be prudent to include in the proposed contract a blanket commitment to include other customers in all future discussions. Rather, BPA believes that meaningful opportunities for involvement by other customers will be a function of the processes used to discuss the future Transfer Service issues.

Decision: BPA will not include a commitment in the proposed contract to include non-Transfer Service customers in future discussions.

Issue 13: *Should BPA limit the issues to be addressed in the discussions described in section 7?*

Comments: The Transmission Customers noted that BPA over committed itself by agreeing in section 7(a) to address the Transfer Service issues identified in Exhibit A as well as "other"

issues. The Transmission Customers stated that this provision created an open-ended obligation to resolve virtually any issue related to Transfer Service that is not expressly covered by the proposed contract. The Transmission Customers suggested removing the "including, but not limited to" language from section 7(a) of the proposed contract to limit the number of issues BPA intends to address.

Evaluation: BPA agrees that this provision is worded too broadly, and therefore has removed the "including, but not limited to" language from section 7. BPA believes that it is the intent of section 7 to limit the number of issues BPA commits to review to those listed in Exhibits A and B. It is more conducive to achieving the goals of the proposed contract if the parties focus on the enumerated issues. This approach does not preclude addressing additional issues not stated in the Exhibits. Whether other issues are addressed is subject to the scope and parameters BPA sets around the public processes or discussions at the time such processes begin.

Decision: BPA will remove the terms "including, but not limited to" from section 7(a).

Issue 14: *Should the proposed contract specify that it is only applicable to existing Transfer Service customers and existing Transfer Service territories?*

Comments: The Transmission Customers are concerned that because of the broad nature of the principles in the proposed contract, BPA may be obligating itself to pay the cost of transmission facilities acquired by Transfer Service customers through annexation. The Transmission Customers asked BPA to revise the proposed contract to make it clear that the proposed contract relates only to BPA service to existing Transfer Service customers in their existing service areas.

Evaluation: BPA believes an express provision stating the proposed contract is going to be offered to existing Transfer Service customers is unnecessary. First, BPA will offer the proposed contract to customers that are currently served by Transfer Services. Included in this group of customers will be one potential Transfer Service customer that was recognized as a requirements customer in BPA's 2002 power rates proceeding, but is not yet taking federal power. For this one customer, the proposed contract will be contingent on it meeting the obligations of its Power Sales Contract.

Second, the proposed contract already has provisions that address the issue of annexations by Transfer Service customers. As noted in response to Issue 1, section 2(g) excludes service to territory annexed by the Transfer Service customer after the execution of the proposed contract, unless the annexed load is already served by Transfer Service at the time of annexation.

Decision: The proposed contract will only be offered to existing and recognized Transfer Service customers. The current provisions already limit BPA's obligations to serve annexed territory, and BPA will not make the revisions suggested by the Transmission Customers.

Issue 15: *Should the timeline for initiating and concluding the discussions described in section 7 be modified?*

Comments: The Transmission Customers noted that the six-month timetable BPA agreed to in section 7(c) is unworkable and unrealistic. They stated that the proposal assumes BPA can simultaneously prosecute the pending transmission rate case and resolve the enumerated issues in Exhibits A and B relating to Transfer Service issues within a very short period of time. The Transmission Customers are concerned that this timetable is overly aggressive, and point to the two-and-one-half years of negotiations that led up to the proposed contract as demonstrating that the parties will be unable to accomplish the goals set out in section 7 within the six-month timeline.

Evaluation: BPA agrees that the timeline stated in section 7(c) should be changed to allow for a more purposeful review of the relevant issues. BPA initially agreed to the timeline as a placeholder pending an evaluation of what process or processes are needed to address the enumerated issues in the Exhibits. BPA believes that agreeing to an arbitrary timeline would not be a prudent way of addressing these issues. Nevertheless, a commitment should be made to the Transfer Service customers to ensure that the issues listed in the proposed contract are addressed. As such, BPA will change the language in section 7(c) to commit BPA to identify the process or processes which will address the issues listed in Exhibits A and B. BPA will inform the Transfer Service customers regarding the chosen processes within 180 days of both parties signing of the proposed contract.

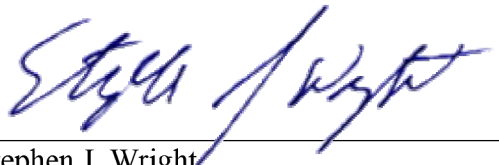
Decision: BPA will remove the six-month timeline from section 7(c) and replace it with a commitment by BPA to identify the process(es) which will address the enumerated issues in the proposed contract.

CONCLUSION

The proposed contract provides a degree of certainty regarding future rate treatment of Transfer Service costs to BPA's Transfer Service customers. The proposed contract would commit BPA to propose certain Transfer Service costs into an initial rate proposal for a term of 20 years. In addition, the proposed contract allows BPA to address specified Transfer Service issues in other processes. Finally, the proposed contract provides valuable protections for BPA and the Transfer Service customers in terms of providing the Administrator discretion and flexibility to address future changes in federal policies.

I have reviewed and evaluated the record compiled by BPA on the proposed contract. As part of this review, I have reviewed the proposed contract for National Environmental Policy Act (NEPA) concerns. I have determined that the proposed contract does not implicate NEPA and, moreover, falls within the scope of previous NEPA documentation prepared by BPA. Based on the record, the reasoning contained therein, and all requirements of law, I hereby offer the proposed contract unsigned and subject to the following restrictions: Transfer Service customers will have until March 31, 2005 to return a signed copy of the proposed contract to BPA. On or before April 15, 2005, BPA will counter-sign the proposed contract if I determine a sufficient number of Transfer Service customers have returned signed copies of the proposed contract.

Issued at Portland, Oregon on December 22, 2004.



Stephen J. Wright
Administrator and Chief Executive Officer

From: "Greene,Richard A (BPA) - LP-7" <ragreene@bpa.gov>
Sent: Wed, 8 May 2019 06:03:15 +0000
To: "Schwendiman,Celeste M (BPA) - PSE-BOISE" <cmschwendiman@bpa.gov>, "Carter,Eric H (TFE)(BPA) - TSE-TPP-2" <ehcarter@bpa.gov>
Subject: Docs For meeting
Attachments: Summary of Legal Analysis.docx; Transfer Service Work_stream Thoughts.docx

Attorney-Client Priv.

(b) (5)

Here is my summary of the legal memo and the document I supplied the other day on pathways.

(b) (5)

Rich

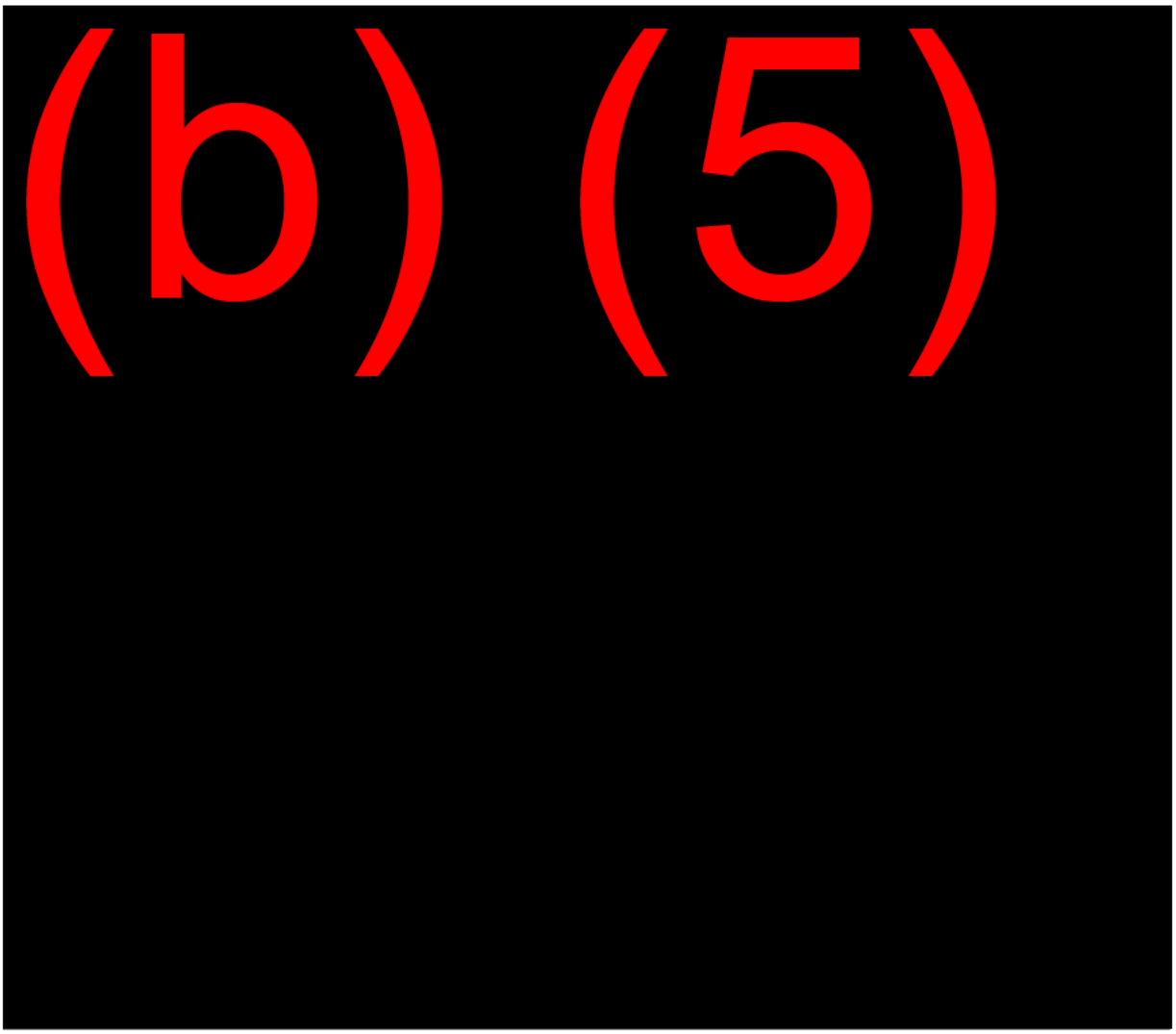
MEMORANDUM

FROM: Richard Greene
TO: Transfer Service Functionalization Team
DATE: [AutoDate]
RE: Transfer Service Functionalization Policy Development

I. BACKGROUND

This paper provides a brief overview of the legal advice prepared by OGC in May, 2018. This summary does not identify or discuss all legal risks and issues. Please refer to the original legal memorandum for a comprehensive review of all issues.

II. SUMMARY OF LEGAL ANALYSIS



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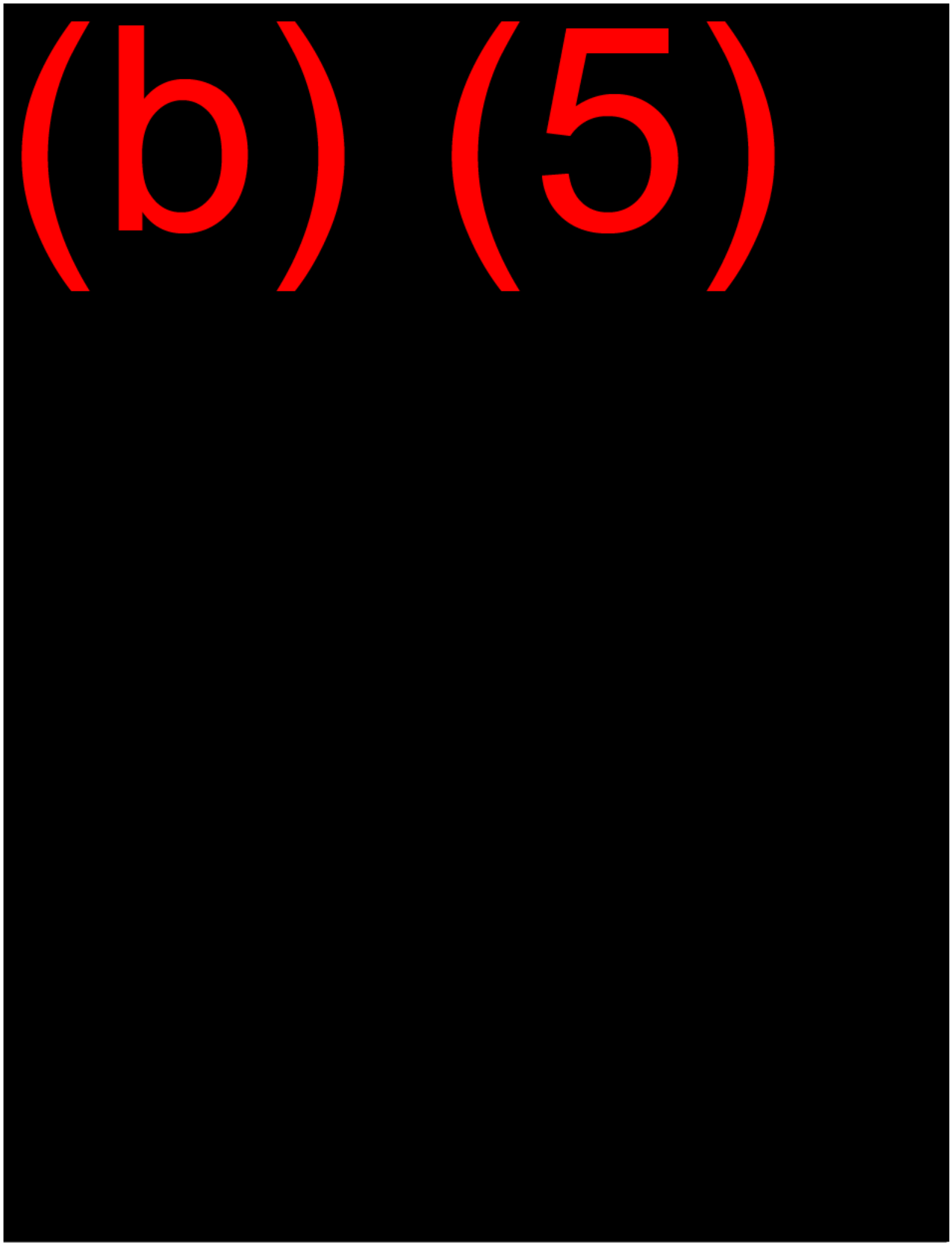
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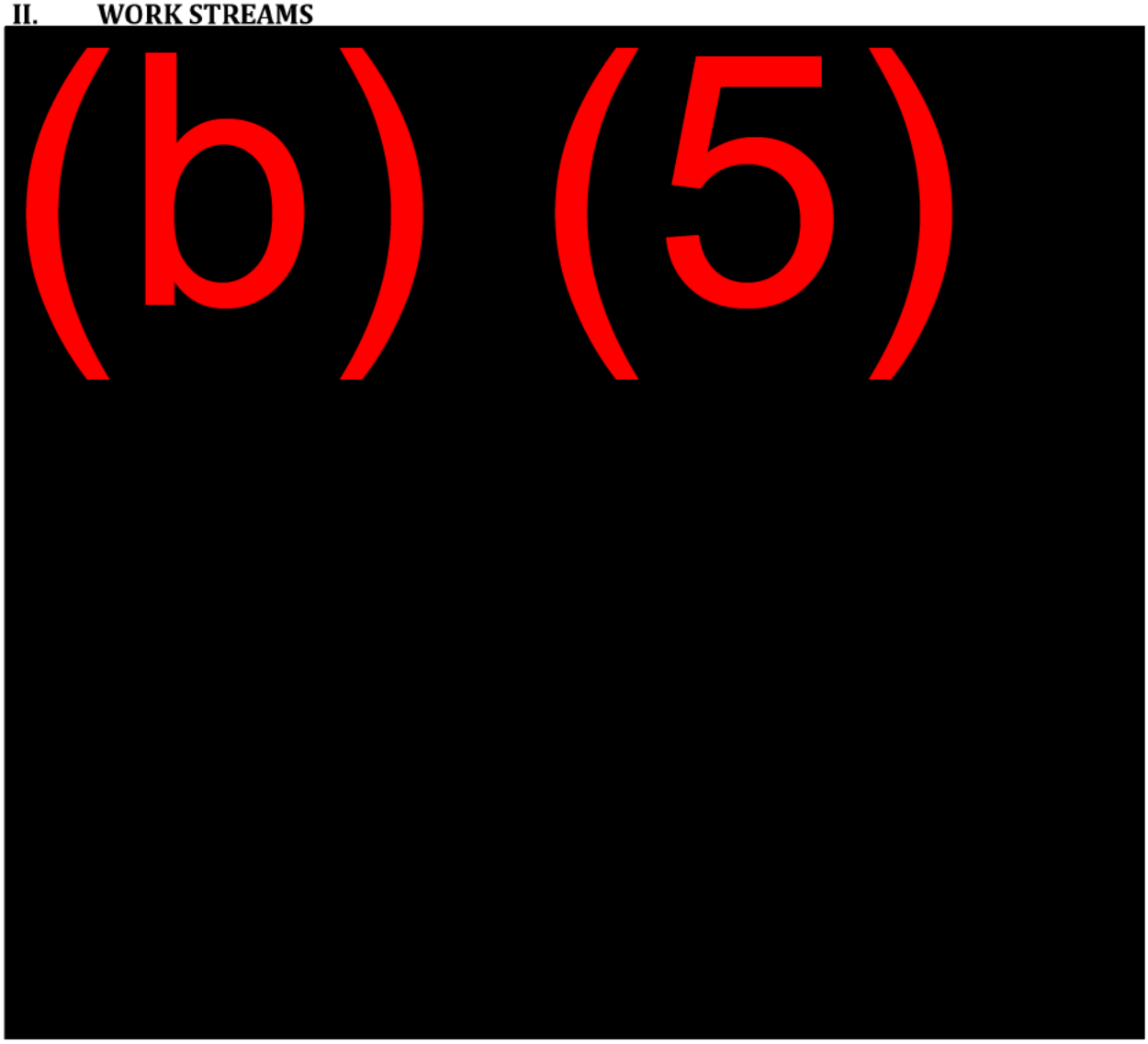
MEMORANDUM

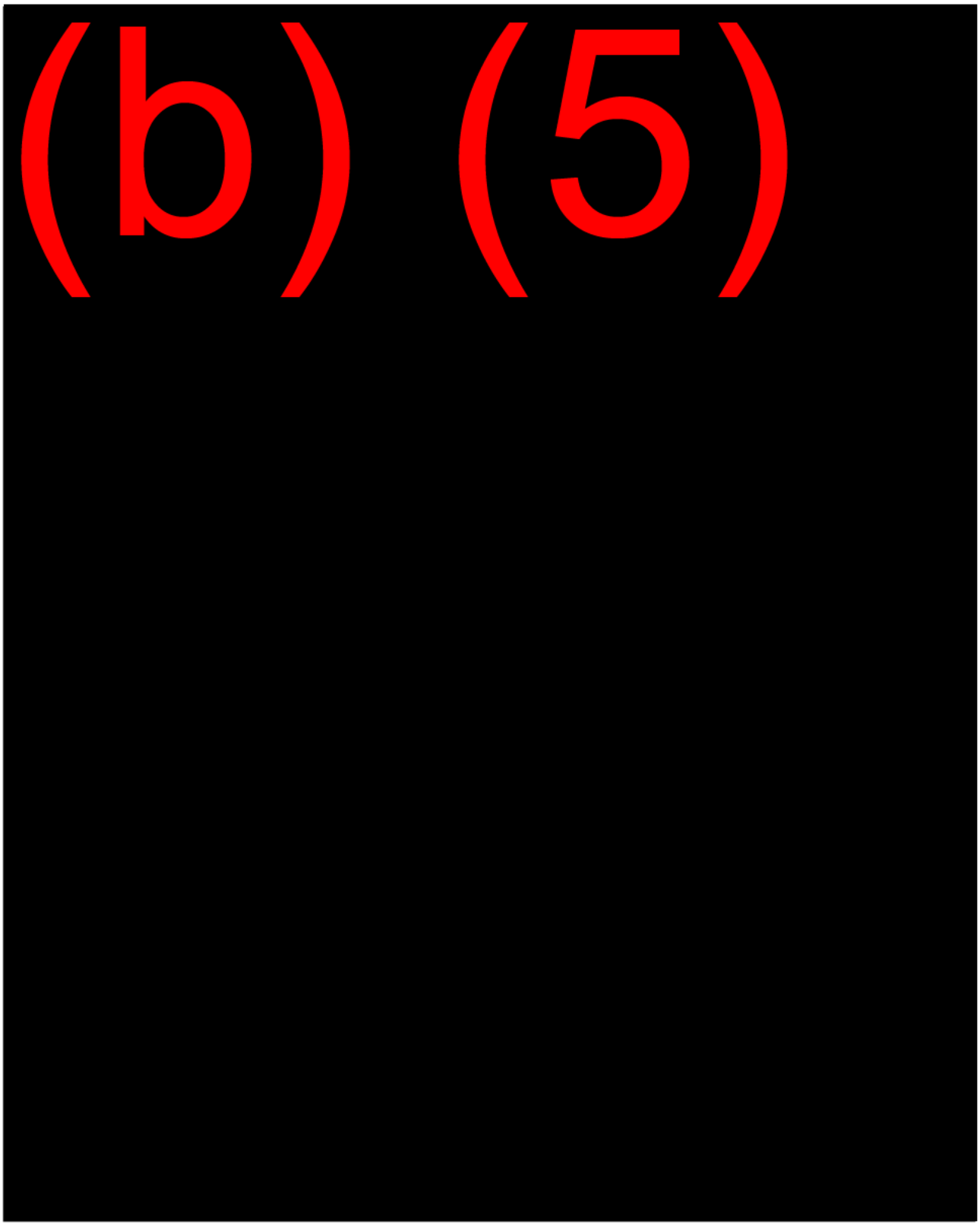
FROM: Richard Greene
TO: Transfer Service Functionalization Team
DATE: [AutoDate]
RE: Transfer Service Functionalization Policy Development

I. BACKGROUND

Bonneville is considering reconstituting the Transfer Service Cost Functionalization Team. The team's mandate is still being framed. This paper is intended to provide some initial ideas on ways Management may frame the objectives and work streams for the Transfer team.

II. WORK STREAMS

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Rate Case Timeline and Litigation Process

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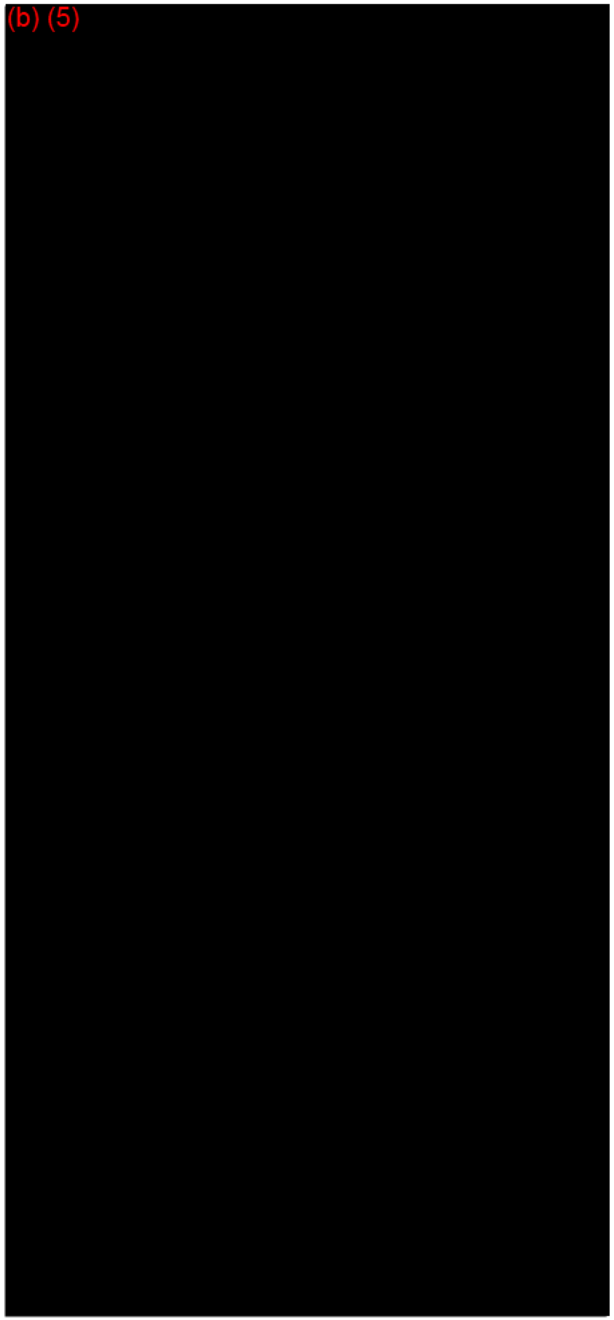
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Contract No. 05EO-«#####»

AGREEMENT REGARDING

TRANSFER SERVICE

executed by the

BONNEVILLE POWER ADMINISTRATION

and

«FULL NAME OF CUSTOMER»

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This AGREEMENT REGARDING TRANSFER SERVICE (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA) and «FULL NAME OF CUSTOMER» («Customer Name») a «_____» duly organized and operating under the laws of the State of «_____». BPA and «Customer Name» hereinafter sometimes are referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, BPA sells electric power to public body and cooperative utilities in the Pacific Northwest Region;

WHEREAS, BPA and «Customer Name» have entered into Contract No. 00PB-«#####» (Power Sales Agreement), as such agreement may be amended or replaced providing electric power for «Customer Name»;

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WHEREAS, BPA is authorized to build, operate and maintain electric transmission and substation facilities when the Administrator determines such facilities are necessary and appropriate;

WHEREAS, BPA did not construct transmission facilities to interconnect certain public body and cooperative utilities to the Federal Columbia River Transmission System when, among other reasons, it was demonstrated to be less expensive for BPA to acquire transmission service over existing transmission facilities owned by other entities to deliver Firm Power sold by BPA to such public body or cooperative utility;

WHEREAS, Firm Power purchased from BPA under the Power Sales Agreement is delivered to «Customer Name» through Transfer Service;

WHEREAS, Since January, 2002, representatives of BPA and various public power utilities and associations have engaged in lengthy discussions and negotiations regarding issues pertaining to future arrangements for wholesale federal power deliveries over transmission systems owned and operated by other utilities; and

WHEREAS, BPA customers receiving deliveries via Transfer Service have expressed their desire for delivery of wholesale power to load at rates and on terms and conditions of service equivalent to the rates and terms and conditions of service available to public power utilities Directly Connected to BPA's main grid;

NOW, THEREFORE, the Parties agree as follows:

1. TERM AND TERMINATION

This Agreement shall become effective upon execution by BPA and «Customer Name» (Effective Date), and shall continue in effect until the earliest of: (a) 2400 hours on September 30, 2024; or, (b) the date on which «Customer Name» allows its Power Sales Agreement to expire, or on which «Customer Name»'s Power Sales Agreement terminates, without a replacement BPA firm power purchase. BPA's obligations pursuant to this Agreement shall continue notwithstanding the termination of similar obligations in «Customer Name»'s Power Sales Agreement section «#».

2. DEFINITIONS

The following terms, when used in this Agreement with initial capitalization, whether singular or plural, shall have the meanings specified.

(a) "Directly Connected" means a utility customer whose delivery of Firm Power is not dependent upon Transfer Service.

(b) "Firm Power" means electric power (capacity and energy) that BPA makes available on a continuous basis to meet the firm power requirements of «Customer Name»'s load as defined in section 5(b)(1) of the Northwest Power Act. Firm Power does not include power sold as surplus power, including, but not limited to, surplus power under the Block and Slice Power Sales Agreements.

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(c) "Initial Rate Proposal" means BPA's proposal, as published in the Federal Register from time to time, to initiate a hearing to establish or revise wholesale power or transmission rates pursuant to section 7(i) of the Northwest Power Act.

(d) "Integrated Network Segment" means those facilities of the Federal Columbia River Transmission System that are required for the delivery of bulk power supplies, the costs for which are recovered through generally applicable transmission rates, and that are identified as Integrated Network Segment, or its successor, in the BPA segmentation study for the applicable transmission rate period as determined in a hearing establishing or revising BPA's transmission rates pursuant to section 7(i) of the Northwest Power Act.

(e) "Northwest Power Act" means the Pacific Northwest Electric Power Planning and Conservation Act of 1980, Public Law 96-501.

(f) "Rolled In"

(1) For BPA power rates, Rolled In means that the Transfer Service costs included in BPA's power revenue requirement are not directly assigned or allocated to a subgroup of firm power load of preference customers under section 5(b)(1) of the Northwest Power Act; or,

(2) For BPA transmission rates, Rolled In means the Transfer Service costs are included in the Integrated Network Segment, are spread over all Integrated Network Segment load, and are not directly assigned or allocated to any subgroup of Integrated Network Segment load.

(g) "Third Party Transmission Provider" means a transmission provider other than BPA or a regional transmission organization that delivers Firm Power to «Customer Name».

(h) "Transfer Service" means the service provided by a Third Party Transmission Provider to deliver Firm Power sold by BPA pursuant to a Power Sales Agreement to «Customer Name». Transfer Service does not include service to loads in territory annexed by «Customer Name» except as provided for in such Power Sales Agreement.

(i) "Transmission Component Costs" means the costs of Transfer Service to deliver Firm Power to «Customer Name» over non-federally owned facilities that have characteristics comparable to the characteristics used to define BPA's Integrated Network Segment. Transmission Component Costs do not include losses, which are treated in section 9 of this Agreement. Transmission Component Costs do not include Ancillary Services, except as may be agreed upon by the Parties pursuant to section 7 of this Agreement.

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3. ARRANGEMENTS FOR TRANSFER SERVICE

BPA shall arrange for Transfer Service to «Customer Name» for the duration of this Agreement; provided, however, that BPA and «Customer Name» may agree to make other arrangements for Transfer Service.

4. PROPOSED TREATMENT OF TRANSMISSION COMPONENT COSTS

(a) BPA shall be financially responsible for payment of Transmission Component Costs.

(b) Except as provided in sections 4(d) and 4(e) below, BPA shall have a continuing obligation to propose Rolled In treatment of Transmission Component Costs into either the wholesale power or the transmission service Initial Rate Proposal, or partly into one and the rest into the other proposal, for rates that are effective during the term of this Agreement. BPA shall include testimony supporting Rolled In treatment of Transmission Component Costs in its Initial Rate Proposal, and, in its judgment, make good faith, best efforts to defend its proposal.

(c) Nothing in this Agreement shall limit the Administrator's discretion and authority or predetermine the Administrator's final decision in establishing or revising rates.

(d) (1) If the Federal Energy Regulatory Commission (FERC) does not approve and confirm Rolled In treatment of Transmission Component Costs included in BPA's final rate proposal for its wholesale power rates, or if FERC approves and confirms BPA's final rate proposal which includes Rolled In treatment of Transmission Component Costs for wholesale power rates, and such Rolled In treatment is subsequently overturned by a court with jurisdiction, then BPA shall have no obligation to propose Rolled In treatment of Transmission Component Costs in any subsequent Initial Rate Proposal for setting such wholesale power rates, and BPA shall propose Rolled In treatment of Transmission Component Costs in transmission rates.

(2) If FERC does not approve and confirm Rolled In treatment of Transmission Component Costs included in BPA's final rate proposal for its transmission rates, or if FERC approves and confirms BPA's final rate proposal which includes Rolled In treatment of Transmission Component Costs for transmission rates, and such Rolled In treatment is subsequently overturned by a court with jurisdiction, then BPA shall have no obligation to propose Rolled In treatment of Transmission Component Costs in any subsequent Initial Rate Proposal for setting transmission rates, and BPA shall propose Rolled In treatment of Transmission Component Costs in wholesale power rates.

(e) If BPA has proposed Rolled In treatment of Transmission Component Costs in both wholesale power rates and transmission rates and FERC does not

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approve and confirm the Rolled In treatment, or FERC does approve and confirm Rolled In treatment and such Rolled In treatment is subsequently overturned by a court with jurisdiction, then BPA will no longer be obligated to propose Rolled In treatment for Transmission Component Costs.

5. DUTIES OF «CUSTOMER NAME»

«Customer Name» shall:

(a) Cooperate with BPA in assessing actions that may be undertaken to minimize costs incurred by BPA in meeting its obligations pursuant to this Agreement, consistent with the Power Sales Agreement;

(b) Provide, or cause to be provided, timely planning information to BPA, including, but not limited to information pertaining to «Customer Name»'s long-term annual peak and energy load forecasts and system expansion and upgrade;

(c) Provide, or cause to be provided, timely notice to BPA of events, including, but not limited to, load loss or load addition on its system that may have a material impact on Transmission Component Costs; and,

(d) Provide, or cause to be provided, support for the Rolled In treatment of Transmission Component costs in BPA's Initial Rate Proposal described in section 4(b) of this Agreement.

6. STRANDED COSTS

(a) If «Customer Name» takes action to reduce the amount of Transfer Service it requires, and BPA continues to be liable for Transmission Component Costs of such unused Transfer Service, then BPA may require «Customer Name» to reimburse BPA for such costs which BPA incurred in reliance on «Customer Name»'s continued use of Transfer Service.

(b) BPA shall give notice to «Customer Name» and the parties shall consult before BPA executes any new contract for Transfer Service or incurs additional obligations under existing contracts which may expose «Customer Name» to stranded costs as used in this section 6; provided, however, BPA shall retain the right to decide whether to incur such costs, after considering such consultation.

7. TREATMENT OF OTHER ISSUES

(a) In separate discussions, unless prohibited by *ex parte* rules, the Parties shall endeavor to find acceptable solutions or approaches for solving other issues related to Transfer Service that are not included in this Agreement. Such solutions or approaches or their implementation may require separate public processes. Such other issues are described in Exhibit A. Excluding treatment of these issues under this Agreement is not intended to prejudice the outcome of the discussion of such issues in the separate process(es). In

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undertaking the obligations of this section 7(a) for the issues described in Exhibit A, unless otherwise stated, it is BPA's intent to provide «Customer Name» with transmission service and Ancillary Services that are comparable to the service that BPA provides to its customers that are Directly Connected to the Federal Columbia River Transmission System.

(b) In separate discussions, unless prohibited by *ex parte* rules, the Parties shall endeavor to find acceptable solutions or approaches for solving other issues related to power deliveries. Such other issues are described in Exhibit B. The issues listed for discussion in Exhibit B may be addressed in more than one public process.

(c) BPA shall initially identify the process or processes that will address the issues referenced in section 7(a) and (b), above, no later than 180 days after the effective date of this Agreement.

(d) Nothing in this section 7 shall limit the Administrator's discretion and authority or predetermine the Administrator's final decision in establishing or revising policies or proposals regarding the issues to be discussed pursuant to this section 7.

8. PRINCIPLES FOR TREATMENT OF OTHER COST CATEGORIES

(a) To the extent that BPA undertakes responsibility for costs related to Transfer Service that are not addressed pursuant to section 7(a) of this Agreement, or agrees to be responsible for costs that are required to provide Transfer Service to «Customer Name» but that are not identified or incurred by BPA as of the effective date of this Agreement, including but not limited to congestion costs, it is BPA's intent to propose to allocate such costs to «Customer Name» in a manner comparable to the allocation BPA applies to recover similar costs from its customers that are Directly Connected to the Federal Columbia River Transmission System.

(b) To the extent that BPA incurs costs associated with facilities expansions and upgrades to provide Transfer Service to «Customer Name», it is BPA's intent to allocate such costs in a manner that is comparable to the allocation BPA proposes for similar costs for customers Directly Connected to the Federal Columbia River Transmission System.

(c) Nothing in this section 8 shall limit the Administrator's discretion and authority or predetermine the Administrator's final decision in establishing or revising rates.

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9. LOSSES

BPA shall propose to treat real power losses and their costs that are incurred through use of a Third-Party Transmission Provider's transmission system to provide Transfer Service pursuant to this Agreement in a manner comparable to BPA's treatment of losses and costs for a similarly situated customer that is Directly Connected to BPA's transmission system. For purposes of determining comparability, BPA shall view the facilities used to provide Transfer Service pursuant to this Agreement as if they were part of BPA's transmission system.

10. STANDARD PROVISIONS

(a) **Amendments**

No amendment, rescission, waiver, modification or other change of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

(b) **No Third-Party Beneficiaries**

This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with this Agreement.

(c) **Waivers**

Any waiver at any time by either Party to this Agreement of its rights with respect to any default or any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

(d) **Expression of Intent**

No expression of intent herein shall be legally binding against a Party, except if and to the extent such expression of intent has been incorporated hereafter into an enforceable agreement between the parties that has been lawfully executed and delivered.

(e) **Incorporation of Exhibits**

Exhibits A and B are hereby incorporated and made part of this Agreement.

11. SIGNATURES

Each Party represents that it has the authority to execute this Agreement and that it has been duly authorized to enter into this Agreement.

«FULL NAME OF CUSTOMER»

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

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Name	_____ *(Print/Type)*	Name	Stephen J. Wright *(Print/Type)*
Title	_____	Title	Administrator
Date	_____	Date	_____

(PBLLAN-PS«X/LOC»-W:\PS«X»\PM\CT\«#####».DOC) «mm/dd/yy» *{Insert date of finalized contract here}*

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Exhibit A
OTHER ISSUES AS THEY RELATE TO TRANSFER SERVICE

1. Development of Direct Assignment Guidelines for Transfer Service customers, including:

(a) Treatment of costs and allocation of responsibilities associated with facilities not included in the definition of Transmission Component Costs (*e.g.*, low voltage service).

(b) Treatment of costs and allocation of responsibilities associated with upgrades on facilities not included in the definition of Transmission Component Costs:

(1) Expansion of facilities and upgrades to existing facilities.

(2) New facilities (*e.g.*, new substations).

2. Quality of service.

3. Respective roles of customers and BPA in management of General Transfer Agreements (GTA), including whether to do periodic evaluations of the costs or benefits of replacing GTA with Open Access Transmission Tariff service.

4. Treatment of costs of, and allocation of responsibility for, ancillary services.

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Exhibit B
OTHER ISSUES AS THEY RELATE TO POWER DELIVERY

1. Non-Federal Power Deliveries
The treatment of costs associated with transmission service provided by Third Party Transmission Providers, other than BPA or a regional transmission organization, for delivery of non-federal power to «Customer Name».

2. Transfer Service for Annexed Load
Service to load in annexed territories, as defined in «Customer Name»'s Power Sales Agreement.

3. Transfer Service for Block and Slice Power Sales Agreements
Issues as they relate to Block and Slice Power Sales Agreements, including:

(a) Delivery of surplus energy under Block and Slice Power Sales Agreements to GTA customer load; and,

(b) Service to customers for hourly generation in excess of hourly load under Block and Slice Power Sales Agreements.

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From: Ross,Hope E (BPA) - PSE-MEAD-GOB
Sent: Fri Jun 07 08:14:34 2019
To: James,Daniel M (BPA) - D-7
Cc: Hannigan IV,Benjamin R (BPA) - A-7; Munz,Paul G (BPA) - PSW-SEATTLE; Klumpp,Elizabeth C (BPA) - DIR-WSGL
Subject: Talking points for June 12 WRECA presentation
Importance: Normal
Attachments: WRECA 2019 Annual Conference_TPs.docx; CRSO EIS_EIM Timelines.pptx

Dan,

Good morning. We have the updated talking points for next week's WRECA presentation and the CRSO and EIM schedules ready for you today. If you'd like to share hard copies of the second attachment with audience members next Wednesday, please let me know and I'll bring those to the conference.

Please don't hesitate to reach out to me if you have any questions about these materials.

Have a great weekend!

Hope, Liz and Paul

WRECA 2019 Annual Meeting - Briefing Points for Dan
June 12, 2019
The Centennial Hotel, 303 West North River Drive, Spokane, WA

Meeting Attendance:

- Customer managers, staff, and board
- State Representatives
- NW River Partners, NRECA President, NWPPA Executive Director, etc.
- BPA Staff (Paul Munz, Doug Gilmore, Hope Ross)

Key Issues:

- Competitiveness
- WA Legislation and BPA (includes resource adequacy)
- EIM
- Business Unit Error
- Lower Snake River Dams/CRSO EIS
- Rate Case (Ex Parte – IP Rate/schedule only)
- Reserves Policy
- CRT
- PMA Assets

Talking Points:

Introduction

<Placeholder >

BPA Strategy

- In 2018, BPA published its strategic plan for the coming five years. This plan is the product of :
    - facing our record of rate increases,
    - particularly our power rate increases that have risen faster than the rate of inflation over the last decade.

- The strategic plan recognizes:
    - the significance of BPA continuing to be an economic engine for the Pacific Northwest.
    - that BPA must address industry dynamics and risks that are working against BPA's cost competitiveness and commercial performance.
    - that BPA must become more competitive and more responsive to customer needs.
- Our strategic plan is the central organizing principle for everything we will be doing at BPA over the next five years so that we continue to be the best viable power services provider.
- Our strong financial health will ensure our ability to carry out our other strategic objectives.

Competitive power products and services

With the growth of competition in power markets, our customers will have other options when it comes time to renew long-term wholesale power contracts in the 2028, when the Regional Dialogue contracts expire.

- BPA is working with our customers to understand:
    - what is working well now,
    - what is not working well and

- what products and services you would like to see BPA offer Post-2028.

- The goals are :
  - to make sure BPA is customers' provider of choice Post-2028 and
  - ensure our rates are competitive when customers begin to make power decisions well ahead of 2028 (e.g. 2022- 2024).

- BPA - Regional Observations
  - regional stakeholders, IOUs and generating COUs recently begun discussions regarding NW resource adequacy and associated gas and electricity markets during the last year,
  - starting with last summer's CA Aliso Canyon natural gas price impacts and the October 2018 Enbridge B.C pipeline explosion, the region is questioning the resiliency of our regional systems, especially with respect to the current and medium-term gas supply outlook,
  - in February and early March this winter, extended cold weather and very high loads triggered energy prices not experienced since the 2000/2001 energy crisis,
  - regional hydro generating utilities (BPA, SCL, Tacoma…) endured low stream flows associated with precipitation falling only as snow,

- the recent news about Washington's recently signed 100% clean electricity legislation (SB 5116) has added another layer of intrigue as we look forward to the future,
- but, the BPA federal system provides a solid foundation for resource adequacy and we are active in the larger discussions about regional resource adequacy looking to the future (past 2028).

Post 2028 Contract milestones/schedule:

BPA has developed a timeline for the policy development and contract negotiations that follow similar sequence and cadence to the development of Regional Dialogue.

- In 2016, BPA held provider of choice conversations with customers
- In 2018, Strategic Plan was published
- Later this this year our Account Executives will be reaching out to customers to have conversations and gather feedback on what is currently working well and where we can make improvements.
- This fall, BPA will begin an ~6-month customer engagement to continue the provider of choice discussion.
- BPA anticipates releasing a Post-2028 Concept Paper in 2021,
- a policy and ROD in 2023, and

- offering contracts in 2025. Customer engagement will continue on an on-going basis throughout the entire process, of course. This timeline is flexible and will allow for adjustments based on the direction customers and BPA take Post-2028.

Competitive Rates:

- We demonstrated our commitment to cost management in the 2018 Integrated Program Review.
- The strategic plan calls for holding the sum of program costs at or below the rate of inflation through 2028.
- Our spending levels for fiscal years 2020 and 2021 are significantly lower than current levels thanks to the continued efforts across the agency to re-evaluate the way we do our work and find efficiencies.

We released Initial Proposal rates in December as part of our BP-20 Rate Case to set rates for fiscal years 2020 and 2021.

- In the Initial Proposal, the BP-20 average Priority Firm power rate increase is 2.9 percent and the average transmission rate increase is 3.6 percent.
- The draft ROD will be released on June 13th with the Final Proposal rates being released in late July.

- Things can still change, but we anticipate that the Final Proposal rates will be lower than in the Initial Proposal – making our Final Proposal rates significantly below inflation.

These efforts to manage our costs and keep rates at or below the rate of inflation demonstrate our commitment to bend the curve of the trend of rates to maintain competitiveness and remain the electricity services provider of choice.

Washington State Legislation and BPA

- Washington enacted its Clean Energy law this year, requiring electricity sold in the state to be carbon-neutral by 2030 and it also made a change to the state's RPS law.
- 2020 will be the first year that federal incremental hydropower will be an eligible renewable resource under the RPS law, which is good news for Inland Power and our other large customers in Washington.
- I want to thank Kent for collaborating with BPA's Olympia policy lead and staying in touch on this important legislation.
- Bonneville and the industry are working in two important forums right now that should help us preserve reliability, especially in the context of the new law.

- The Northwest Power Pool is facilitating a conversation on **regional resource adequacy,** and
- BPA and other NW transmission owners are forming one, regional transmission planning organization.
- Both of these efforts should help keep us informed on resource adequacy and reliability as this law is implemented.
- Because our long-term power contracts expire before the 2030 carbon-neutral date, we all will need to consider the interactions with the Clean Energy law as we enter into new contract negotiations.

EIM

The Western EIM is operated by the California Independent System Operator (CAISO).

- BPA views the EIM as one component of a well-designed electricity market. This is one reason why BPA is reviewing participation in the EIM.
- It can help optimize efficient operation of both the power and transmission systems and improve discipline in the dispatch and marketing of the federal system.
- That is, the EIM can serve load imbalance in an economic way by the least cost generator while maintaining reliability and accounting for congestion.

- Additionally, our analysis indicates we can buy when EIM prices are low and store more water for generating power later.
- The EIM alone will not fully compensate BPA for the capacity value of the flexible, low-carbon federal power system, so additional well-designed market functions beyond EIM could help.
- The EIM requires generators to have a transmission path, so the EIM could also improve congestion management of the transmission grid and may also defer the need for costly network congestion transmission construction or other non-wire solutions.

Schedule for evaluation:

- Over the past year, we have offered monthly stakeholder workshops exploring EIM topics such as EIM 101, Resource Sufficiency and Cost Benefit Analysis.
- In May, we shared the results of a recent analysis completed by a third party. According to the analysis, BPA could see an incremental net annual dispatch benefit of $42.7 million by participating in the Western EIM.
- Later this month, BPA will issue a letter to the region and hold a 30-day comment period. Following that we will decide whether to enter into an EIM Implementation Agreement with CAISO.

- If the implementation process goes well, we could decide to officially join and operate in the CAISO EIM in Calendar Year 2022.

Business Unit Error

- BPA has been conducting a review of its financial reserves after errors in the reserve forecasting process were discovered in fiscal year 2018.
- As we presented in our March workshop, BPA uncovered an error that affects how we attribute federal-to-federal payments between Power Services and Transmission Services.
- This error potentially extends as far back as 2002.
- Since the March workshop, BPA Finance has been reviewing all areas of BPA's cash allocation methodology, which cover significant categories of cash flows like revenues and payroll.
- BPA Internal audit is reviewing BPA Finance's work, and a secondary review to validate the results of the review is being completed by an external party.
- BPA plans to issue an update to the public on the reserves review process soon.

Past

- BPA's BP-20 Initial Proposal has a rate increase of 2.9%, which was made up of two parts:
    - 1.4% base rate increase over BP-18
    - 1.5% estimate for the financial surcharge or $30 million per year, the maximum amount

Going forward

- BPA's BP-20 Final Proposal will be made up of:
    - Update of the 1.4.% base rate increase (to be determined in the BP-20 Final Proposal)
    - The Surcharge of up to 1.5% (will be determined in November, based on FY19 Actuals)

The surcharge, if any, would be placed on the December – September FY 20 bills.

Lower Snake River Dams/CRSO EIS

The Corps, the Bureau and BPA continue to work on analyzing alternatives in its Environmental Impact Study of the Columbia River System Operations. We are scheduled to release a draft EIS in February, 2020 with a 45-day comment period, a final EIS in June 2020, and we will issue a Record of Decision in September 2020. (*Dan plans to supplement extensively. Also, this may be a good time to*

remind the audience that there are several websites with more information and that customers can always reach out to AEs for help)

(Background note in case questions come up: Separately, Washington State has budgeted $750,000 over two years to address impacts to local communities and dam users should the federal agencies recommend breaching the dams. The Governor's staff clarified in a public meeting this month that this budget is not to create a forum to decide whether or not to breach the dams.)

Financial Reserves Policy

- The Financial Reserves Policy supports BPA's credit rating, promotes equity, provides liquidity and rate stability, and ultimately supports the agency's long-term financial health.
- The policy provides a framework for how Power and Transmission contribute to agency financial reserves. The policy outlines a target range of reserves with a lower and upper threshold for each business line and an upper threshold for agency reserves. It also specifies the rate actions to be taken based on these thresholds.

- The policy also addresses how BPA will build and sustain financial resiliency, a key objective of BPA's 2018-2023 Strategic Plan goal to strengthen financial health.

Columbia River Treaty

- The Columbia River Treaty is an agreement between the United States and Canada that jointly coordinates operations for flood risk management and hydropower generation and provides other benefits as well.
- The Treaty went into effect in 1964 and has been a model of transboundary water resource cooperation ever since.
- We are nearing an important date for the Treaty: in 2024, the Treaty shifts from 60 years of prepaid Canadian flood control space to a less-defined flood-risk management approach.
- Either country also may terminate the agreement at any point after September 2024 with at least 10 years advance notice.
- This presents the opportunity for both countries to reconsider whether aspects of the Treaty's implementation can be modernized post-2024 so that it better reflects current realities and continues to provide appropriate benefits to the region.

- Official negotiations between the United States and Canada for the future of the Treaty have begun. Bonneville is working with the U.S. Department of State in support of these negotiations.
- As the negotiations continue, the State Department expects to continue to hold periodic public meetings to inform the many interested parties in the Pacific Northwest of its progress.

PMA Assets

Such proposals have been in Administration budget proposals over a number of years. BPA is part of the Administration and we can't speak to this year's proposal and have not in previous years. But Congress has maintained a prohibition on expenditures to study such proposals.

Conclusion

<Placeholder>

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tue Jun 18 14:03:35 2019
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Munz,Paul G (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Normandeau,Mike (BPA) - PSE-RONAN; Olive,Kelly J (BPA) - PSS-6
Cc: Fisher,Daniel H (BPA) - PSR-6
Subject: RE: New Contracts - concepts/process? Next Steps to Prep for Customer Survey Disc.
Importance: Normal
Attachments: image002.jpg; image004.jpg; image006.jpg; image008.jpg; image010.jpg; image012.jpg

I agree, Nancy. I believe early on, as a team, we started talking about what has been and not working relative to contracts and rates, which led us to the importance of looping Daniel into our conversations sooner than later. I would welcome more detailed discussions.

If there has not been an update, our next team meeting is scheduled for June 25, at 1 PM. >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Sent: Tuesday, June 18, 2019 10:39 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Watts,Kirsten (BPA) - PSW-SEATTLE; Normandeau,Mike (BPA) - PSE-RONAN; Olive,Kelly J (BPA) - PSS-6
Cc: Fisher,Daniel H (BPA) - PSR-6
Subject: RE: New Contracts - concepts/process? Next Steps to Prep for Customer Survey Disc.

Thanks for the summary Paul.

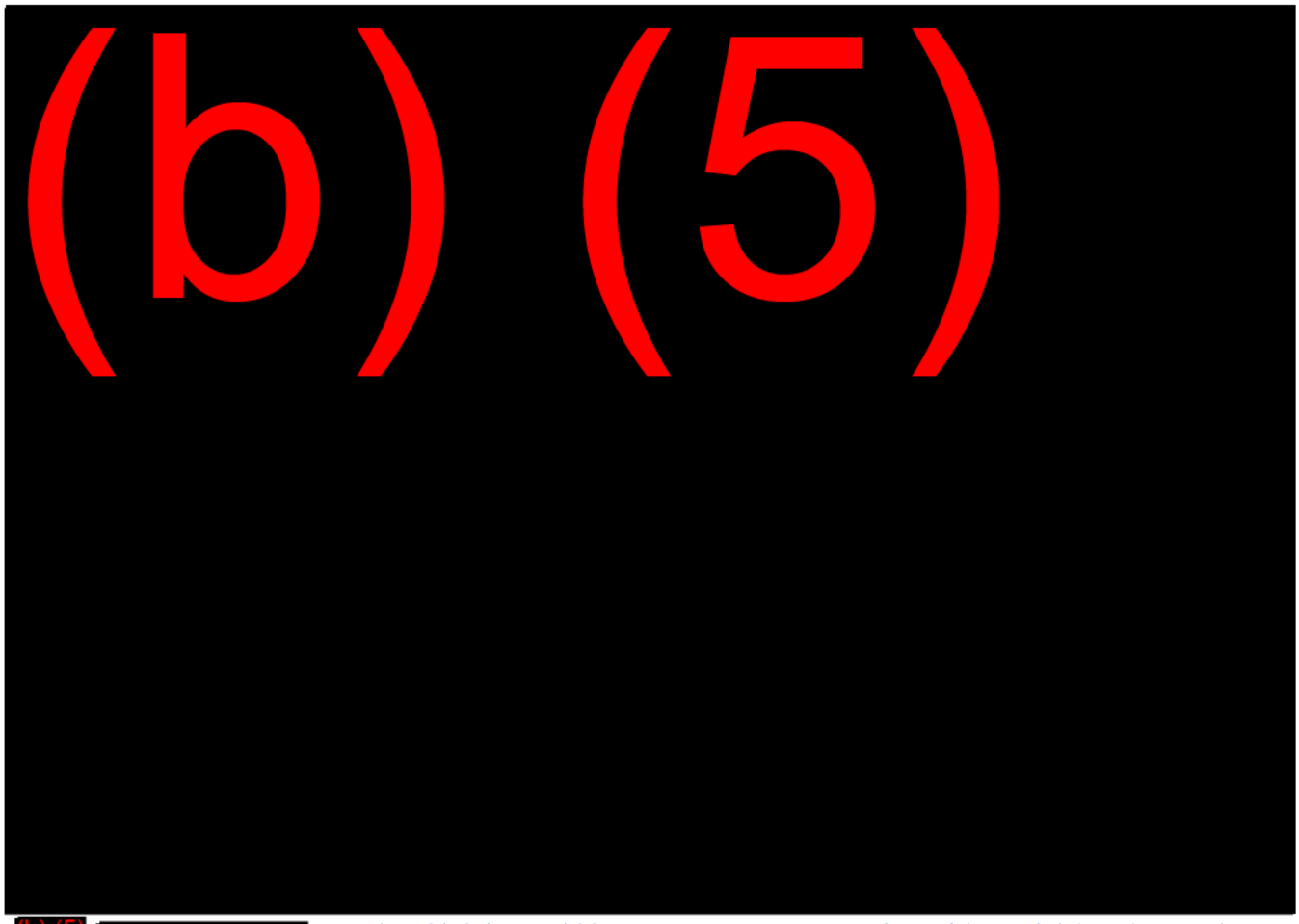
I'd like to get together to hear Daniel's thinking re: TRM and what he thinks can be improved or changed. Separately, I think we should also have a conversation regarding contracts and which areas we think there is room for improvement in a post-2028 world. Having a conversation about these topics may help to refine some of the questions we are thinking of asking customers later this year.

When Kelly is back in the office we can coordinate a time to meet. Maybe our next regularly scheduled meeting?

Nancy
From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Monday, June 17, 2019 2:12 PM
To: Hobson,Claire A (BPA) - PSW-6; Watts,Kirsten (BPA) - PSW-SEATTLE; Normandeau,Mike (BPA) - PSE-RONAN; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Olive,Kelly J (BPA) - PSS-6
Cc: Fisher,Daniel H (BPA) - PSR-6
Subject: New Contracts - concepts/process? Next Steps to Prep for Customer Survey Disc.

Hi Claire, Kirsten, Mike, Kelly and Nancy,

I am following up on a discussion I had with Daniel this morning. Robin Cross, from Seattle City Light, had a meeting with Daniel last Thursday (6/13) that focused on the new BPA contracts and the concepts and process that will guide BPA through the coming years. This is my understanding of what Daniel communicated to Robin and then clarified in follow-up email messages:



(b) (5) [redacted]. And, I think it would be great to set up a meeting with Daniel (asap) to make sure we are all on the same page for our next steps.

Thanks,

Paul
(206) 220-6763

From: Olive,Kelly J (BPA) - PSS-6
Sent: Wed Jun 19 11:52:52 2019
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: FW: New Contracts - concepts/process? Next Steps to Prep for Customer Survey Disc.
Importance: Normal
Attachments: image002.jpg; image004.jpg; image006.jpg; image008.jpg; image010.jpg; image012.jpg

Microsoft Exchange Server;converted from html;
Hey Kevin,
You and I chatted last Wednesday about the Post-2028 policy role, and then I left for a few days. Not sure if you had any further conversations with Garry about project manager versus Policy lead, and/or if you've thought further about your involvement…
I'm getting caught up on emails, and I wanted to forward on this email chain to you. Paul M. summarized a conversation he had with Daniel Fisher, and the conversation evolves into some next steps on summarizing what's working well for TRM and contracts.
Just an FYI, no action needed. I tend to err on the side of over-communicating and over-sharing, so please let me know if it's premature to forward on emails like this that delve into the 'direction'/policy issues of Post-2028.
Best,
Kelly

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tuesday, June 18, 2019 2:04 PM
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Munz,Paul G (BPA) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Normandeau,Mike (BPA) - PSE-RONAN; Olive,Kelly J (BPA) - PSS-6
Cc: Fisher,Daniel H (BPA) - PSR-6
Subject: RE: New Contracts - concepts/process? Next Steps to Prep for Customer Survey Disc.
I agree, Nancy. I believe early on, as a team, we started talking about what has been and not working relative to contracts and rates, which led us to the importance of looping Daniel into our conversations sooner than later. I would welcome more detailed discussions.
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Kirsten

R. KIRSTEN WATTS
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Subject: RE: New Contracts - concepts/process? Next Steps to Prep for Customer Survey Disc.
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From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Monday, June 17, 2019 2:12 PM
To: Hobson,Claire A (BPA) - PSW-6; Watts,Kirsten (BPA) - PSW-SEATTLE; Normandeau,Mike (BPA) - PSE-RONAN; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Olive,Kelly J (BPA) - PSS-6
Cc: Fisher,Daniel H (BPA) - PSR-6
Subject: New Contracts - concepts/process? Next Steps to Prep for Customer Survey Disc.

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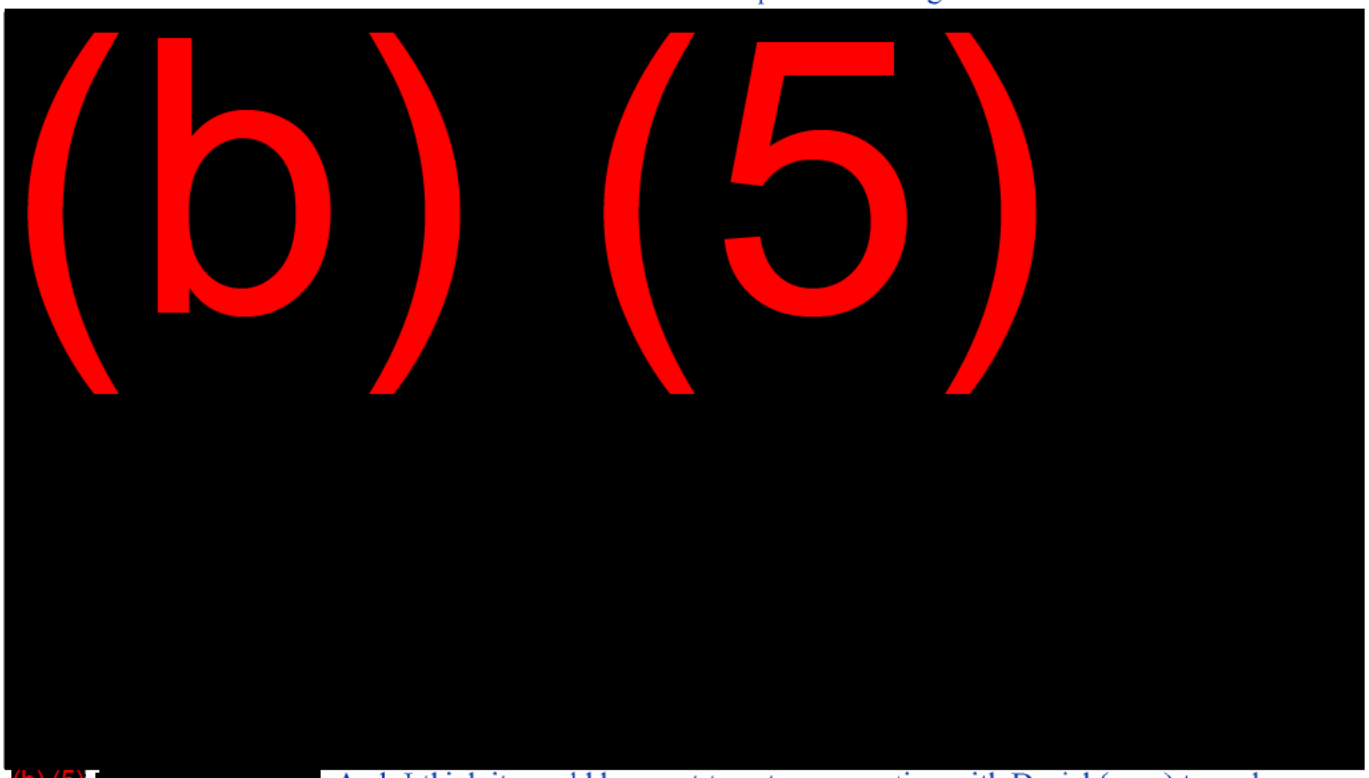


(b) (5) [redacted]. And, I think it would be great to set up a meeting with Daniel (asap) to make sure we are all on the same page for our next steps.
Thanks,
Paul
(206) 220-6763

From: Thompson,Garry R (BPA) - PS-6
Sent: Thu Jun 20 15:36:48 2019
To: Miller,Todd E (BPA) - LP-7; Olive,Kelly J (BPA) - PSS-6; Bodine,Mary C (BPA) - LP-7; Yokota,Daniel R (BPA) - PSST-6; Lockman,Christopher L (BPA) - PSST-6; Gilmore,Douglas R (BPA) - PSSE-MEAD-GOB; Bleifuss,Lindsay A (BPA) - PSW-6
Cc: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Wilson,Scott K (BPA) - PSW-6; Fisher,Daniel H (BPA) - PSR-6; Garrett,Paul D (BPA) - PSS-6
Subject: RE: Transfer Policy
Importance: Normal
Attachments: DRAFT SCOPE STATEMENT FOR NEW BPA TRANSFER POLICY07.20.19.docx

Here is my first cut at a Scoping Statement for this Policy. It's rough and maybe trying to capture to much background/history. It is also general and high level. One of our topics for next Monday. (:

From: Thompson,Garry R (BPA) - PS-6
Sent: Wednesday, June 19, 2019 10:11 AM
To: Miller,Todd E (BPA) - LP-7 <temiller@bpa.gov>; Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>; Bodine,Mary C (BPA) - LP-7 <mcbodine@bpa.gov>; Yokota,Daniel R (BPA) - PSST-6 <dryokota@bpa.gov>; Lockman,Christopher L (BPA) - PSST-6 <cllockman@bpa.gov>; Gilmore,Douglas R (BPA) - PSSE-MEAD-GOB <drgilmore@bpa.gov>; Bleifuss,Lindsay A (BPA) - PSW-6 <lableifuss@bpa.gov>
Cc: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Fisher,Daniel H (BPA) - PSR-6 <dhfisher@bpa.gov>; Garrett,Paul D (BPA) - PSS-6 <pdgarrett@bpa.gov>
Subject: Transfer Policy

I think everyone knows, but maybe not. We have been given the direction from Elliot to proceed on going through the needed processes to put in place a BPA Transfer Service Policy. Elliot asked we set a goal to complete the process with a ROD by the end of September. A very ambiguous goal considering the Policy has not been written at this time. I think a 80% of what will form the policy is already contained the ARTS. What I don't think is in the ARTS is the legislative/statute citations needed. Todd and Mary of course will be the better SME's on legal issues.

We have a meeting scheduled for June 24 at 8:00 to get the Policy and process scoped out. Kelly Olive will be the Lead on this Policy Process with support from Lindsay Bleiuss, Doug Gilmore and Chris Lockman. Todd Miller and Mary Bodine are our Legal team and we're lucky to have them on this project. Below is a Draft for our first meeting and some of my idea's to get us going. This should be a great Policy to work on and I look forward to the success and Final Policy.

Monday June 24, room 606 8am – 9am.

Set an aggressive timeline and then re-evaluate as we go through the needed steps in the process to reach a Final Policy

June 24 – July 19 (4 weeks)

- Draft Policy that includes
  - Start with ARTS, background, legislation/statutes
  - Cost assignment to P and/or T (this is not the functionalization discussion, similar language that is currently in ARTS)
  - Federal Power Only
  - Effective date October 1, 2028 – no grandfathering costs for non-federal from RD Contracts
  - Will not address # of wheels
  - Will not address if we purchase power instead of transmission build or transfer service – remain silent
  -

July 22 – August 16 (3 weeks)

- PBL, Executive Board/Elliot and public groups inform
  - Tweak Draft from initial Executive and customer group input (we may skip the customer group input to keep on track.
  - Finalize Draft

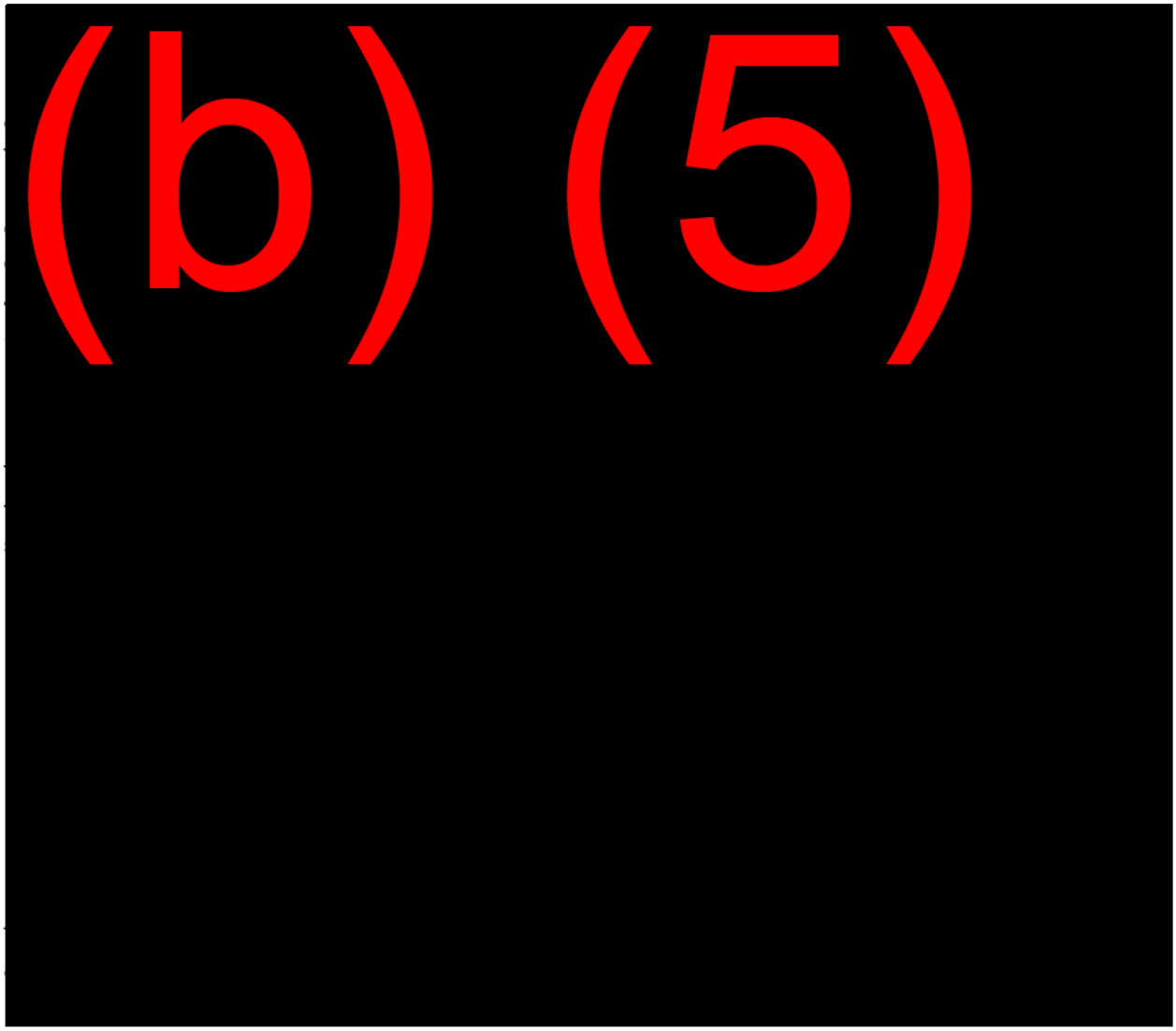
August 10 – September 17 (30 days) Public Comment Period on Draft

September 18 – October 2 (2 weeks) Final Policy and ROD preparation (if time inform customer group)

October 3 Release Final Draft and ROD

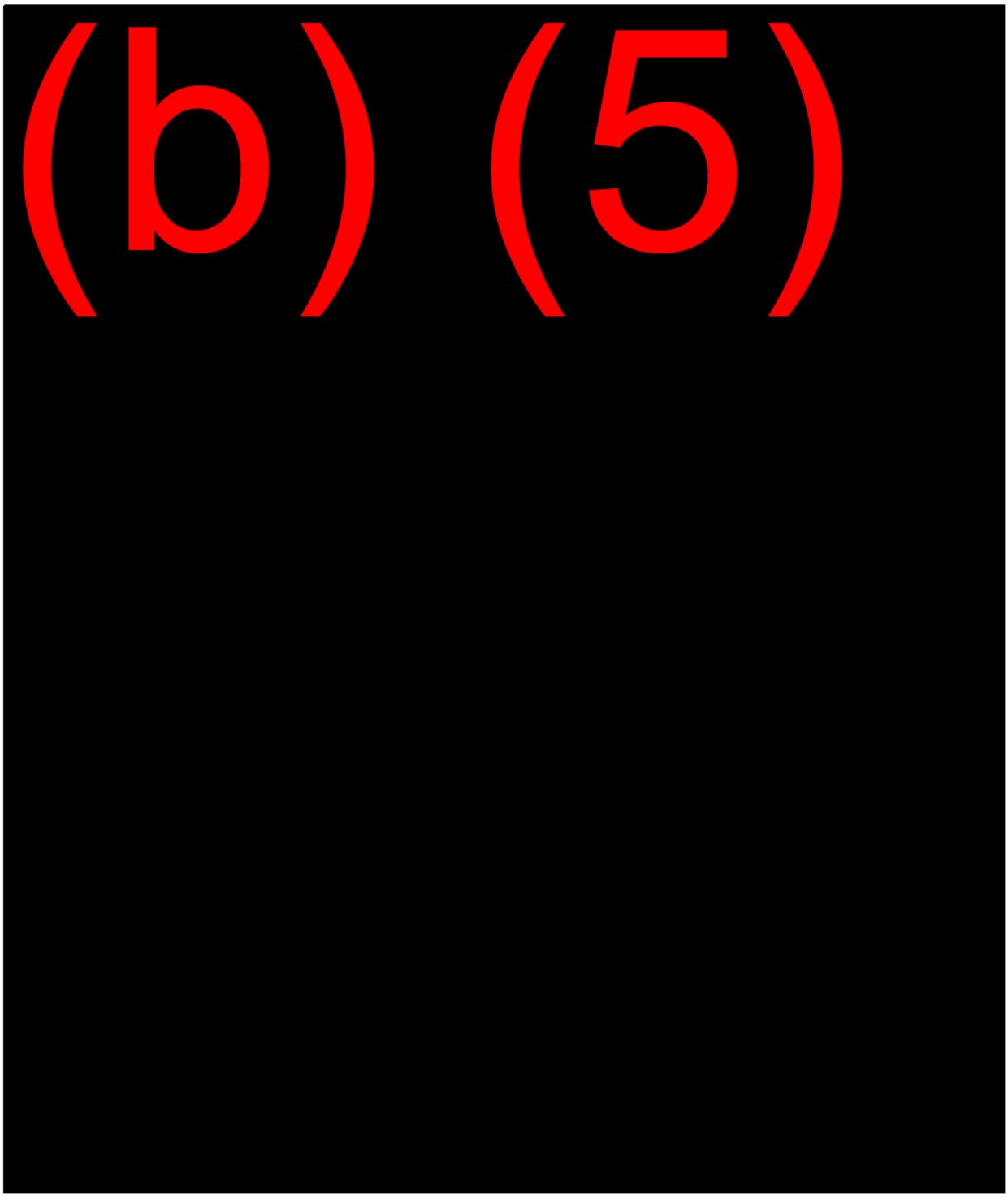
Garry R. Thompson
VP NW Requirements Marketing
Bonneville Power Administration
grthompson@bpa.gov 503.230.5175

DRAFT SCOPE STATEMENT FOR NEW BPA TRANSFER POLICY



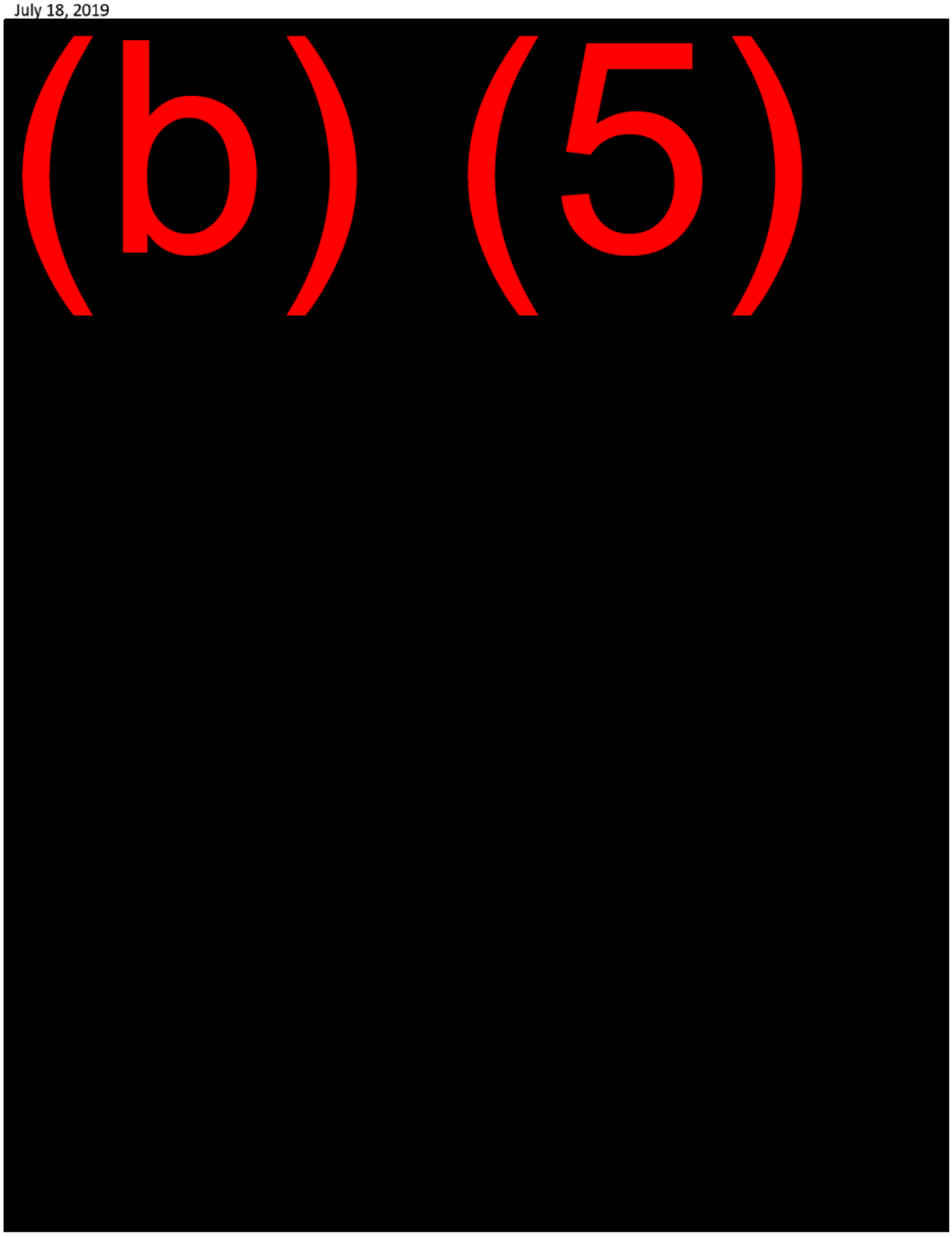
Summary of New Contracts Conversation DRAFT
(Daniel and Emily)
July 18, 2019

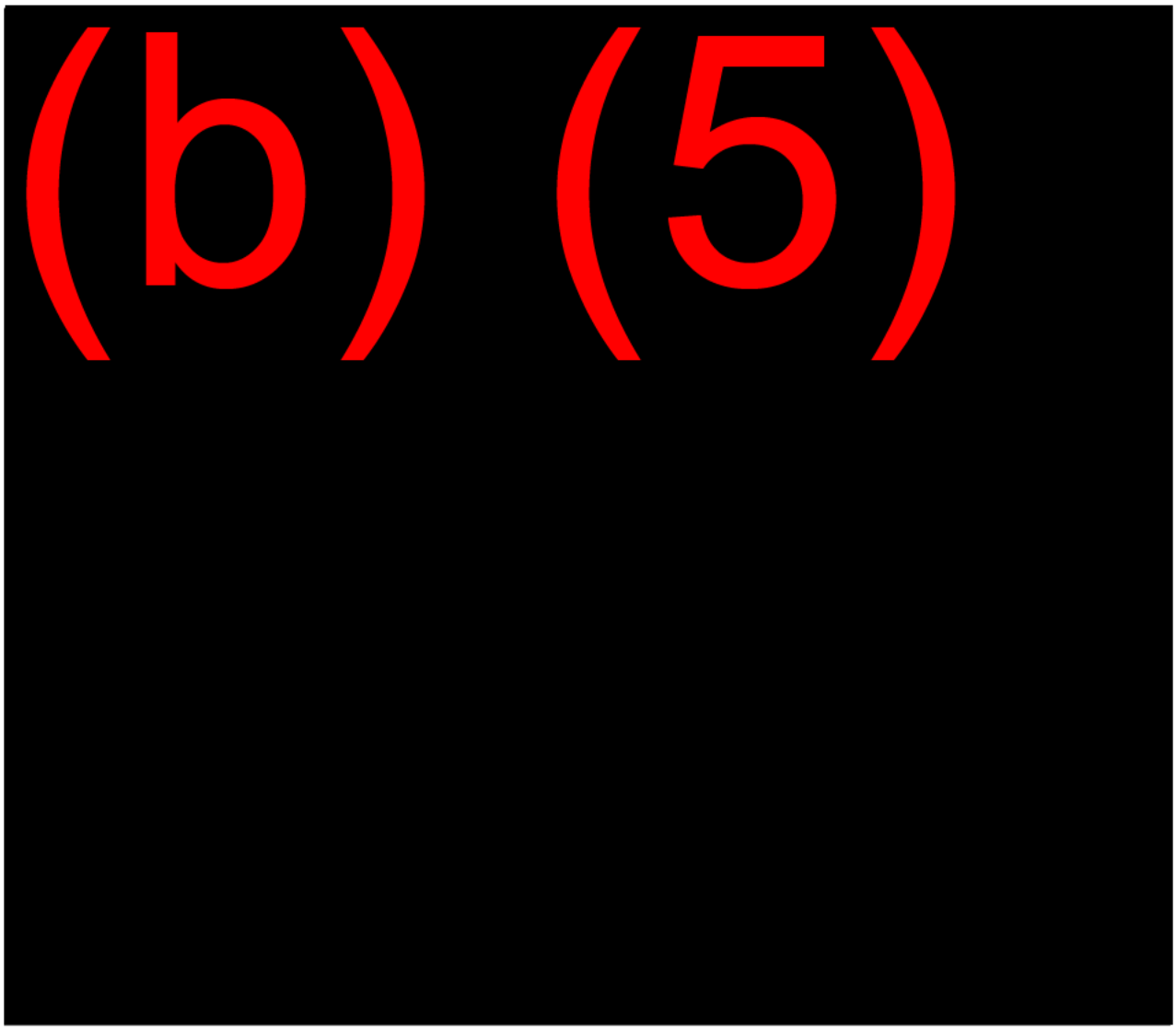
Framework and ideas for development of new BPA power contracts:



Summary of New Contracts Conversation
(Daniel and Emily)
July 18, 2019

DRAFT v 1.1




(b) (5)

From: Thompson,Garry R (BPA) - PS-6
Sent: Fri Aug 02 09:45:04 2019
To: Miller,Todd E (BPA) - LP-7; Olive,Kelly J (BPA) - PSS-6; Garrett,Paul D (BPA) - PSS-6; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Cc: Ko,Tina G (BPA) - TS-DITT-2; Chong Tim,Marcus H (BPA) - LT-7; Johnson,Tim A (BPA) - LP-7; Bodine,Mary C (BPA) - LP-7; Greene,Richard A (BPA) - LP-7
Subject: TRANSFER POLICY CLOSEOUT - INTERNAL ONLY
Importance: Normal
Attachments: TRANSFER POLICY CLOSEOUT8.1.19.docx

Microsoft Exchange Server;converted from html;
I and Joel met with Elliot yesterday on the internal and external "swirls" surrounding the proposed Transfer Policy. Elliot has agreed with my recommendation we do not proceed on the development of the Policy. We will move this issue to the overall new Power Sales Contract negotiations. No further external engagement on ARTS, Transfer Service and Non-Federal Transfer Service. WE gave it a good shot and realized our preference customers are not aligned on this issue at this time.
Attached is MY message to the customers that I have been engaged with on this topic. I will be calling Mark Gendron, Roger Gray, Irene Scruggs and several customers I have spoken with next week with this message. I will be sure and include/inform the AE's of United Electric, Seattle, Tacoma, Snohomish, EWEB and Clark.
I think the message is simple and straight forward. Any fatal flaws?
I will address this message as well, next week on the Tuesday AE/CAT Call.

Garry R. Thompson
VP NW Requirements Marketing
Bonneville Power Administration
grthompson@bpa.gov 503.230.5175

TRANSFER POLICY CLOSEOUT – DRAFT

Thank you for your interest in pursuing a BPA Policy on our commitment to role the delivery of Federal Power over Third Party Systems into a BPA Rate in future years – Post 2028.

After 3 months of discussions and starting the Draft Policy in which we attempted to meet BPA and Preference customer's interests – we have decided those interests are not aligned. To move forward with a Draft Policy and Public Comment process at this time, is not in the best interest of BPA and our preference customers.

Many energy and transmission issues will be evolving over the next several years, prior to establishing new Power Sale contracts. We believe Transfer Service is one of those issues and we all will be better served to align them together.

Thank you for your time and consideration on this issue.

From: Thompson,Garry R (BPA) - PS-6
Sent: Fri Aug 02 11:56:58 2019
To: Watts,Kirsten (BPA) - PSW-SEATTLE; Perry,Marcus I (BPA) - PSW-SEATTLE; Munz,Paul G (BPA) - PSW-SEATTLE; Farleigh,Kevin S (BPA) - PSW-6; Hobson,Claire A (BPA) - PSW-6
Cc: Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Schwendiman,Celeste M (BPA) - PSE-BOISE; Ross,Hope E (BPA) - PSE-MEAD-GOB; Rimmer,William T (BPA) - PSE-MEAD-GOB; Normandeau,Mike (BPA) - PSE-RONAN; Miller,Andrew J (BPA) - PSE-6; Bleifuss,Lindsay A (BPA) - PSW-6; Gilmore,Douglas R (BPA) - PSSE-MEAD-GOB; Cook,Joel D (BPA) - P-6; Ko,Tina G (BPA) - TS-DITT-2; Miller,Todd E (BPA) - LP-7; Bodine,Mary C (BPA) - LP-7; Garrett,Paul D (BPA) - PSS-6; Olive,Kelly J (BPA) - PSS-6; Greene,Richard A (BPA) - LP-7
Subject: Closeout of Transfer Policy Initiative
Importance: Normal

I will be calling PNGC, PPC, Seattle, Snohomish, Tacoma, EWEB and Clark later today to let them know we are not going to proceed with a Transfer Policy at this time and will wait when all other future Power Sales Contract issues are to be discussed. Following is my

(b) (5)

[redacted]

TRANSFER POLICY CLOSEOUT – DRAFT

Thank you for your interest in pursuing a BPA Policy on our commitment to role the delivery of Federal Power over Third Party Systems into a BPA Rate in future years – Post 2028.

After 3 months of discussions and starting the Draft Policy in which we attempted to meet BPA and Preference customer's interests – we have decided those interests are not aligned. To move forward with a Draft Policy and Public Comment process at this time, is not in the best interest of BPA and our preference customers.

Many energy and transmission issues will be evolving over the next several years, prior to establishing new Power Sale contracts. We believe Transfer Service is one of those issues and we all will be better served to align them together.

Thank you for your time and consideration on this issue.

Garry R. Thompson
VP NW Requirements Marketing
Bonneville Power Administration
grthompson@bpa.gov 503.230.5175

From: Thompson,Garry R (BPA) - PS-6
Sent: Mon Aug 05 11:29:02 2019
To: Boyer,Jennifer C (BPA) - DKP-7; Bleifuss,Lindsay A (BPA) - PSW-6
Cc: Goodwin,Summer G (BPA) - DKC-7; Rhoads,Abigail M (BPA) - DKE-7; Wilson,David B (BPA) - DKP-7; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Garrett,Paul D (BPA) - PSS-6
Subject: RE: Draft transfer service talking points
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

On Friday I did a limited announcement and called customers representatives that had been involved in the process to put in place a Transfer Service Policy. Following is essentially what I communicated to the AE's that had customers I spoke to and the Script I used when I called those noted in the email. I will discuss with the Power AE's tomorrow and both Power and Transmission AE's on Thursday. Bottom line – no talking points are necessary. Thank you!

I will be calling PNGC, PPC, Seattle, Snohomish, Tacoma, EWEB and Clark later today to let them know we are not going to proceed with a Transfer Policy at this time and will wait when all other future Power Sales Contract issues are to be discussed. Following is my

(b) (5)

[redacted]

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Thank you for your time and consideration on this issue.

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grthompson@bpa.gov 503.230.5175

From: Boyer,Jennifer C (BPA) - DKP-7 <jcboyer@bpa.gov>
Sent: Monday, August 5, 2019 10:33 AM
To: Thompson,Garry R (BPA) - PS-6 <grthompson@bpa.gov>; Bleifuss,Lindsay A (BPA) - PSW-6 <lableifuss@bpa.gov>
Cc: Goodwin,Summer G (BPA) - DKC-7 <sggoodwin@bpa.gov>; Rhoads,Abigail M (BPA) - DKE-7 <amhoward@bpa.gov>; Wilson,David B (BPA) - DKP-7 <dbwilson@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB < nmschimmels@bpa.gov>; Garrett,Paul D (BPA) - PSS-6 <pdgarrett@bpa.gov>
Subject: RE: Draft transfer service talking points

Hi Garry and Lindsay,

Just following up to see if there are any edits for me to incorporate yet? I believe we planned on going live with these in early September – FYI I'll be out Aug. 28-Sept. 11.

Thanks,

Jen

Jen Boyer

Public Affairs Specialist | Media Relations and Policy
Bonneville Power Administration
bpa.gov | P 503-230-3151 | C (b) (6)

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cid:image003.jpg@01D52CD3.53692920 cid:image004.jpg@01D52CD3.53692920
cid:image005.jpg@01D52CD3.53692920 cid:image006.jpg@01D52CD3.53692920

From: Thompson,Garry R (BPA) - PS-6
Sent: Wednesday, July 17, 2019 1:38 PM
To: Boyer,Jennifer C (BPA) - DKP-7; Bleifuss,Lindsay A (BPA) - PSW-6
Cc: Goodwin,Summer G (BPA) - DKC-7; Rhoads,Abigail M (BPA) - DKE-7; Wilson,David B (BPA) - DKP-7; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Garrett,Paul D (BPA) - PSS-6
Subject: RE: Draft transfer service talking points

Thank you Jennifer. I will now let Lindsay Bleifuss take the lead on these talking points. She will know who should review in PS and Legal before finalizing.

From: Boyer,Jennifer C (BPA) - DKP-7 < jcboyer@bpa.gov>
Sent: Wednesday, July 17, 2019 11:52 AM
To: Thompson,Garry R (BPA) - PS-6 < grthompson@bpa.gov>
Cc: Goodwin,Summer G (BPA) - DKC-7 < sggoodwin@bpa.gov>; Rhoads,Abigail M (BPA) - DKE-7 < amhoward@bpa.gov>; Wilson,David B (BPA) - DKP-7 < dbwilson@bpa.gov>; Bleifuss,Lindsay A (BPA) - PSW-6 < lableifuss@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 < skwilson@bpa.gov>; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB < nmschimmels@bpa.gov>; Garrett,Paul D (BPA) - PSS-6 < pdgarrett@bpa.gov>
Subject: RE: Draft transfer service talking points

Hi Garry et al,

Here's the latest draft with all the comments I've received incorporated. There are still some questions/details that will need to be addressed but I understand we've got some time to dial these in (until early Sept. anyway). There are a few highlighted bits that need more input.

I'm happy to forward this on…who in Legal should I send this to?

Thanks!

Jen

Jen Boyer
Public Affairs Specialist | Media Relations and Policy
Bonneville Power Administration
bpa.gov | P 503-230-3151 | C (b) (6)

cid:image001.jpg@01D52CD3.53692920 cid:image002.jpg@01D52CD3.53692920

cid:image003.jpg@01D52CD3.53692920 cid:image004.jpg@01D52CD3.53692920

cid:image005.jpg@01D52CD3.53692920 cid:image006.jpg@01D52CD3.53692920

From: Thompson,Garry R (BPA) - PS-6
Sent: Tuesday, July 16, 2019 10:25 AM
To: Boyer,Jennifer C (BPA) - DKP-7
Cc: Goodwin,Summer G (BPA) - DKC-7; Rhoads,Abigail M (BPA) - DKE-7; Wilson,David B (BPA) - DKP-7; Bleifuss,Lindsay A (BPA) - PSW-6; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Garrett,Paul D (BPA) - PSS-6
Subject: RE: Draft transfer service talking points

Jennifer, great first draft. Here are my edits. After your review we would need to have AE's and legal review as well. Thank you.

From: Boyer,Jennifer C (BPA) - DKP-7 < jcboyer@bpa.gov>
Sent: Monday, July 15, 2019 3:17 PM
To: Thompson,Garry R (BPA) - PS-6 < grthompson@bpa.gov>; Olive,Kelly J (BPA) - PSS-6 < kjmason@bpa.gov>
Cc: Goodwin,Summer G (BPA) - DKC-7 < sggoodwin@bpa.gov>; Rhoads,Abigail M (BPA) - DKE-7 < amhoward@bpa.gov>; Wilson,David B (BPA) - DKP-7 < dbwilson@bpa.gov>
Subject: Draft transfer service talking points

Hi Garry and Kelly,

Here's what I have so far for the talking points on the transfer service policy. Do these scratch the itch? Am I missing anything?

Please take a look and let me know if you have any edits.

Thanks,

Jen

Jen Boyer
Public Affairs Specialist | Media Relations and Policy
Bonneville Power Administration
bpa.gov | P 503-230-3151 | C (b) (6)

cid:image001.jpg@01D52CD3.53692920 cid:image002.jpg@01D52CD3.53692920

cid:image003.jpg@01D52CD3.53692920 cid:image004.jpg@01D52CD3.53692920

cid:image005.jpg@01D52CD3.53692920 cid:image006.jpg@01D52CD3.53692920

Provider of choice discussions with customers

A summary of our customers' views on competiveness for their business and Bonneville's

October 2016

BPA intends to establish long-term cost competitiveness metrics and goals to support our objective of remaining the wholesale power provider of choice when new power sales contracts are offered. In order to reflect customer perspective in the development of a new strategic plan to assure that we will be the wholesale provider of choice, BPA met with several customers and customer group representatives in September and October to collect their views on the competition they are facing now and what they expect to see over the next 10 years. The discussions also covered what competiveness means to our customers, concerns about BPA's competiveness and what BPA needs to do to remain their provider of choice.

We greatly appreciate the time and thoughtful comments and perspectives provided by our customers' executives, managers and subject matter experts.

To expand on these discussions, BPA account executives will be sharing the results of this effort with their customers over the next few months. They will be listening for concurrence with the perspectives we have identified in this paper and for any new observations.

BPA will then evaluate the information gathered from these discussions and incorporate it into the strategic plan development process. BPA also plans to engage the region in the development of BPA's long-term strategic plan in 2017.

Our intent is to have these discussions about every 18 months over the next several years. BPA wants to hear what competitive changes our customers are facing and be able to test where we are at as we strive to remain their provider of choice.

The following is a synopsis of what we heard from these discussions.

Key Themes from Competitiveness Discussions with Customers

1. **Competiveness challenges our customers are facing**
   - Customers are benchmarking against investor owned utilities and other public power utilities. If their rates are above a neighboring IOU's, it's harder to justify the benefits of public power.
   - Customers with substantial hydropower resources understand secondary sales and the upward rate pressure current conditions are placing on rates; they are facing the same market conditions as BPA and having to raise consumer rates.
   - No matter the size of the utility, almost all customers are experiencing declining loads, sales and revenue. The reasons include technology, smaller dwelling size, increased natural gas penetrations, energy efficient appliances/lighting and building codes.
   - Utilities have cut costs everywhere they can and they are running out of options to not raise rates.
   - Evolving markets are one area for new revenues to help keep rates down and bring value to our consumers.
   - Future power supply will be diversified with renewables, distributed generation and storage, but customers will still need energy and capacity products, which they would get from BPA if competitive.
   - Many customers are increasing rates annually from 3 to 6 percent.
   - Non-urban areas are falling further behind in income and are increasingly having to choose between electricity and other needs.

2. **BPA's competitiveness – establishing long-term credibility**
   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
   - BPA's proposed 4 to 9 percent rate increase, when projected forward, does not match with the long-term rate forecast projection. How is BPA going to get there?
   - Customers want to better understand the challenges and obstacles BPA is facing to be more competitive and want to help us where they can. Setting a rate target for 2028 would help.
   - There is a great concern that statutory requirements, such as the Endangered Species Act, energy efficiency, the Columbia River Treaty and the Residential Exchange Program, as well as current discretionary spending that other power suppliers do not face, will keep BPA from bending the cost curve and being competitive in 2028.
   - BPA's preliminary Integrated Program Review and Capital Investment Review spending levels show business as usual. BPA must demonstrate seriousness about controlling costs. BPA must build credibility now by changing the trajectory of its past three rate increases and start bending the cost curve.
   - Does BPA's future net requirement loads justify the level of proposed asset investments? Utilities are seeing growth but overall loads are flat and in many cases declining due to new technologies and resource options. Net requirements may be less in 2028 than today considering distributed generation, and there is a need to challenge the status quo.
   - BPA needs to consistently use a dependable and proven method when making decisions and provide better explanations on decisions as well as provide the details behind decisions.
   - There is a need to conduct market-based benchmarking to determine if cost projections and spending need a "course correction." Benchmarking can also provide significant informational benefits to help customers communicate the differences and value between BPA's products and the short-term energy market to utility boards and consumers.
   - The culture in transmission is not customer-service oriented and needs to be improved and reflect BPA's regional role.
   - Strong working relationships are heavily considered when selecting a provider. Many customers encouraged BPA to invest in our relationship due to the perception that it is an inexpensive way to create substantial value.
   - Customers are supportive of "rate case lite" decision-making process - with BPA staff proposal, stakeholder comment and transparent evaluation of positions with decision.
   - BPA brings too many employees to meetings. Do 25 employees really need to be at a rate case workshop?
   - BPA should consider a customer advisory group to create an ongoing opportunity for deeper discussions. The group would help develop BPA's strategic plan by picking up where Focus 2028 left off and provide a level of transparency.
   - There are too many processes that feel like they are just for the sake of process.
   - BPA appears to give more consideration to non-paying interest groups than the paying customer.
   - Public benefits provided to customers (e.g. Low Density Discount, irrigation rate mitigation and transfer service) are of great value to customers and consumers.
   - BPA needs to show value obtained from evolving markets and carbon-free hydro resources. BPA needs to maximize the value of its hydropower.
   - Customers understand that the short-term spot market is not comparable to the priority firm rate and the forward market is a somewhat better comparison.
   - Customers want to see BPA take a stronger stance on making large hydropower resources relevant in the future. There should be credits for being renewable and carbon free. It's currently being marginalized when it's a premium resource. California is not paying the value of a carbon-free resource today.

- BPA needs to look for opportunities and when needed partner with its customers. For example, opportunities in electric vehicles to increase power demand.
- Customers expect BPA to run like a business, even though it's a power marketing administration under the Department of Energy.

3. **Contracts**
   - BPA should offer both short-term and long-term contracts.
   - BPA should consider full and partial requirement contracts and consider offering off-ramps to allow customers out of contracts at different times.
   - BPA should consider dropping the Tiered Rates Methodology. Tiered rates used to make sense but it does not anymore.
   - Rate cases should be less frequent, such as every five years, partially related to perceived rate certainty but also due to fatigue of two-year budgeting and rate-setting processes.
   - Price certainty will be important in signing new contracts in 2025.
   - Customers want more flexibility to make or purchase contract changes and on product use.
     - They want the ability to diversify energy sources to meet state and consumer demands by reducing net requirements.
     - They want simplicity. The current contract is too complex and results in unnecessary customer overhead to manage. The implementation tends to be "paternalistic" from BPA.
     - There should be more clarity on how and who decides on penalty waivers. There should be fewer penalties in contracts. Is the Slice requirements Slice output Test, as currently implemented, really needed?

4. **Products**
   - There is significant interest in capacity products.
   - Customers want price certainty to hedge secondary risk, rate and cost collars. They are willing to pay a premium for certainty.
   - They want a standardized menu of products.
   - They also want unbundled products or cafeteria-style approach.
   - They want a more flexible and less complex Slice product.
   - Customers are going to be interested in a green or carbon-free product that does not include the Columbia Generating Station.

5. **General**
   - The business case for a new financial reserves policy is not compelling. BPA has a current practice. Why not document the current practice as a policy for the credit rating agencies?
   - BPA needs to invest in transmission. Transmission is a small portion of bill, but reliability is non-negotiable and wins over price every day.
   - Most customers cannot see a world without BPA in their future, but perhaps not to the extent it is today. Regardless, customers will have to do their due diligence with regard to evaluating other providers, and they want BPA to be the easy choice.
   - Preference is valued today, but at what cost? Non-paying interests, fish costs, energy efficiency and discretionary spending are eroding the value of preference.
   - Several customers acknowledged it is time to re-engage with the Northwest Power and Conservation Council and other areas where BPA needs support to change policies. In order to do so, BPA needs to say no to discretionary spending, political whims and not fund or go along with the "nice to have" initiatives. BPA needs to tell the customers how they can help you with specific information and education.
   - BPA needs to be an educator for utilities, board members and consumers of the Pacific Northwest.

From: Schwendiman,Celeste M (BPA) - PSE-BOISE
Sent: Fri Sep 06 09:51:07 2019
To: Alan Skinner; Brad Gamett; Chad Surrage; Clay Fitch; Clint Heward; Gary Buerkle; Greer Copeland; Jared Teeter; Jim Bowers; Jim Webb; Jo Elg; Kelly Anthon; Ken Dizes; ken@srec.org; Mayor Austin Robinson ; Mayor Cleo Gallegos; Mayor Diana Thomas; Mayor Isaac Loveland; Mayor Jay Darrington; Mayor Jim Cook; Mayor Steve Ormond; Amber Whitaker; Ashlee Langley; Billy Palmer; Bo Betzer; Brent Wallin; Cindy Hruza ; David Tate; Enoch Dahl; Kay Buerkle; Mark Mitton; Mary Yeaman; Michael Campbell; Mike Cromie; Soda Springs; Tony Morley; Will Hart
Cc: Hardin,Craig A (TFE)(BPA) - TSE-TPP-2; DeClerck,Angela (TFE)(BPA) - TSE-TPP-2; Evans,Mary Beth (BPA) - PEJB-MEAD-GOB; Williams,John J (BPA) - DIR-BOISE
Subject: BPA responds to inaccurate Greenwire article
Importance: Normal
Attachments: Greenwire Article Response.pdf

Microsoft Exchange Server;converted from html;
The online news source Greenwire, part of E&E News, published an article Sept. 3 that grossly misrepresented BPA's financial health and failed to acknowledge the steps BPA has taken to ensure it remains the power provider of choice for its public power customers. The publication has agreed to post a statement from BPA Administrator Elliot Mainzer to correct the record. We expect Greenwire will update the original article later today with a short statement from Mainzer and a link to his full response. (link to the original article:
https://www.eenews.net/greenwire/2019/09/03/stories/1061110823)
The administrator's response is attached.

Celeste Schwendiman
Power Account Executive
Bonneville Power Administration

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

September 5, 2019

Cyril T. Zaneski
Executive Director
E&E News

Dear Cyril,

The Bonneville Power Administration has made great strides in recent years to address competitive pressures in the power market and sustain financial health, maintaining the agency's role in the Northwest as an engine of economic prosperity and environmental sustainability.

As BPA's administrator and CEO, I was deeply disappointed to read the mischaracterizations in Greenwire's Sept. 3 article on the issues facing BPA and the Pacific Northwest. The article painted a grossly inaccurate picture of BPA's current financial condition and failed to acknowledge the steps that Bonneville and its key partners are taking to ensure BPA remains the power provider of choice for its public power customers.

BPA takes its role in the region very seriously. The inaccuracies in this article mislead readers on the true nature of our finances, and do not help policymakers and stakeholders understand what is happening in the electricity market.

Although I also have concerns with the article's characterization of BPA's fish and wildlife program, I will not debate that issue here. I do want to correct the misrepresentation of BPA's finances.

Far from being on the verge of "going broke," BPA is in very sound financial condition, with investment-grade credit ratings from the three major ratings agencies. And we are taking steps every day to further improve our position through the fulfillment of a strategic plan we developed to address the very challenges discussed in the article. The article implies BPA does not have a plan to sustain its competitive position, which is absolutely false.

In addition, as the Northwest's biggest clean-power supplier, we see potential in the changing energy industry, particularly as states move toward decarbonization.

As the article correctly notes, however, power providers in the Northwest are having to adapt to the changing electricity market. In the Northwest, we have been blessed for decades with low-cost, abundant hydropower. But recently, the proliferation of cheap natural gas, large-scale development of variable energy resources such as wind and solar, and periods of oversupply have dampened wholesale energy prices and reduced BPA's wholesale market revenues.

Contrary to the article, which asserts California no longer needs BPA's power, BPA is actually projecting stronger surplus revenues from California sales in fiscal years 2020 and 2021 than what we saw in 2018 and 2019. Longer term, we see California as an important market for Northwest federal hydropower. It's true that wind and solar generation are increasing, but that means the need for flexible, reliable, low-carbon resources will increase as well. Hydropower is a highly sought-after resource to balance the variability and intermittency of wind and solar. And through our ambitious and aggressive grid modernization initiative, we are taking steps to leverage and enable industry change that will allow us to capture the full value of our flexible hydropower resources in this low-carbon environment.

Another challenge the article highlights is the rising costs of maintaining the federal power and transmission system, as well as the costs of meeting our fish and wildlife responsibilities and other statutory obligations. This combination of lower revenues and higher costs placed significant upward pressure on BPA's rates over the past 10 years. Understandably, our public power customers, who buy power under long-term contracts that extend through 2028, expressed concerns about BPA's competitive position.

BPA shared that concern and took it as a call to action – a fact not noted by Greenwire. Our 2018-2023 Strategic Plan is focused on taking steps now to bend the cost curve and strengthen our commercial position so that we will be well-positioned for new contract negotiations with our customers in the next decade. Going forward, BPA is committed to managing costs at or below the rate of inflation to further strengthen the agency's competitive position. We have demonstrated this by reducing program costs by $66 million per year during the next rate period, placing BPA on a much more sustainable rate trajectory.

We are also taking steps to manage BPA's debt over the next decade. Greenwire accurately reports BPA's debt as $15 billion. But it's important to understand the context of this debt. First, BPA repays its debt with revenues from power and transmission sales – not with taxpayer dollars. BPA is a self-financed federal power marketing administration that does not rely on annual appropriations from Congress and must recover its costs through its rates. BPA's revenues far exceed the total debt coming due. In fiscal years 2020 and 2021, BPA is projecting annual revenues of $3.8 billion, which will provide more than enough cash flow to cover the $700 million in debt that will be due each of those years. When we made our annual U.S. Treasury payment last fiscal year, it marked the 35th year in a row BPA has made this payment on time and in full. Over that period, we have paid more than $29.8 billion to Treasury,

including $5.5 billion earlier than scheduled. We are on track to make our full Treasury payment this fiscal year as well.

Consistent with our strategic and financial plans, we are taking steps to manage BPA's debt. The agency's debt-to-asset ratio has and will continue to decline. We also use tools to maintain healthy financial reserves. After making our next Treasury payment, BPA expects to close fiscal year 2019 with nearly $800 million in financial reserves. We are also working to preserve our access to capital so we can continue to invest in the region's power and transmission infrastructure.

Like others in our industry, we face ongoing economic and environmental challenges. It is absolutely essential that BPA sustain the progress we have made in managing costs, strengthening finances, modernizing assets, providing competitive products and services and meeting the changing needs of the region's power system. We appreciate the enduring interest and concern of our key partners in BPA's long-term economic viability. We will need their continued support to sustain Bonneville's vital role in the Northwest.

Sincerely,

Elliot E. Mainzer
Administrator and CEO

From: Thompson,Garry R (BPA) - PS-6
Sent: Mon Sep 09 09:28:51 2019
To: Adair,Tracy J (CONTR) - PSSE-MEAD-GOB; Gilmore,Douglas R (BPA) - PSSE-MEAD-GOB; Kruse,Pontip K (BPA) - PSSE-MEAD-GOB; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Miller,Andrew J (BPA) - PSE-6; Normandeau,Mike (BPA) - PSE-RONAN; Rimmer,William T (BPA) - PSE-MEAD-GOB; Ross,Hope E (BPA) - PSE-MEAD-GOB; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Schwendiman,Celeste M (BPA) - PSE-BOISE; Bleifuss,Lindsay A (BPA) - PSW-6; Farleigh,Kevin S (BPA) - PSW-6; Gillins,Christine A (CONTR) - PSW-SEATTLE; Hobson,Claire A (BPA) - PSW-6; Lowe-Sheldon,Jennifer C (CONTR) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Perry,Marcus I (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Wilson,Scott K (BPA) - PSW-6
Subject: FW: BPA financial status and competitiveness
Importance: Normal

FYI on what PPC sent to customers last Friday.

From: Scott Simms [mailto:ssimms@ppcpdx.org]
Sent: Friday, September 06, 2019 1:15 PM
To: Mainzer,Elliot E (BPA) - A-7
Cc: Wilson,David B (BPA) - DKP-7; Turner,Kristel L (BPA) - DKP-7; Thompson,Garry R (BPA) - PS-6
Subject: [EXTERNAL] FW: BPA financial status and competitiveness

FYI

From: Scott Simms <ssimms@ppcpdx.org>
Sent: Friday, September 6, 2019 1:10 PM
To: Scott Simms <ssimms@ppcpdx.org>
Cc: Michael Deen <mdeen@ppcpdx.org>; Irene Scruggs <iscruggs@ppcpdx.org>
Subject: BPA financial status and competitiveness

To: PPC General Managers
From: Scott Simms
RE: BPA financial status and competitiveness

As many of you heard at the PPC Executive Committee meeting yesterday, there was some discussion of a recent Greenwire (E&E) article that gave an overstated account of BPA's financial situation. This is the latest in a recent trend where concerns over BPA's long-term rate trajectory and competitiveness have been conflated with near term financial solvency.

Thanks to the long-term power contracts with preference customers, BPA is able to meet all of its financial obligations and the agency maintains strong credit ratings with the major credit ratings agencies. This includes hundreds of millions of dollars in repayment of the investment in the FCRPS to the U.S. Treasury each year.

PPC's advocacy efforts remain focused on controlling the long-term trajectory of BPA's costs and rates to ensure that the agency can provide the most valuable power supply options to public power after 2028. This most recent rate cycle represented some significant progress in this regard, including $66 million in reduced program spending below current levels and further progress in the rate case

process itself.

However, I want to make sure that this progress is considered in context and it's clear that the focus needs to remain on maintaining progress in the long term. In order for BPA to be competitive come 2028, a lot of additional work is needed and we look forward to working with BPA staff, the Army Corps of Engineers and the Bureau of Reclamation to continue to turn the corner on cost control.

For background on PPC's position around BPA Competitiveness and Costs, please reference our February 2019 white paper here. As well, here is BPA's response to the Greenwire story.

Scott Simms
Executive Director
Public Power Council
650 N.E. Holladay Street, #810
Portland, OR 97232
503-595-9770
www.ppcpdx.org

From: Schwendiman,Celeste M (BPA) - PSE-BOISE
Sent: Thu Sep 26 11:15:16 2019
To: Alan Skinner; Brad Gamett; Chad Surrage; Clay Fitch; Clint Heward; Gary Buerkle; Greer Copeland; Jared Teeter; Jim Bowers; Jim Webb; Jo Elg; Kelly Anthon; Ken Dizes; ken@srec.org; Mayor Austin Robinson ; Mayor Cleo Gallegos; Mayor Diana Thomas; Mayor Isaac Loveland; Mayor Jim Cook; Mayor Steve Ormond; Amber Whitaker; Ashlee Langley; Billy Palmer; Bo Betzer; Brent Wallin; David Tate; Enoch Dahl; Kay Buerkle; Mark Mitton; Mary Yeaman; Michael Campbell; Mike Cromie; Soda Springs; Tony Morley; Will Hart
Cc: Hardin,Craig A (TFE)(BPA) - TSE-TPP-2; DeClerck,Angela (TFE)(BPA) - TSE-TPP-2
Subject: Correcting the Record on BPA's Financial Health
Importance: Normal
Attachments: BPA corrects record on financial health.docx

Microsoft Exchange Server;converted from html;

Dear Customers,

You may have read a recent article mischaracterizing BPA's financial health. BPA reach out to the author to correct the inaccurate information. We also created some talking points (attached) that you may use to discuss concerns from your staff, board, members, or others, and we updated our website with additional information here: https://www.bpa.gov/news/newsroom/Pages/BPA-responds-to-deeply-flawed-article-on-agencys-financial-health.aspx

I also wanted to share that we recently signed an implementation to join the energy imbalance market and posted a roadmap showing the next steps in the grid modernization process to meet the proposed go-live date, March 1, 2022. The roadmap can be found here: https://www.bpa.gov/Projects/Initiatives/Grid-Modernization/Pages/Grid-Modernization.aspx

Finally, with Janet Herrin's retirement, BPA named John Hairston the new chief operating officer. Hairston has served in numerous leadership roles throughout his 28 years at BPA, most recently as the agency's first chief administrative officer. Robin Furrer, the vice president of Transmission Field Services for 14 years, will be BPA's new chief administrative officer. News release with more information here: https://www.bpa.gov/news/newsroom/Pages/BPA-promotes-two-executives-to-key-senior-positions.aspx

If you have questions or would like additional information on anything above, please don't hesitate to give me a call. –Celeste (208) 670-7406

BPA talking points

BPA corrects record on financial health

September 2019

What this is

Recently published national news articles have painted a highly inaccurate picture of BPA's current financial condition and long-term financial health. The following information is for BPA representatives and stakeholders to use when responding to questions regarding the inaccurate reporting.

Key messages and storyline

- Recent articles have grossly mischaracterized BPA's financial position and do not recognize the progress BPA has made and continues to make toward its 2018-2023 Strategic Plan.

- BPA is in very sound financial condition with investment-grade credit ratings from the three major ratings agencies. While BPA acknowledges its financial challenges, it is not "going broke" as one of the articles claims.

- BPA is executing on the financial health objectives it set in its strategic and financial plans. Among our efforts, we have worked hard to reduce costs and limit upward rate pressure. BPA met its cost-management objective to keep program costs at or below the rate of inflation for the BP-20 rate period and announced in July that there will be no increase to the base power rate.

Background

In early 2018, BPA announced the development of its five-year strategic plan that includes objectives to reduce costs, control rates and modernize assets. Since its development, the strategic plan has acted as a blueprint to guide BPA as it bends the cost curve and works to keep the agency on a positive financial path and sustain competitiveness in the rapidly changing energy landscape.

Questions and Answers

1. What is BPA's overall strategy to sustain its financial health?

BPA's strategic plan and the 2018 financial plan call for instituting cross-agency cost management discipline to maintain low rates, and to maintain financial resiliency by building financial reserves, reducing leverage and maintaining borrowing authority.

The plan calls for holding program costs at or below the rate of inflation through 2028. BPA has worked hard to reduce costs and has made great strides toward this goal. BPA's projected

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program costs for fiscal years 2020 and 2021 are $66 million per year below the current two-year rate cycle. Projected costs for those years are also approximately $140 million below inflation. The FY 2020 and 2021 base power rate will not increase. However, there will likely be a 1.5% reserves surcharge later this fall as part of the agency's plan to build financial reserves. The 1.5% reserves surcharge would still keep the wholesale power rate increase below the rate of inflation while allowing BPA to achieve its goals for improving financial liquidity.

As another example, in the BP-20 rate period BPA will pay $26 million more per year toward Transmission debt than the requirement in order to improve BPA's financial leverage position. Additionally, BPA agreed with Energy Northwest in 2018 to complete a Regional Cooperation Debt 2 program that will free up approximately $3.5 billion in future borrowing authority.

2. What is the truth about BPA's power rate increases over the past 12 years?

While it's true BPA's rates have gone up 30% since 2008 – which equates to about 3.6% annually – the agency's strategic and financial plans are focused on slowing this trajectory by keeping rates at or below the rate of inflation. We demonstrated our commitment to bending the cost curve in the BP-20 Rate Case, which concluded with no base power rate increase for FY 2020 and 2021.

3. How do BPA's power rates compare to the wholesale power rates?

As wholesale prices have trended downward, BPA's Priority Firm rate has trended upward. But BPA's rates and wholesale rates are not entirely comparable because BPA's PF rate includes attributes that are not fully reflected in market prices. These attributes include:

- **Price stability:** BPA's firm power sales are sheltered from the day-ahead market's uncertainty and volatility. The price of power sold in day-ahead wholesale markets can be volatile, especially during times of high demand and low supply. For example, during a cold spell in February and March 2019, prices at the Mid-Columbia trading hub reached nearly $900 per megawatt-hour, an 18-year high. Unlike the day-ahead wholesale market, BPA's rates are cost-based and are set every two years. They do not change over the two-year rate period unless financial conditions decline to a point where a reserves surcharge or Cost Recovery Adjustment Clause are triggered to maintain financial liquidity. BPA's current firm Tier 1 power rate is $35.57/MWh.

- **Carbon free:** About 95% of BPA's power sales come from the carbon-free Federal Columbia River Power System. On the other hand, day-ahead wholesale market purchases can be sourced from carbon-emitting resources, and state regulatory agencies generally assign a default emission rate to these unspecified market purchases. This means BPA customers have lower carbon costs compared to buying power from other sources.
- **Capacity.** All but two of BPA's 134 long-term power customers purchase firm products from BPA that include capacity (flexibility) as part of their service. Capacity

is expensive, and its cost is included in BPA's average PF Tier 1 rate. The capacity provided by BPA is necessary because power demand, or load, changes constantly. As load changes, the output of generators must change too, ensuring that supply and demand always match. Capacity is not included in a wholesale day-ahead market purchase.

- **Load following.** Most of BPA's long-term customers purchase the load following product, which includes both energy and capacity to meet the hour-to-hour and within-hour variation in end-use consumption. This requires people and systems to balance the customer's loads and generation 24/7. The cost of the load following service is included in the PF Tier 1 rate but is not be included in a wholesale market purchase.

4. What is the current status of BPA's financial reserves, and why the potential surcharge?

BPA's Financial Reserves Policy requires a minimum of 60 days cash on hand for each business line while maintaining a 97.5% Treasury payment probability. Incidentally, BPA has made all of its payments to the U.S. Treasury on time and in full for the past 35 years.

To help reach its liquidity goals, BPA established the financial reserves policy to allow an increase in power and transmission rates if financial reserves for those business lines fall below 60 days cash on hand. Power financial reserves at the end the fiscal year are projected to be below 60 days cash on hand, largely because of unexpected power purchases BPA had to make in February and March when market prices reached record highs. Market prices spiked because of a combination of natural gas constraints, low hydro generation and high energy demand due to cold weather. BPA expects the financial reserves policy to trigger a surcharge of $30 million, equal to a 1.5% rate increase for power customers in FY 20, which is still below the rate of inflation.

5. What are BPA's credit ratings?

BPA continues to have high investment-grade credit ratings. Standard and Poor's credit rating for BPA is AA- with a stable outlook; Moody's is Aa1 with a negative outlook; and Fitch's is AA with a stable outlook. The graph below shows how BPA's ratings stand against comparable utilities.

Moody's recently changed its outlook for BPA from stable to negative, but Moody's has also rated BPA the highest out of all three credit ratings agencies. While Moody's recognized BPA's strong competitive position, they noted the erosion of BPA's internal and external liquidity and the plans to further extend the Regional Cooperation Debt program as reasons for the negative outlook. A negative outlook typically signals that if conditions do not materially change, the entity's credit rating may be downgraded.

S&P recently reaffirmed BPA's strong rating, while Fitch changed BPA's outlook from negative to stable. Fitch cited BPA's very strong revenue defensibility, very low operating

costs, and strong financial profile (but noted BPA is highly leveraged) in its decision to remove BPA's negative outlook.

BPA's strategic and financial plans are intended to strengthen BPA's financial health and competitive position, strengthening the agency's credit profile going forward. For example, under the agency's new Financial Reserves Policy, we have established minimum reserves levels and are implementing tools to increase reserves when they fall below the threshold. In addition, under BPA's new leverage policy, we are repaying debt earlier than previously scheduled.

How do BPA's ratings compare to other utilities?

	Moody's	Fitch	S&P
Investment Grade	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	A1	A+	A+
	A2	A	A
	A3	A-	A-
	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Non-Investment Grade	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
	B1	B+	B+
	B2	B	B
	B3	B-	B-
	Caa1	CCC+	CCC+
	Caa2	CCC	CCC
	Caa3	CCC-	CCC-

BPA
TVA
Seattle City Light
Portland General Electric

6. What is BPA's plan to invest in hydro system infrastructure, and is that level of investment sustainable?

The federal hydropower assets generate nearly $3 billion per year in revenues. To maintain reliability, BPA's target is to ramp up reinvestment into these assets from less than $200 million per year to $300 million per year by the early 2020s. Reinvesting $300 million of capital to maintain these revenue-producing assets is supported by rigorous analyses of the condition and value of the major components in the hydro system to minimize cost and maximize the value of our investments.

7. What is the status of BPA's borrowing authority?

BPA's goal is to maintain $1.5 billion in available U.S. Treasury borrowing authority capacity on a rolling 10-year basis, with $750 million retained for operational liquidity and $750 million for capital liquidity. As of June 30, $2.4 billion of borrowing authority was available out of the $7.7 billion authorized. BPA continues to identify current and future tools to adequately fund BPA's capital investments at the lowest possible cost. These tools include: revenue financing, third-party leases, and funds that are freed up by working with Energy Northwest to refinance Regional Cooperation Debt.

8. Is BPA's debt portfolio sound?

Yes. BPA's total debt has grown only slightly over the past 10 years. BPA's leverage policy places a strong governor on the amount of debt allowed to be on the books, currently sitting at nearly $15 billion. BPA repays its debt with revenues from its power and transmission sales. In fiscal years 2020 and 2021, BPA is projecting annual revenues of $3.8 billion, which far exceed the $700 million in debt that will be due on average each of those years. The agency has also adopted a financial objective to reduce its debt-to-asset ratio to a range of 75% to 85% by 2028. BPA ended FY 2017 with a debt-to-asset ratio of 90% and ended FY 2018 at 88%. BPA expects to continue this downward trend in the BP-20 rate period.

9. What's happening with the California power market?

BPA's surplus of carbon-free hydropower is needed more than ever in California as the state retires its carbon-producing facilities such as coal and gas and relies more on solar and wind for energy production. In addition, it's probable that other states across the west will continue to need access to greater amounts of BPA's flexible hydropower to balance the variability of wind and solar generation. BPA analysts expect the demand for BPA's surplus energy to grow in California over the next several years.

DRAFT CUSTOMER QUESTIONNAIRE ON POST-2028 CONTRACTS, PRODUCTS, RATES
9/30/19

In 2016, Elliot Mainzer and other executives concluded Bonneville's Focus 2028 effort and held Provider of Choice conversations around the region. The Focus 2028 conversations culminated in the Agency's long-term Strategic Plan released in 2018.

At the conclusion of the Provider of Choice conversations in fall of 2016, Bonneville committed to periodically reopen those regional conversations to understand the challenges our customers are facing today and to test where the Agency stands as we strive to remain their provider of choice. Bonneville is fulfilling this commitment with a six-month customer engagement period from this November through next May.

Bonneville's goal is to be the low cost power provider of choice to customers beyond 2028. Bonneville would like to hear from you.

The questions below are about the products, contracts and policy direction Bonneville may take post-2028. Please know that your input is important and valuable. In concert with the feedback Bonneville heard and collected during the 2016 Provider of Choice conversations, the information customers provide to us from these questions will help lay the foundation for the next power sales agreements. Please take the time to review these questions in advance of our meeting. The survey Bonneville will administer is identical to the questions below.

(b) (5)

(b) (5)

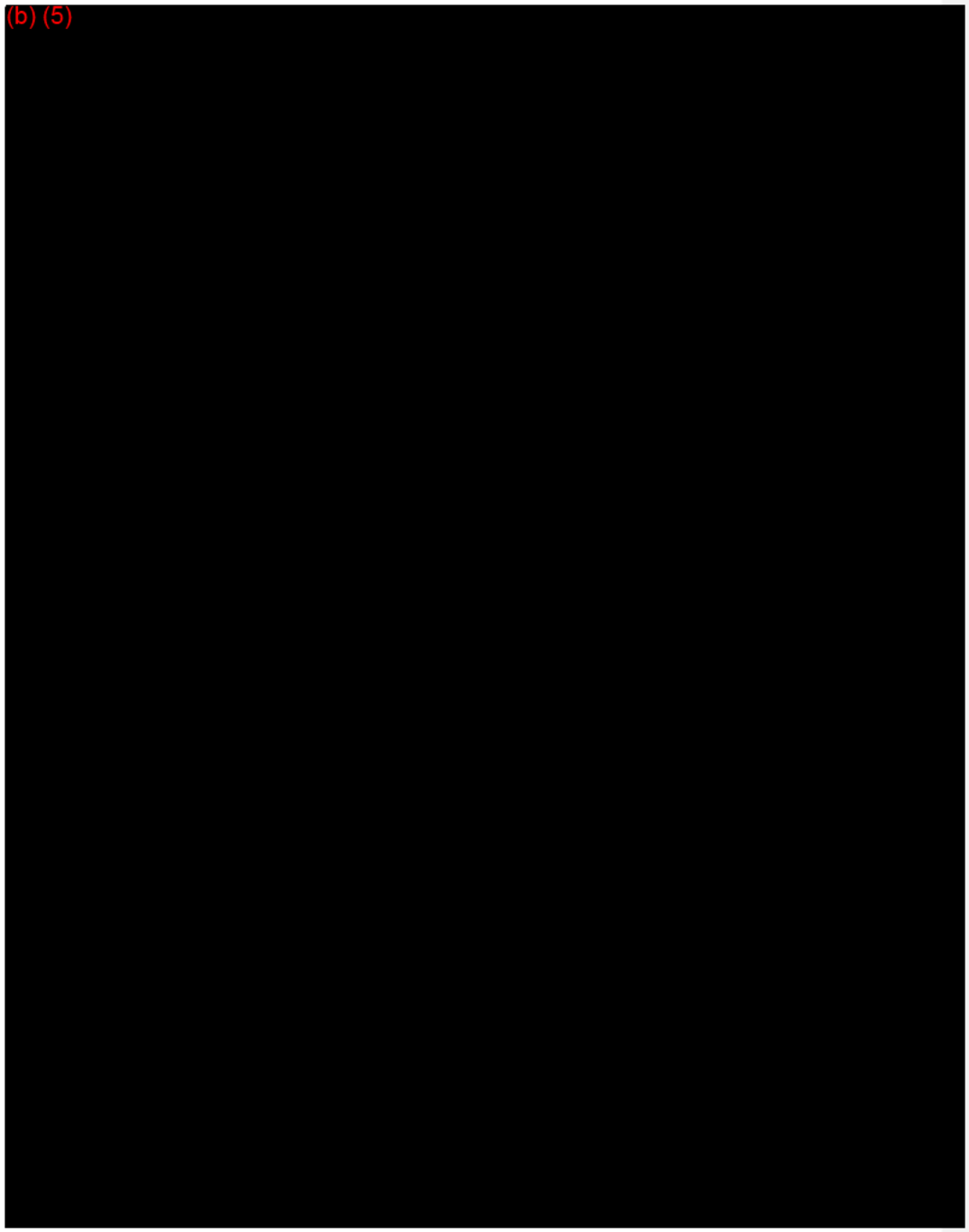
[redacted]

(b) (5)

(b) (5)

DRAFT

(b) (5)



(b) (5)

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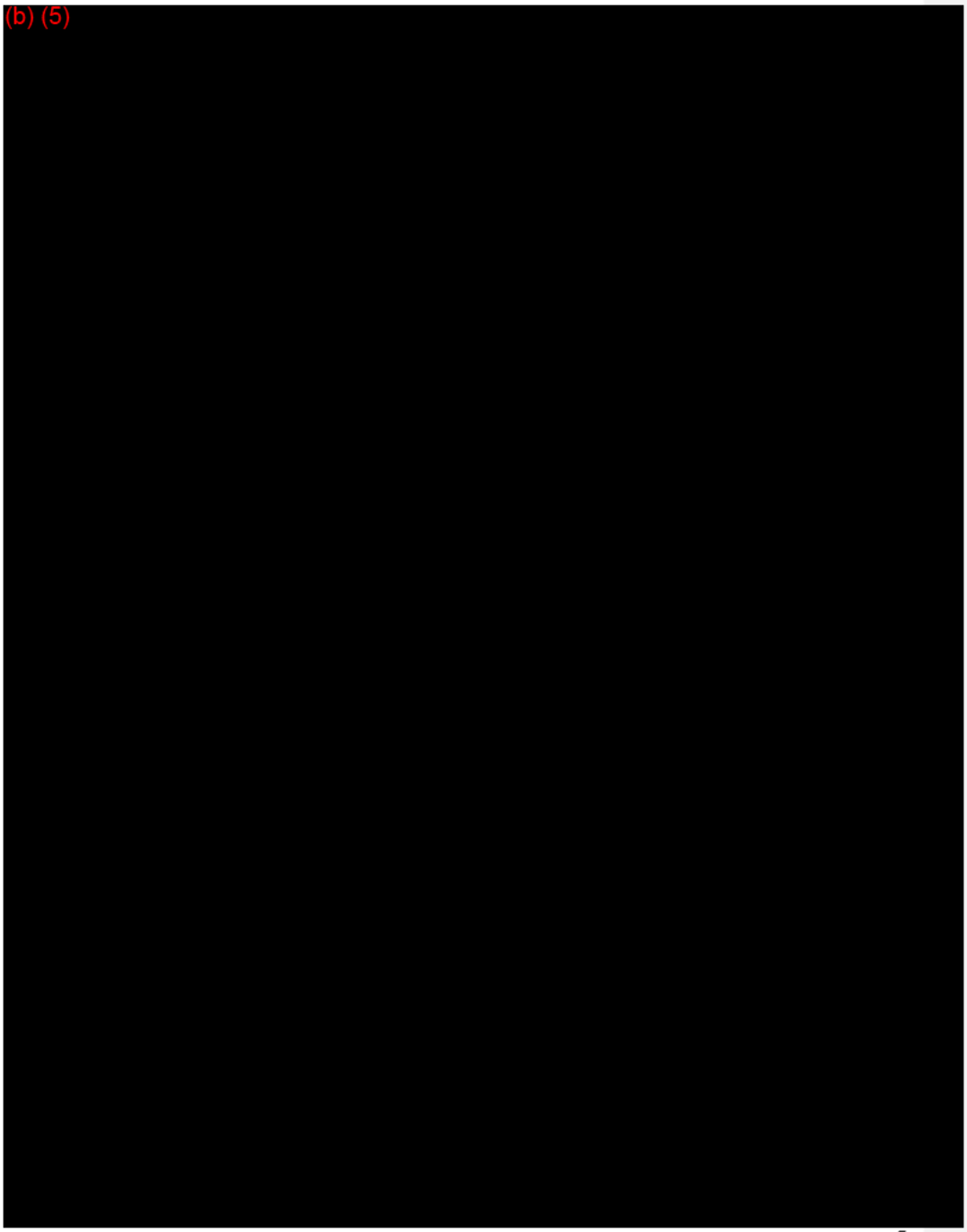

(b) (5)

From: Schwendiman,Celeste M (BPA) - PSE-BOISE
Sent: Thu Oct 03 06:19:45 2019
To: Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: RE: Net Billing / Regional Debt possible misinformation
Importance: Normal

Thanks Scott ☺

From: Wilson,Scott K (BPA) - PSW-6
Sent: Wednesday, October 02, 2019 6:01 PM
To: Schwendiman,Celeste M (BPA) - PSE-BOISE; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: RE: Net Billing / Regional Debt possible misinformation

Those dollars will not be immediately payable if they left BPA. They are obligations of BPA and we would still cover them. The BPA going bankrupt part is not untrue but that would be a very difficult thing to have happen since we can defer the $1 Billion in treasury payments and it's not likely we would continue to have to pay for all of the other subsidies and the REP either. So if BPA were to be unable to cover less than half of its current costs we might have something to talk about along that line but I don 't see it. It would mean no EE, no LDD, no REP, no Irrigation Discount, no treasury payments, a high likelihood of not paying for more F&W and no new revenues from carbon value. Seems a long string of bleak assumptions that is unlikely to happen kind of equivalent to spending all of your time worrying about getting hit by a meteor. Essentially those debts are the first thing we would pay off with the first money that comes in. I talked with Stephanie Blecker in legal and she is going to send me some materials she has put together on this, including the bond statements we have around this very small risk. This may be worth bringing up at the AE call this or next week. Or maybe as a topic at our upcoming retreat in Spokane.
--Scott

From: Schwendiman,Celeste M (BPA) - PSE-BOISE
Sent: Tuesday, October 01, 2019 2:10 PM
To: Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: Net Billing / Regional Debt possible misinformation

(b) (5) [redacted].

Please let me know your thoughts, -C

From: Kevin Kytola <kkytola@sapereconsulting.com>
Sent: Monday, October 07, 2019 8:19 AM
To: Alders,Kyna L (BPA) - PGL-5; Barham,Theodore J (BPA) - PGL-5; Berg, Anna; Paul Dockery; CARDOZA Kevin
Subject: [EXTERNAL] Slice SIG: DRAFT SIG notes for review
Attachments: SIG Meeting Minutes 10_01_19_v0.docx

Categories: FOIA

Good Morning,

Attached are draft notes from last week's SIG meeting. Please review and let me know if you have any suggested modifications by COB Tuesday October 8th.

Kevin

Kevin Kytola
Sapere Consulting, Inc | 103 E. Main St.; Suite 301 | Walla Walla, WA 99362
509-524-2343 (office) | (b) (6) (cell) | 509-529-7886 (fax)

16010012-0

Regional Dialogue
SLICE Implementation Group (SIG)
Meeting Summary
October 1, 2019

Meeting Attendees: See Attachment 1

I. Meeting Minutes

- The September 4, 2019 meeting summary was approved without modification.

II. Operations Updates

- GCL forebay elevation target is 1283 ft by mid-October. End of October planned target is 1286 ft. Pumping for irrigation is dwindling but will be active until mid-October.
- BON flow min/max constraints for Chum will be in effect in November.
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- Recallable storage water has all been returned to Canadian reservoirs. BPA and BC have been storing non-treaty water. Full is measured as 1260 kcfs-days. Currently at 700 kcfs-days.

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- ACTION: Alders to look for scatter plot of range of potential flexible spill outcomes that was shared during early planning discussions between BPA and customers prior to implementing flexible spill.

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V. Miscellaneous

- MCN Flow Constraints: Customers and BPA will not make any changes at this time. BPA shared details of model logic with customers to support ongoing evaluation of potential impacts if a change were made.

16010012-0-0

- 6NN Implementation Guide: No specific changes recommended by customers. If and when the guide is exercised, the SIG will review the outcomes.
- November 14, 2019 Slice Exec Meeting: Likely topics include:
    - EIM Phase III road map;
    - Post-2028 product concepts;
        - Topics of interest include tiered rates, residential exchange, energy efficiency, Slice, influence of load forecasts, desire to minimize complexity
    - Results of BPA customer survey;
    - FCRPS EIS Update;
    - ACTION: Alders will ask BPA executives if they have any agenda items.
    - ACTION: Customers to let Alders know if representative from Transmission should attend.

VI. Wrap-Up/Next Steps

- Next SIG Meeting will be November 14th.

16010012-0-0

Attachment 1: List of Attendees

In Attendance	
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Clark Public Utilities	Tom Haymaker
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Sapere Consulting	Kevin Kytola

Attachment 2: BPA spill surcharge allocation based on Aurora modeled prices.

	2018			2019		
	Total	**Non Slice**	**Slice**	**Total**	**Non Slice**	**Slice**
NS/Slice percentages		77%	23%		77%	23%
Total spill cost	38.6	29.8	8.8	34.9	27.0	7.9
F&W Cost Reduction	-20	-15.5	-4.5	-34	-26.3	-7.7
4(H)10[c] credit reduction	4.5	3.5	1.0	7.6	5.9	1.7
Sub-Total	23.1	17.8	5.3	8.5	6.6	1.9
Secondary reduction		7.6			6.8	
Spill Surcharge		10.2			NA	

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Mon Oct 07 15:48:10 2019
To: 'CAPPER Megan' (Megan.Capper@EWEB.ORG); CARDOZA Kevin; SCHROETTNIG Matthew (Matthew.Schroettnig@EWEB.ORG)
Cc: Alders,Kyna L (BPA) - PGL-5
Subject: Delay in BPA's post-2028 survey/conversation
Importance: Normal

Megan, Kevin and Matt,

Hope you're all doing well!

I wanted to reach out and pass along an update regarding our upcoming October 24th meeting at EWEB. We had discussed the basic agenda as covering EIM and Slice operations in the morning, lunch over the noon hour, and then an afternoon discussion of post-2028 contract topics (specifically a walk-through a post-2028 survey). Well, the update is that BPA has decided to delay the post-2028 survey discussions until after the new year. With the customer satisfaction survey just completed, we wanted to ensure that we have adequate time to incorporate the results from that survey into the post-2028 survey questions. So really the bottom line is that the survey questions will not be ready for prime time. There's also concern with a general survey fatigue (the two surveys hitting back to back), and the scheduling challenges of meetings during November/December.

So…, for our meeting on the 24th I believe we're back to just the morning session (10am-noon) covering EIM and operations. After that we'd still love to do lunch as we were planning, either at EWEB or off-site, if you are still interested in that. And then we would head out after that.

Please let us know if this works, or if you have additional thoughts. And apologies for the change-up on this. Thanks for the flexibility.

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: SCHROETTNIG Matthew
Sent: Mon Oct 07 16:14:15 2019
To: Farleigh,Kevin S (BPA) - PSW-6; CAPPER Megan; CARDOZA Kevin
Cc: Alders,Kyna L (BPA) - PGL-5
Subject: [EXTERNAL] RE: Delay in BPA's post-2028 survey/conversation
Importance: Normal

Kevin,

While we're disappointed in the modified meeting scope, the remaining topics are certainly of sufficient import that we hope you still make the trip. Please let us know if you have any questions or concerns, and thanks for letting us know.

Best,
Matt

From: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Sent: Monday, October 7, 2019 3:48 PM
To: CAPPER Megan <Megan.Capper@EWEB.ORG>; CARDOZA Kevin <Kevin.CARDOZA@eweb.org>; SCHROETTNIG Matthew <Matthew.Schroettnig@EWEB.ORG>
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From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Wed Oct 09 05:57:37 2019
To: 'SCHROETTNIG Matthew'
Subject: RE: Delay in BPA's post-2028 survey/conversation
Importance: Normal

Thanks Matt. Looking forward to seeing you all in a couple weeks.

From: SCHROETTNIG Matthew [mailto:Matthew.Schroettnig@EWEB.ORG]
Sent: Monday, October 07, 2019 4:14 PM
To: Farleigh,Kevin S (BPA) - PSW-6; CAPPER Megan; CARDOZA Kevin
Cc: Alders,Kyna L (BPA) - PGL-5
Subject: [EXTERNAL] RE: Delay in BPA's post-2028 survey/conversation

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From: Slice.Sig.OS
Sent: Wednesday, October 09, 2019 1:36 PM
To: Slice-SIG/OS; Farleigh,Kevin S (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Watts,Kirsten (BPA) - PSW-SEATTLE; Wilson,Scott K (BPA) - PSW-6; Normandeau,Mike (BPA) - PSE-RONAN; Gilmore,Douglas R (BPA) - PSSE-MEAD-GOB; Rimmer,William T (BPA) - PSE-MEAD-GOB; Perry,Marcus I (BPA) - PSW-SEATTLE; Bleifuss,Lindsay A (BPA) - PSW-6; Kruse,Pontip K (BPA) - PSSE-MEAD-GOB
Subject: FW: [EXTERNAL] Slice SIG: 10/1 SIG Meeting Notes
Attachments: SIG Meeting Minutes 10_01_19_v0.docx

From: Kevin Kytola
Sent: Wednesday, October 9, 2019 1:35:34 PM (UTC-08:00) Pacific Time (US & Canada)
To: Clark PUD Slice; Clatskanie Slice; Cowlitz Slice; Emerald Slice; EWEB Slice; Franklin Slice; Melinda James; Idaho Falls Slice; Lewis County PUD Slice; Pacific PUD Slice; Slice.Sig.OS; Snohomish PUD Slice; Tacoma Power Slice; TEA Slice; Benton PUD; Matt Schroettnig; Hill, Mike
Subject: [EXTERNAL] Slice SIG: 10/1 SIG Meeting Notes

Hi Everyone,

Attached are the notes from our 10/1 SIG meeting. Please review and share any suggested modifications at our next meeting on November 14th.

Thanks

Kevin

Kevin Kytola
Sapere Consulting, Inc | 103 E. Main St.; Suite 301 | Walla Walla, WA 99362
509-524-2343 (office) | (b) (6) (cell) | 509-529-7886 (fax)

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16010027-0-0

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Grays Harbor PUD	
Idaho Falls	Bear Prairie, Chase Morgan
Lewis PUD	Luke Canfield
Pacific PUD	Humaira Falkenberg
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16010027-0-0

From: Olive,Kelly J (BPA) - PSS-6
Sent: Mon Oct 21 11:58:20 2019
To: Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: May i share Cust. Satsfctn Survy results with Farah/Kevin?b Importance: Normal
Attachments: Power Services SurveyMonkey Analysis.pdf; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Nancy and Scott,

Paul had forwarded me the results of the customer satisfaction survey, but asked that I not forward them to Farah and Kevin until I check in with you as the results may have sensitive info on particular AEs. Now that you've had a chance to read through the narrative comments, do you have any concerns with me forwarding the attached results to Farah and Kevin? My motivation is to incorporate the survey into the Post-2028 questionnaire in small ways.

Thank you,
Kelly

From: Garrett,Paul D (BPA) - PSS-6
Sent: Tuesday, October 15, 2019 2:29 PM
To: Olive,Kelly J (BPA) - PSS-6
Subject: FW: Power Services Survey Results

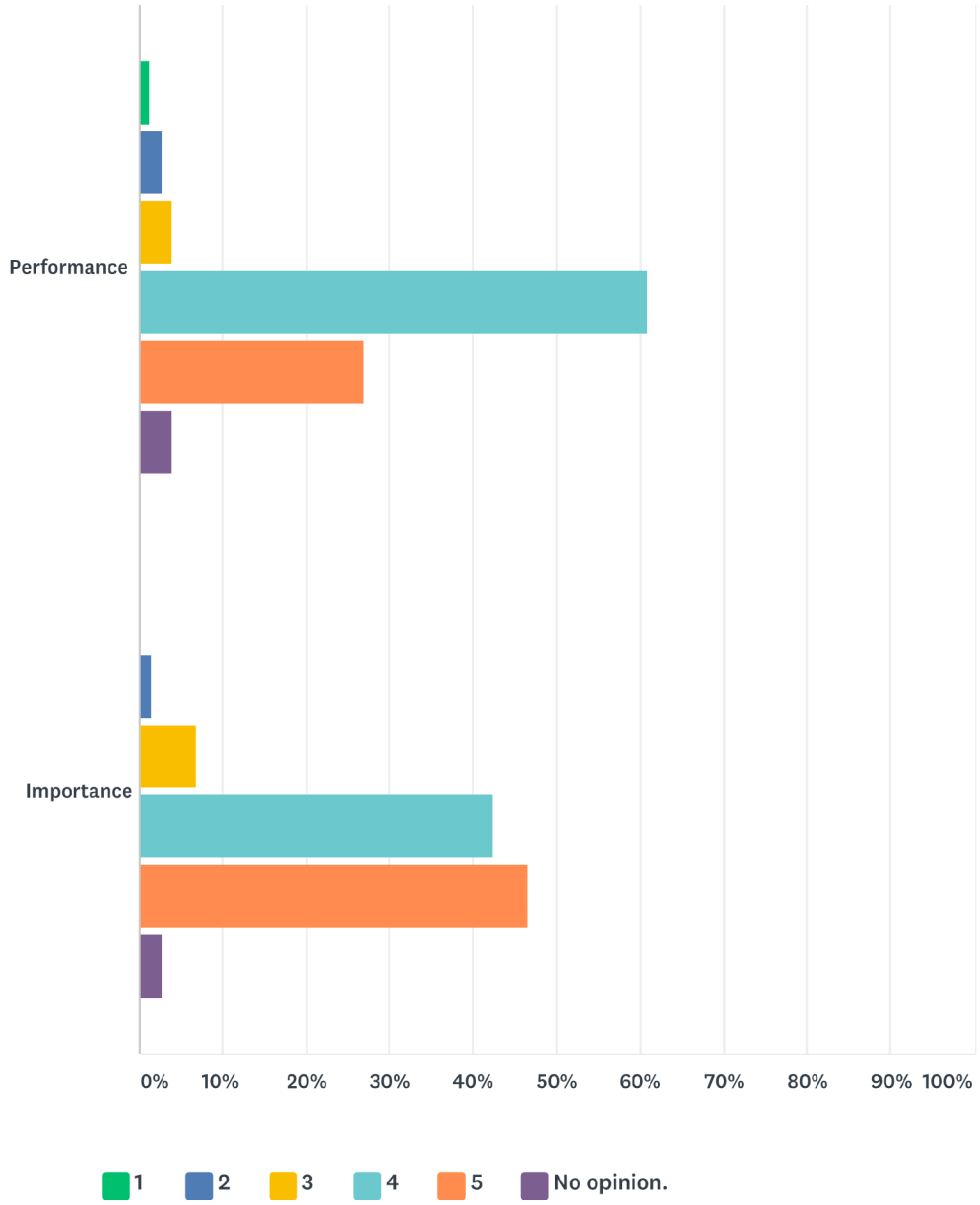
From: Rhoads,Abigail M (BPA) - DKE-7
Sent: Wednesday, October 09, 2019 9:47 AM
To: Garrett,Paul D (BPA) - PSS-6; Wilson,Scott K (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: Power Services Survey Results

This includes the survey just submitted this morning by Paul Munz's customer.

Abigail Rhoads
Public Affairs Specialist | Communications
Bonneville Power Administration
bpa.gov | P 503.230.4958 | C (b) (6)

Q1 How well does Power Services solicit and consider your input in its processes, formal and informal?

Answered: 74 Skipped: 0



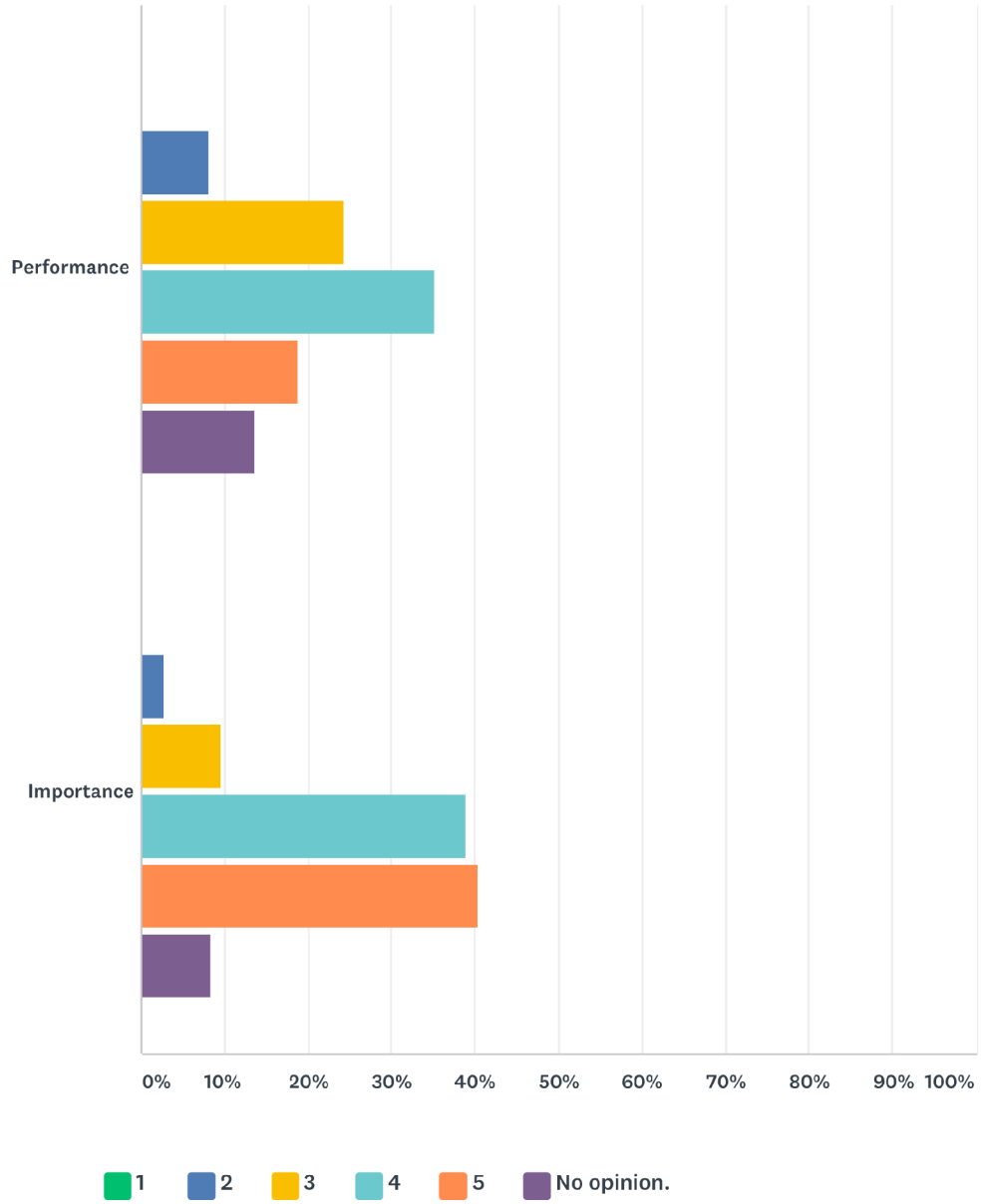
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	1.35% 1	2.70% 2	4.05% 3	60.81% 45	27.03% 20	4.05% 3	74	4.14
Importance	0.00% 0	1.37% 1	6.85% 5	42.47% 31	46.58% 34	2.74% 2	73	4.38

#	LET US KNOW SPECIFICS!	DATE
1	Our Power AE has consistent dialogue with me about input around BPA processes.	10/9/2019 2:11 AM

2	We have an excellent relationship based on honest feedback and mutual respect. While we may not see eye to eye on every issue, we know our concerns are heard in earnest.	10/7/2019 4:48 AM
3	Overall, I believe that Power Services works hard to balance the interests of its power customers and offer products and services that fit very diverse needs from its Public Power customers. Approximately 43% (or roughly 3,000 aMW) of BPA's 7,000 aMW power sales to Net Requirements customers are sold to roughly 115 of BPA's 135 power customers. On the other end of the spectrum upwards of 3,500 aMW or almost 50% of the Net Requirements power sales are sold to 9 public power customers with Total Retail Loads ranging from 200 aMW to 1100 aMW. Moreover, 2 of these 9 largest Net Requirements customers, Seattle and Tacoma, act as balancing authorities and take direct accountability for balancing loads and resources. With the expected evolutionary changes coming over the next 10-20 years, Seattle encourages BPA to continue to place an emphasis on understanding its customers' needs and having regular open dialogue on the evolution of the industry and the balancing of its customer interests.	10/4/2019 7:56 AM
4	BPA solicits our input for load forecasts and planning models.	10/4/2019 7:15 AM
5	Hope does a great job explaining items and following through.	10/4/2019 7:06 AM
6	We appreciate that the Power Services team has been more engaged with outreach of late in soliciting questions and concerns as it conducts its various processes. Examples include: EIM team's outreach, availability and responsiveness; incorporating an additional EIM touch point; error correction transparency.	10/1/2019 12:32 AM
7	We are engaged in a lot of processes. The most difficult for us is to participate in new points of delivery within a transfer agreement. There are a lot of people involved and a lot of requirements. I believe BPA are working with us to achieve our goals, but there are a lot of people involved and sometimes if feels like 3 steps forward and 2 back. We may be a source of some of the issue.	9/27/2019 4:33 AM
8	Most of this is handled through PNGC	9/27/2019 1:01 AM
9	Power Services is proactive, and responsive to our concerns.	9/26/2019 10:25 AM
10	There have been some difficulties working through very complex policy questions. Our AE was able to work through these matters to a satisfactory resolution. The rating of 4, rather than 5, reflects more on the general framework of Power Services processes and policies. It may take some restructuring of the Power contract to fully address some of the factors that contribute to a perfect score.	9/26/2019 3:17 AM
11	They're always asking for input and performing public processes.	9/25/2019 9:32 AM
12	Our AE has been very responsive to any questions or issues that we have had, as well as letting us know of upcoming events or workshops where BPA is seeking input from customers.	9/25/2019 6:09 AM
13	Doug has been responsive to our needs. I look forward to working with Pointip	9/25/2019 3:50 AM
14	While there is only so much an individual utility can do to "influence the process," our AE is available to support us in the process of deciphering developments in power services.	9/24/2019 8:59 AM
15	AE has worked with us on our load forecast and other issues unique to our contracts.	9/23/2019 7:28 AM
16	My Power Services AE does a fine job soliciting my input on power supply processes and makes me feel that I am heard.	9/22/2019 11:45 PM
17	PNGC manages our power contract	9/22/2019 1:08 AM
18	Mike Normandeau is a very effective and efficient AE. We appreciate his attentiveness and willingness to help acting as our liaison to BPA.	9/19/2019 7:32 AM
19	This score relates to the Financial Reserves Policy. since I don't think either of the surveys are going to get to that process, BPA-P is going to get my comments on that debacle. It damaged the customer relationship! Not just me. your big customers, and others, are going to have some serious contract issues to put on the table come 2028 contract development. Trust was damaged.	9/18/2019 10:25 AM
20	Some areas the process to solicit feedback is excellent. Other times the communication is not as good.	9/18/2019 7:46 AM
21	We are rarely solicited for information or input outside of the standard public process.	9/18/2019 3:35 AM
22	Our AE does a great job keeping us informed and moving our requests forward.	9/18/2019 3:07 AM

Q2 How well does Power Services incorporate your input in its decisions?

Answered: 74 Skipped: 0



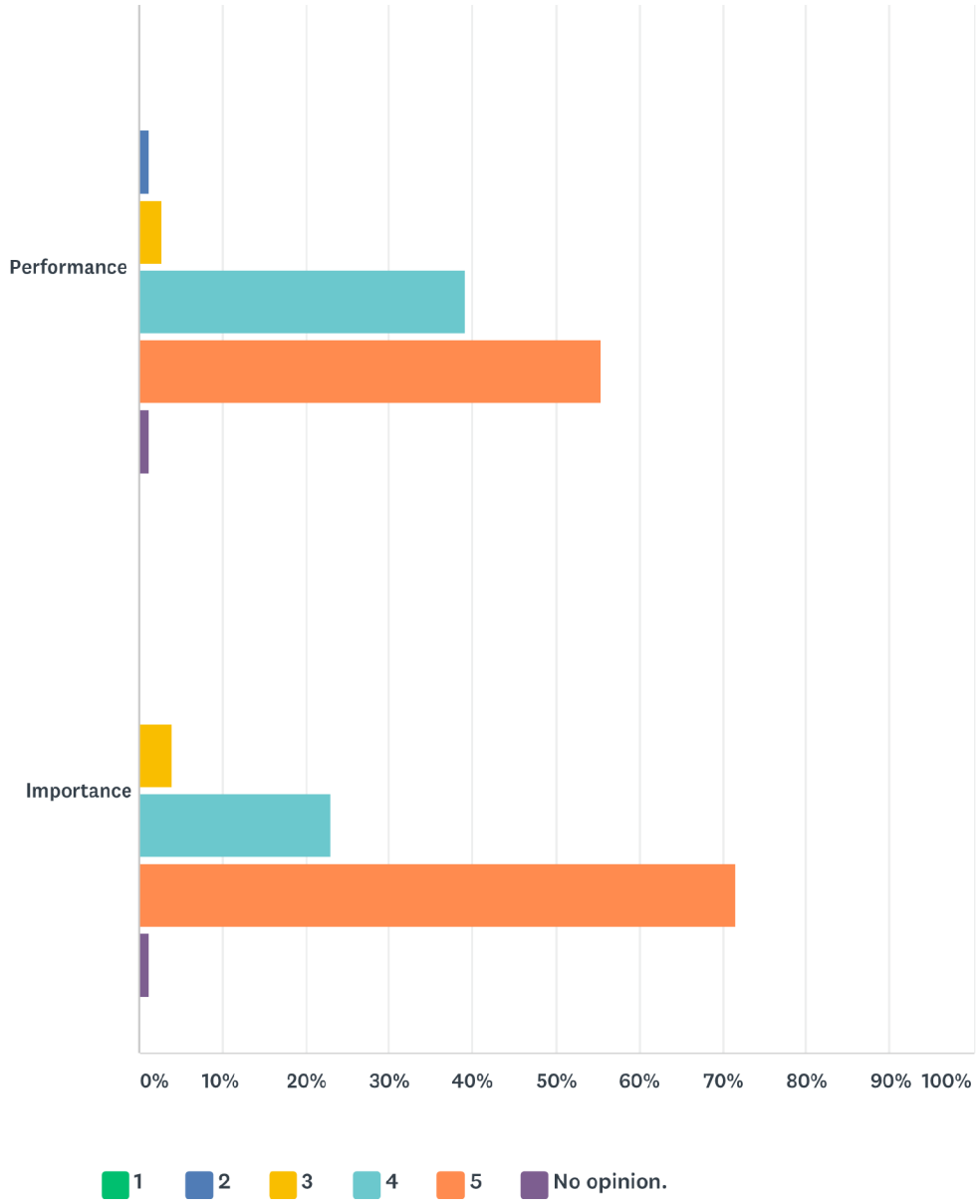
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	8.11% 6	24.32% 18	35.14% 26	18.92% 14	13.51% 10	74	3.75
Importance	0.00% 0	2.78% 2	9.72% 7	38.89% 28	40.28% 29	8.33% 6	72	4.27

#	LET US KNOW SPECIFICS!	DATE
1	Power Services has been a great partner in addressing our utility specific needs in implementation of the Slice/Block product.	10/7/2019 4:48 AM
2	See response to #1, please.	10/4/2019 7:56 AM

3	BPA-P has sought and incorporated Mason 3's input, through our trade organizations Western Public Agencies Group, Northwest Requirements Utility and Public Power Council. More specifically in addressing rates, new markets, fish and wildlife, hydro operations, and energy efficiency.	9/30/2019 4:22 AM
4	Our issues are not the hot button issues at the agency. Our most difficult challenge is to serve large customers at the end of the line thru transfer. Short of putting all of our loads on BPA it seems to becoming almost impossible to use non-federal power. We would like to BPA to be our solution, but large customer want a clear signal the price we are giving this is a market price and usually over 5 years. BPA's regional Dialogue processes are for 2 years and even working with BPA's trading desk does not appear to be easy.	9/27/2019 4:33 AM
5	Again mostly handled through PNGC	9/27/2019 1:01 AM
6	Workshops are held and comments taken but it appears that the decision was made long before customers were asked to be involved.	9/26/2019 11:53 PM
7	Daniel Fisher is a pleasure to work with, and we appreciate all members of the Power Services team. BPA is lucky to have them.	9/26/2019 10:25 AM
8	Power Services responds to customer input, but sometimes the burden of pursuing an issue can outweigh the potential benefit. As a customer, the calculus of burden v. benefit and probability of desired outcome is always a factor in whether to raise such matters for consideration.	9/26/2019 3:17 AM
9	Usually pretty well. Sometimes a decision doesn't go the way we would like.	9/25/2019 9:32 AM
10	As evident by the $66 million in reduced program spending below current levels and the 0% overall rate increase in the last rate case, I think BPA has been very receptive to ideas and input from its customers regarding balancing the O&M and escalating costs of fish and wildlife protection, while remaining competitive in this market.	9/25/2019 6:09 AM
11	In the BP-20 rate case, a 0% rate increase coupled with a 1.5% reserves surcharge that has a nearly certain probability of triggering is duplicitous.	9/25/2019 3:11 AM
12	As a small utility we believe we are not given the same consideration as a larger utility.	9/24/2019 2:06 AM
13	FRP	9/18/2019 10:25 AM
14	I believe the input is incorporated -- but that can mean either in favor of or not...	9/18/2019 7:46 AM
15	Our input is rarely sought outside of the normal process.	9/18/2019 3:35 AM
16	They do their best to consider our requests but obviously they can only do so much. They try to be fair and consistent with all customers.	9/18/2019 3:07 AM

Q3 How well does Power Services fulfill its contractual or statutory obligations?

Answered: 74 Skipped: 0



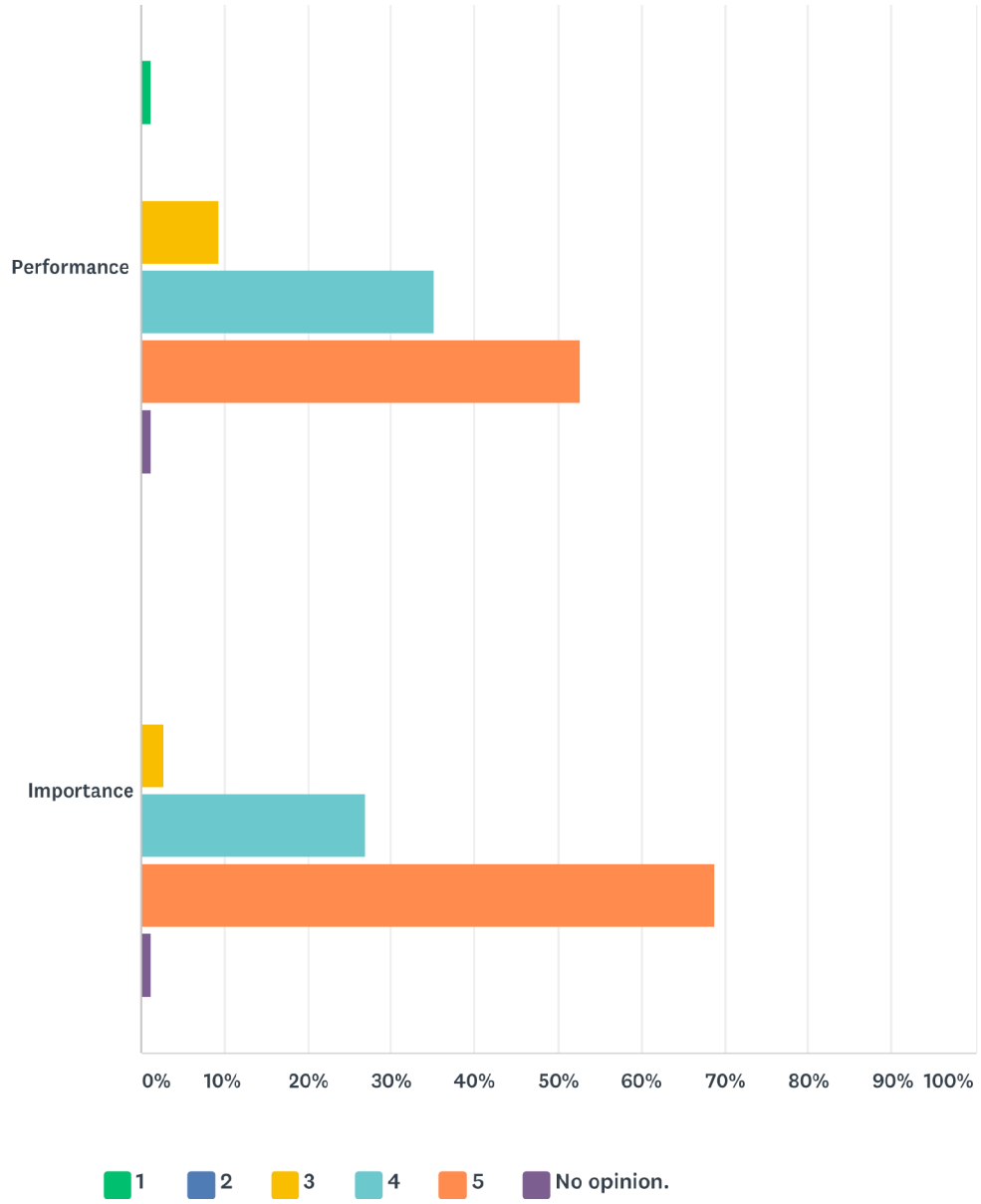
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	1.35% 1	2.70% 2	39.19% 29	55.41% 41	1.35% 1	74	4.51
Importance	0.00% 0	0.00% 0	4.05% 3	22.97% 17	71.62% 53	1.35% 1	74	4.68

#	LET US KNOW SPECIFICS!	DATE

1	Overall, I believe that Power Services performs well in meeting its contractual obligations and anticipates internal policy decision frameworks needed to provide consistent application of the terms and conditions as issues arise over the contract term horizon. Moreover, BPA has demonstrated over time that it can resolve controversial issues that arise from different interpretations of its statutory obligations and find solutions that resolve or settle differences. In the period between 1995-2005, BPA and its customers were simultaneously navigating the early phases of implementing the new energy policy introducing robust and liquid wholesale power markets and and developing a strategy for new power sale contracts with BPA's public power, direct service industry, and IOU customers. This major change to the electric utility industry carried with it significant uncertainty. Moreover, it made apparent that the open-ended nature of BPA's obligation to supply power to the Pacific Northwest region had to be reimagined for BPA to avoid volatility and rapid growth in BPA power rates. As impacts to the environment, the associated environmental legislation and expected technology advancements drive the next electric utility industry evolution, it will once again introduce volatility and uncertainty in supply resources and forecasting net demand served by the electric utility from utility scale generating resources such as the Federal Columbia River Power System. Seattle encourages BPA to continue its emphasis on planning strategically, actively pursuing sustainable and cost-effective approaches to modernize in anticipation of this evolution.	10/4/2019 7:56 AM
2	Kirsten Watt is always careful to include Centralia City Light (CCL) in all communications regarding power at BPA.	9/30/2019 1:47 AM
3	Unfortunately for us, the solution to our problems are never easily determined thru the contract and in most cases since we are so different than everyone else, the contractual obligation are opposed to what are business goals are. I want to stress, I believe BPA Power Services works hard for us, but most times we find ourselves between a rock and a hard place.	9/27/2019 4:33 AM
4	I believe this is true, I am not well versed enough to know, again rely on PNGC for this	9/27/2019 1:01 AM
5	BPAP gets high ratings for its stewardship of the FCRPS. But sometimes it appears that the preference provisions of its statutory obligations are shaded by other factors. The BPAP contracts are among the most complex power purchase agreements in the industry. In part this is due to the system resource characteristics of these contracts, e.g. load following rather then firm, flat block energy. In general this customer is able to navigate the peculiar features of these contracts, but there continues to be risks that may only become apparent in certain use cases. For example, exposure to UAI penalties may arise from multiple elements of the BPAP rate structures, but only a few of these elements are common and mapped clearly through the daily and monthly operations.	9/26/2019 3:17 AM
6	We have had great reliability and staff does a good job of keeping us up to date	9/25/2019 9:52 AM
7	Pretty well most of the time. Again, sometimes a decision doesn't go the way we would like.	9/25/2019 9:32 AM
8	Excellent.	9/25/2019 6:09 AM
9	I believe Power Services does indeed fulfill its obligations. Shares with me interpretations, reviews changes and assists me in navigating the processes.	9/22/2019 11:45 PM
10	Other than the FRP trick.	9/18/2019 10:25 AM
11	So far so good. Let's see how 2028 discussions roll out.	9/18/2019 7:46 AM
12	Power fulfills its contractual obligations in ways that appear overly conservative to the detriment of preference customers.	9/18/2019 3:35 AM
13	They always follow through on what they say they will do.	9/18/2019 3:07 AM

Q4 How reliable is Power Services in terms of follow through, consistency and trust?

Answered: 74 Skipped: 0



	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	1.35% 1	0.00% 0	9.46% 7	35.14% 26	52.70% 39	1.35% 1	74	4.40
Importance	0.00% 0	0.00% 0	2.70% 2	27.03% 20	68.92% 51	1.35% 1	74	4.67

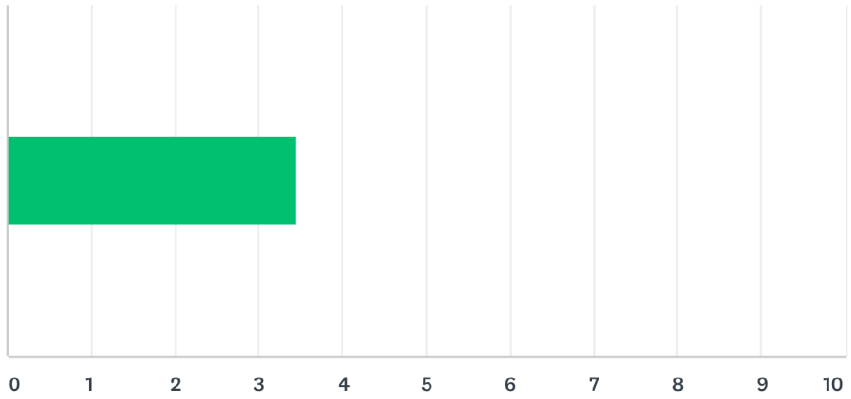
#	LET US KNOW SPECIFICS!	DATE

1	Our Power AE is always prompt when responding to questions and concerns. He has been a trusted resource for me to learn the dynamics of our Power (and Transmission) services from BPA (especially when I was new in my role and to the industry a few years ago).	10/9/2019 2:11 AM
2	Our relationship with our Power Services Account Executive meets the highest standard of excellence.	10/7/2019 4:48 AM
3	If there was an option to select 3.5 in performance that would be the rating. BPA rolled out two key financial policies to stabilize its financial position and adopted an additional surcharge applied on rates to support this effort. Any time BPA rolls out new policy that on its face may leave customers to conclude its material in adding to upward rate pressure, customers become very interested in not only the general goals of the policy to improve overall health but also the pragmatic impact on rates. BPA's customers can struggle at times in their perceptions of BPA's consistency and in their trust of BPA. This coupled with BPA uncovering an internal error in method for distinguishing the amount of total financial reserves that relate to its power business line versus its transmission business line can further stress the relationship. All that said, BPA did navigate through all this and overall very reasonably performed in follow through and consistency to minimize impacts to customer trust.	10/4/2019 7:56 AM
4	We have a few lingering items with new BPA metering standards for deliver points that need additional follow through and discussion.	10/4/2019 7:15 AM
5	Performance: Trust – improving in transparency and dialogue 4 Consistency – improving 3 Follow through – largest challenge 2	10/1/2019 12:32 AM
6	Whenever I have asked something of our A.E., there is always follow up and action.	9/27/2019 1:01 AM
7	Kevin Farleigh has been a fierce advocate who works hard to keep us well-informed and ensure that our concerns are heard internally. He is the reason this score is as high as it is. We do not wish to see this change, and would be extremely opposed to any proposal that included a merger of the Power and Transmission Account Executive functions. It is essential that we maintain two distinct AEs, given the importance and complexity of our contracts. Additionally, we would like to thank BPA for its considerable efforts during the Financial Reserves snafu this past year. The process that BPA used to communicate and correct the many accounting errors between Power and Transmission, and keeping customers informed throughout, was much appreciated.	9/26/2019 10:25 AM
8	Generally our counterparts in BPAP are very responsive and can be relied on to run problems to resolution.	9/26/2019 3:17 AM
9	Lots of stupid mistakes have been made. The accounting errors were huge. We had a metering issue that was pretty egregious (I apologize if this was a transmission problem but it did result in a lot of back billing for power). These types of things reduce trust. When they find issues they seem to follow through, but it still leaves you wondering what other problems are hiding and whether the fixes will continue or if they will just get lazy again and start all over. This is why we're feeling like we need processes in place to check up; but we're larger and we have resources to do that while a lot of smaller preference customers don't.	9/25/2019 9:32 AM
10	Excellent.	9/25/2019 6:09 AM
11	These 3 characteristics are difficult to score together. PS follow through is very good when an ROD has been issued. The type of consistency is poor in my opinion, consistent high rate increases to date in the power sales contracts, consistently slow to find and make significant process improvements (more a TS criticism). Trust is low with the recent discovery of many years accounting error between T and P reserves.	9/25/2019 3:11 AM
12	Our AE is very timely in responding to questions. Our AE is very knowledgeable and able to communicate the intricacies of contracts and rate cases.	9/24/2019 8:59 AM
13	Power Systems has demonstrated strong follow through and consistency regarding issues related to Power Services. I feel I can trust my AE to get a straight answer.	9/22/2019 11:45 PM
14	Hope is a great AE, she communicates well and always follows through.	9/20/2019 11:25 PM
15	Generally, PS is a good partner. However, it can take an extremely long time to get any requests or contract questions or modifications through the BPA process (AE, supervisors, legal, Administrator).	9/19/2019 7:32 AM
16	Except FRP.	9/18/2019 10:25 AM
17	The EE program is not a functional business line. The EIM/EDAM discussions and outcomes are not adequate for slice customers. This works directly against follow through, consistency, and trust.	9/18/2019 3:35 AM

18	Don’t always agree on everything but I can trust what they tell me.	9/18/2019 3:07 AM

Q5 How familiar are you with the BPA 2018-2023 Strategic Plan?

Answered: 71 Skipped: 3



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	3	245	71
Total Respondents: 71			

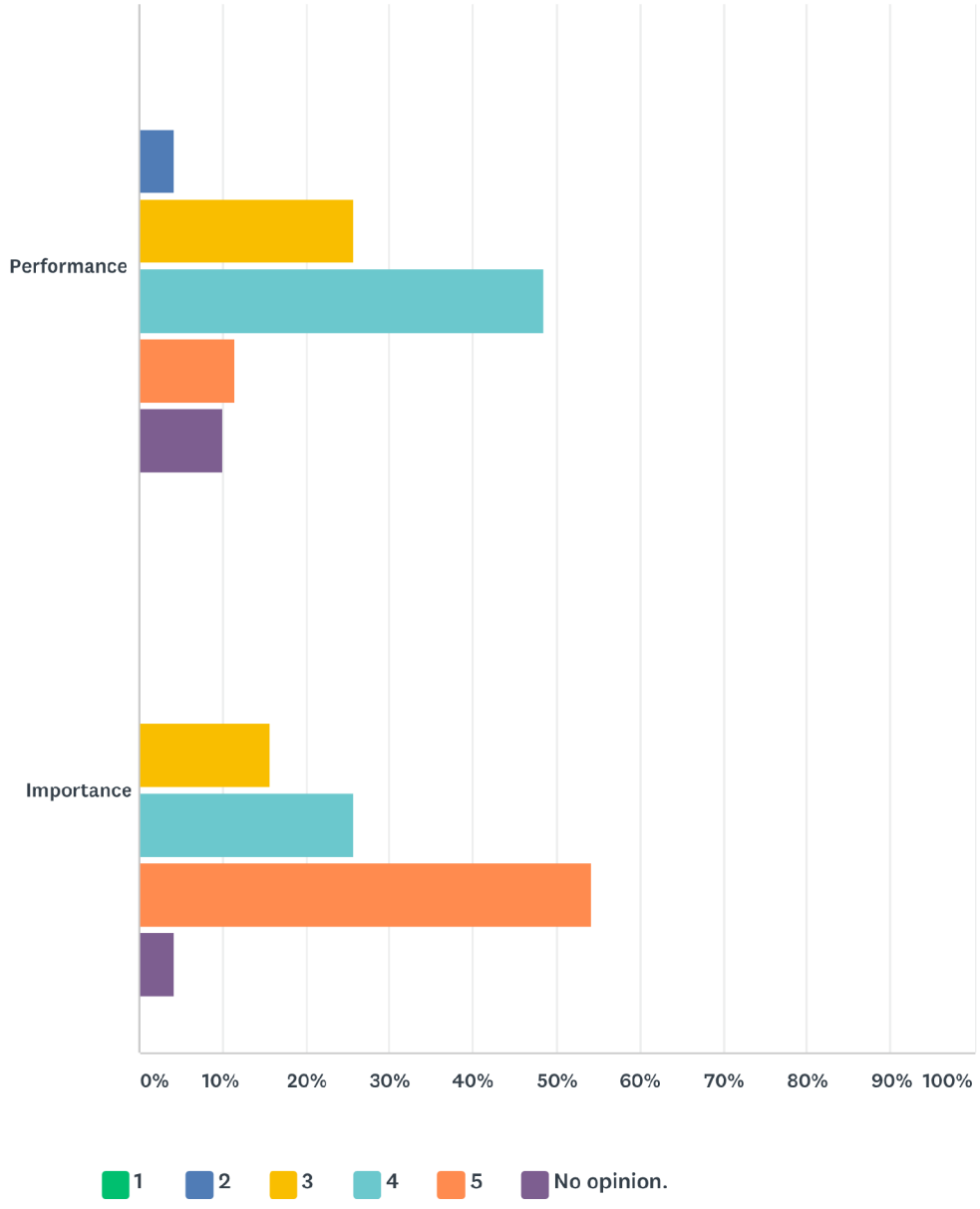
#		DATE
1	2	10/9/2019 2:11 AM
2	4	10/7/2019 4:48 AM
3	3	10/4/2019 7:56 AM
4	3	10/4/2019 7:06 AM
5	3	10/3/2019 7:32 AM
6	2	10/3/2019 6:57 AM
7	5	10/2/2019 3:08 AM
8	4	10/2/2019 12:20 AM
9	4	10/1/2019 1:14 AM
10	2	10/1/2019 12:54 AM
11	5	10/1/2019 12:32 AM
12	3	9/30/2019 8:37 AM
13	1	9/30/2019 8:12 AM
14	4	9/30/2019 6:43 AM
15	1	9/30/2019 4:55 AM
16	5	9/30/2019 4:22 AM
17	4	9/30/2019 4:20 AM
18	3	9/30/2019 3:04 AM
19	4	9/30/2019 2:46 AM
20	4	9/30/2019 2:09 AM
21	3	9/30/2019 2:04 AM
22	5	9/30/2019 1:57 AM

23	3	9/30/2019 1:51 AM
24	4	9/30/2019 1:47 AM
25	5	9/27/2019 6:09 AM
26	4	9/27/2019 4:33 AM
27	3	9/27/2019 1:01 AM
28	2	9/26/2019 11:53 PM
29	5	9/26/2019 10:25 AM
30	3	9/26/2019 7:42 AM
31	4	9/26/2019 6:40 AM
32	4	9/26/2019 6:34 AM
33	2	9/26/2019 5:34 AM
34	3	9/26/2019 3:17 AM
35	4	9/26/2019 3:08 AM
36	4	9/26/2019 1:23 AM
37	3	9/25/2019 9:52 AM
38	3	9/25/2019 9:32 AM
39	3	9/25/2019 8:37 AM
40	5	9/25/2019 6:09 AM
41	4	9/25/2019 4:09 AM
42	3	9/25/2019 3:45 AM
43	3	9/25/2019 3:11 AM
44	4	9/25/2019 2:32 AM
45	4	9/24/2019 8:59 AM
46	4	9/24/2019 5:34 AM
47	3	9/24/2019 4:28 AM
48	4	9/24/2019 2:06 AM
49	4	9/23/2019 7:28 AM
50	4	9/22/2019 11:45 PM
51	4	9/22/2019 1:08 AM
52	4	9/20/2019 11:25 PM
53	4	9/20/2019 2:53 AM
54	4	9/19/2019 8:57 AM
55	4	9/19/2019 7:32 AM
56	3	9/19/2019 12:56 AM
57	3	9/18/2019 1:40 PM
58	4	9/18/2019 10:25 AM
59	3	9/18/2019 8:48 AM
60	1	9/18/2019 8:47 AM
61	4	9/18/2019 8:35 AM
62	4	9/18/2019 7:46 AM
63	3	9/18/2019 7:13 AM

64	2	9/18/2019 5:27 AM
65	3	9/18/2019 3:36 AM
66	4	9/18/2019 3:35 AM
67	4	9/18/2019 3:24 AM
68	5	9/18/2019 3:07 AM
69	2	9/18/2019 2:53 AM
70	2	9/18/2019 2:40 AM
71	3	9/18/2019 2:37 AM

Q6 How well is the Power Services organization progressing toward meeting its strategic goal to provide competitive power products and services?

Answered: 70 Skipped: 4



	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	4.29% 3	25.71% 18	48.57% 34	11.43% 8	10.00% 7	70	3.75
Importance	0.00% 0	0.00% 0	15.71% 11	25.71% 18	54.29% 38	4.29% 3	70	4.40

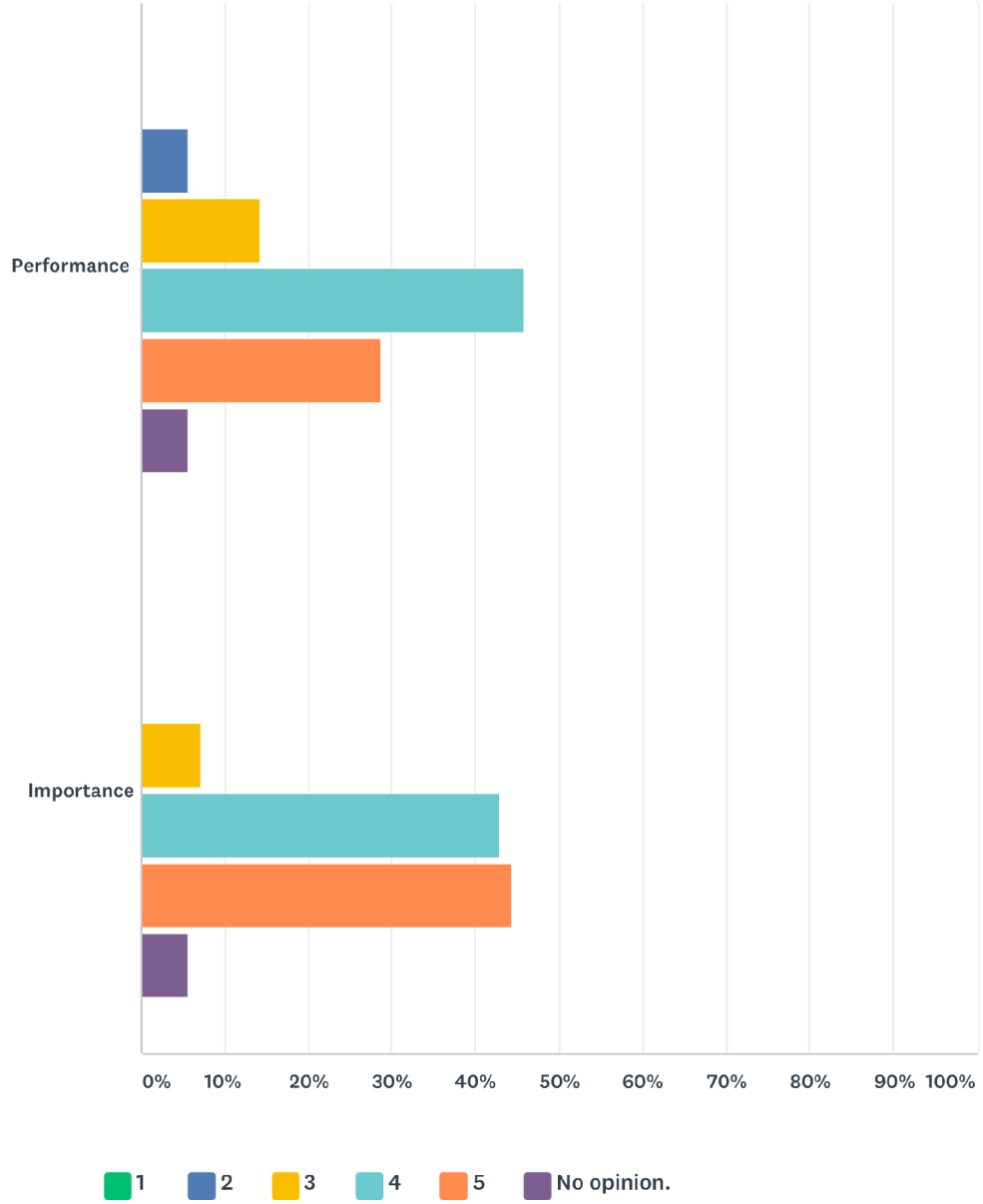
#	LET US KNOW SPECIFICS!	DATE

1	I am glad to see that rate case increases have decreased, but still would like to see further cost savings that help stabilize rates for a rate case or two.	10/9/2019 2:24 AM
2	The 4 goals of the Strategic Plan are: 1) Strong financial health---implemented the reserve policy, transparency with financial reserves error, debt management, reduction in fish/wildlife costs, create liquidity, update & optimize secondary sales procedures. I can see the needle is moving in the right direction. 2) Competitiveness with products--BPA should continue to find opportunities to monetize the value of: a) clean hydro, b) resource adequacy. Fish & wildlife pressures continue to be an albatross around the Agency's neck. We also want to see wholesale change on EE & Conservation. 3) Grid Mod---the several milestones on the grid mod timeline have not been met though progress is being made in other areas like outage coordination/visibility. The Grid Mod is a big lift and I wonder if those that are entrenched in the "old ways" of doing things maybe slowing the role out? Staff unwilling or not prepared to modernize; culture change. 4) Address customer needs a) Transmission (TC-20 partial settlement)	10/7/2019 5:12 AM
3	Seattle is cautiously optimistic. Overall, Seattle City Light believes that BPA can serve an important and significant role in serving the Pacific Northwest's energy future. Moreover, with continued emphasis on planning strategically the opportunities are there for being successful.	10/4/2019 7:57 AM
4	Even though we saw a 3.7% rate increase this year it is down from previous years. I hope BPA can keep this up.	10/4/2019 7:09 AM
5	We are interested in reviewing a new long term trajectory; especially given that we are almost halfway through the time period for the Strategic Plan.	9/30/2019 4:32 AM
6	The Power Services side of BPA succeeded very well in controlling the most recent rate increase.	9/30/2019 2:00 AM
7	PNGC handles this	9/27/2019 2:20 AM
8	It's improving	9/26/2019 11:56 PM
9	BPA has made good progress in strategically finding ways to be cost competitive while continuing to invest as necessary in the systems that are going to be needed in the future. We would like to see BPA more efficiently deploy its surplus energy.	9/26/2019 10:32 AM
10	The Load Following contract is unique in the "system" level product that it delivers - 24/7 shaped to load with firm capacity behind all requirements. While it often has appeared noncompetitive in the context of market prices, the product is distinctly different. The comparable new resource proxy continues to be at a cost benchmark that is higher than the BPA embedded cost. Market prices are only as good as the paper that the contracts are written on if there are no tangible assets behind the contracts. BPA needs to continue to emphasize the capability of its assets in the public forums where cost competitiveness is in play.	9/26/2019 3:43 AM
11	Not so sure this is happening very quickly. Although the rate increase was small this time, signs point to a financial reserves surcharge that is unnecessary in many opinions. An increase is power bills is a rate increase even if you call it something else. Adding new charges like this to try to divorce increases costs from rates and calling it something else is a little concerning.	9/25/2019 9:32 AM
12	Excellent.	9/25/2019 6:11 AM
13	It is very early in the strategic planning period 2018-2028. I hesitate to rate higher until present intentions and efforts begin to bear more fruit.	9/25/2019 3:55 AM
14	BPA has a difficult path forward in preparing a long-term plan for an ever-changing power supply industry. I see evidence that BPA is delivering on its commitment to meet customer needs through honest efforts to control costs and leverage its identity as a formidable carbon-free power asset with potential to influence the regional market into the foreseeable future.	9/24/2019 9:21 AM
15	Nothing new has been communicated other than Power Services wants to know what I and my peers want. Power Services appeared to be in an informal listening mode but has not demonstrated awareness of competitive products and services. To date, the message of the strategic plan related to power services seems to be not to have price increase greater than inflation. That appears to be a reactive stance and certainly not strategic.	9/23/2019 12:11 AM
16	Some good effort has been made, but there is still a long way to go. BPA (along with all of us BPA customers) need to continually work to make BPA cost competitive. Elliot Mainzer should be commended for taking the Agency this far, but there is still a lot of work for BPA to do. Fortunately for BPA, the contract runs through 2028 which gives them time to get the ship righted to contracting with BPA post-2028 becomes a more clear decision.	9/19/2019 7:38 AM
17	HUGE improvement this rate case. HUGE! Congratulations	9/18/2019 10:33 AM

18	Progress is being made but there is a long way to go.	9/18/2019 3:41 AM
19	Everyone worked hard to reduce the BP 20 rate increase to a minimal. Seems like a lot of that was driven by Elliot's strategy to bend the cost curve. Not sure I agree with the financial reserves policy. CRAC is already a tool that can be used if BPA's financial reserves slip.	9/18/2019 3:26 AM

Q7 How efficient is it to do business with Power Services?

Answered: 70 Skipped: 4



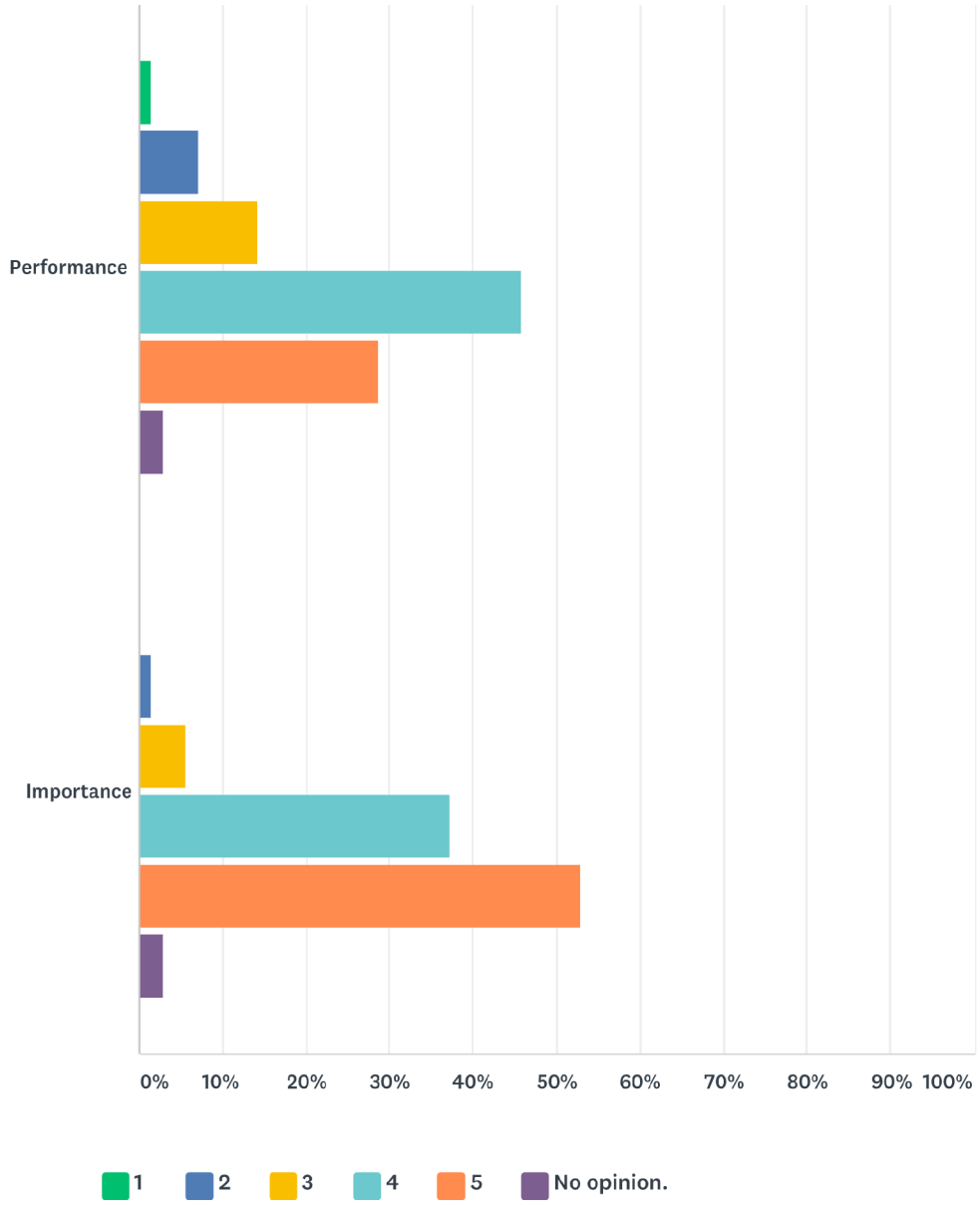
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	5.71% 4	14.29% 10	45.71% 32	28.57% 20	5.71% 4	70	4.03
Importance	0.00% 0	0.00% 0	7.14% 5	42.86% 30	44.29% 31	5.71% 4	70	4.39

#	LET US KNOW SPECIFICS!	DATE

1	As a large institution serving diverse public power customers and its many other commitments it can be very difficult for BPA to move quickly and efficiently as it conducts business and simultaneously works to serve the interests of its stakeholders. Seattle encourages BPA to continue its focus on opportunities to improve efficiency in conducting business and believes that BPA's focus on strategic planning is an important tool for uncovering and implementing processes for conducting business efficiently.	10/4/2019 7:57 AM
2	It seems to take longer than necessary to work out new POD metering point details.	10/4/2019 7:19 AM
3	Mason 3's Power Account Executive and team makes contract management very efficient and easy.	9/30/2019 4:32 AM
4	There are times that general communications to all BPA customers do not apply to CCL. It can take a call or extra careful examination to determine if a particular communication actually applies.	9/30/2019 2:00 AM
5	We are caught up in a lot of processes and sometimes it feels like we are duplicating our efforts and sometimes working contrary with each other. You throw in processes that NV Energy demand it become overwhelming.	9/27/2019 4:40 AM
6	PNGC takes care of ours	9/27/2019 2:20 AM
7	This is a tough one... BPA is too big to be called "efficient." But Power Services is responsive, and quick to move, which I greatly appreciate.	9/26/2019 10:32 AM
8	Once the enabling agreements are in place, business processes generally move efficiently.	9/26/2019 3:43 AM
9	The formality of the TRM processes, couples with the obligations created under the NWPA makes BPA business processes less than streamlined.	9/26/2019 3:14 AM
10	Excellent.	9/25/2019 6:11 AM
11	Here is an example of one frustrating inefficiency. BPA Metering Services often calls the customer first when they see an unexpected fluctuation in load. They don't communicate internally to determine if BPA T knows the answer to their question before calling the customer. We find ourselves telling BPA that it was a BPA caused load change.	9/25/2019 3:55 AM
12	I'm not sure what Power Services can do to be more efficient. It is more of a marketing arm of BPA, at least the parts I see, and has little impact in other areas. As far as response, communications and me being made aware, I think PS is indeed efficient.	9/23/2019 12:11 AM
13	There is still too much bureaucracy. Streamline the processes and act more like a normal business.	9/20/2019 11:31 PM
14	You know. Sometimes there is a disconnect between different departments within BPA. And there are circumstances in which BPA personnel does not understand BPA's obligation. We participated in a 'deep dive'. During several of the conference calls it was apparent that not all the BPA folks had the same understanding of BPA's obligation.	9/18/2019 8:03 AM
15	BPA does a good job but needs to continue to reduce red tape and improve the culture of being cost effective.	9/18/2019 3:26 AM

Q8 How well does Power Services understand the needs and challenges of your business?

Answered: 70 Skipped: 4



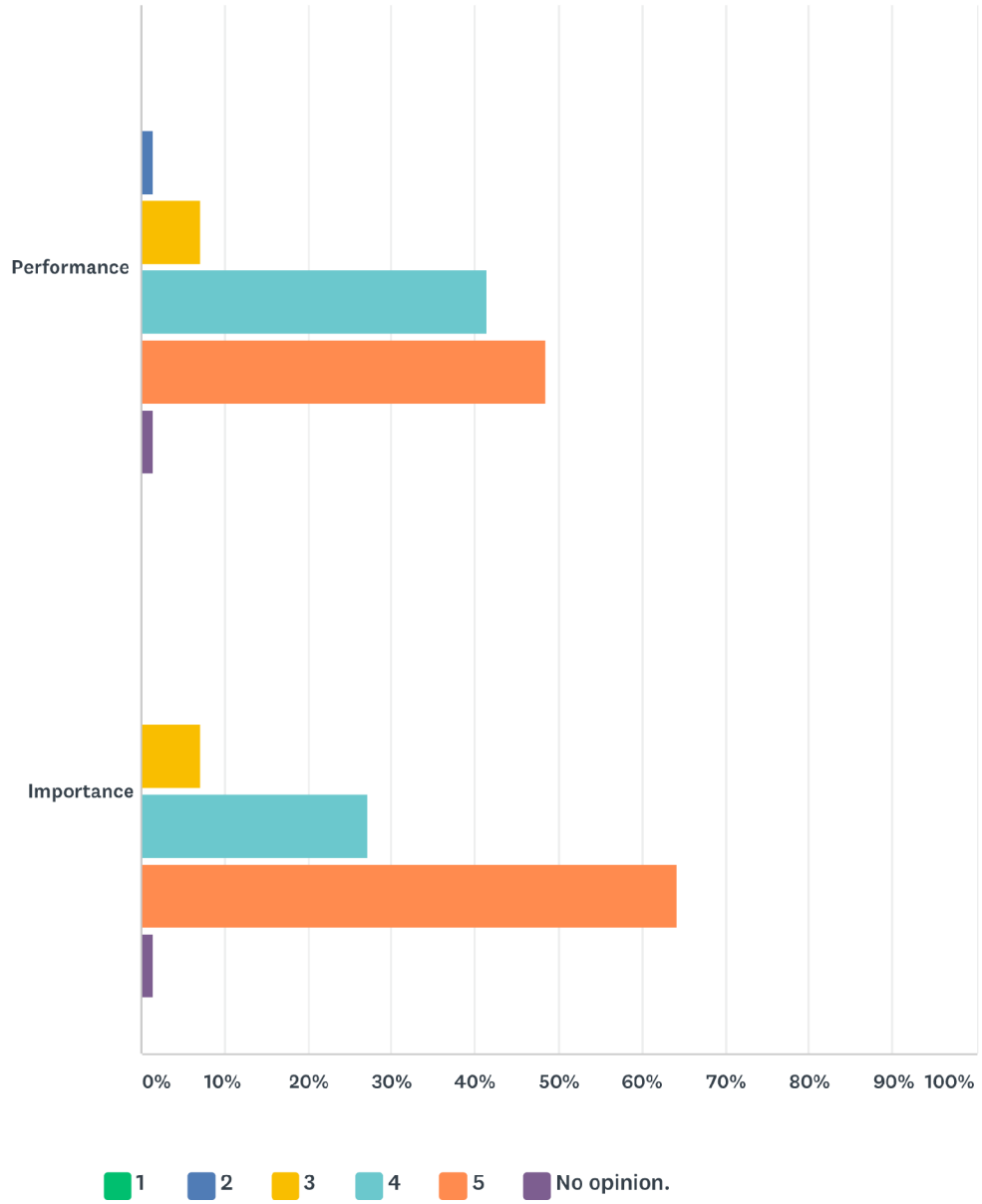
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	1.43% 1	7.14% 5	14.29% 10	45.71% 32	28.57% 20	2.86% 2	70	3.96
Importance	0.00% 0	1.43% 1	5.71% 4	37.14% 26	52.86% 37	2.86% 2	70	4.46

#	LET US KNOW SPECIFICS!	DATE

1	If there was an option to select 3.5 in performance that would be the rating. Overall, Power Services proactively works to understand its customers. We encourage BPA to continue to maintain and foster this practice as we navigate through the next 10-20 years of an evolving industry.	10/4/2019 7:57 AM
2		10/1/2019 1:43 AM
3	BPA can get caught up and spend significant time strategizing and preparing to defend the strategy compared to the amount of time listening and understanding our business needs and challenges. This comes across as "baked" and is why it can lead to frustration - communications is coming from two different perspectives. The opportunity to be heard is essential to a successful business partnership and appears is only recognized when it is communicated to the highest level.	10/1/2019 12:42 AM
4	Most of the needs that CCL has are addressed by the Transmission side of the BPA house. The loop that feeds CCL and one Lewis County PUD substation operates at 69-kV and is nearing the point it needs to be upgraded to 115-kV. Discussions with the Transmission side have already been in process for a couple of years.	9/30/2019 2:00 AM
5	When you truly are at the end of the line, meeting large growth can be difficult.	9/27/2019 4:40 AM
6	I absolutely hope they understand the nature and challenge of our business	9/27/2019 2:20 AM
7	Our AE, and Power Rates staff made the trip down to Eugene this past year to discuss rates issues with some of our new employees, and continue to engage with us in ways we can work together more effectively. We sincerely appreciate this personal touch.	9/26/2019 10:32 AM
8	We spend a lot of time with our BPAP counterparts (AE, scheduling agent, etc.). The foundation of these discussions must be based on understanding our business and how BPAP is a part of providing that service.	9/26/2019 3:43 AM
9	It's hard for me to know what Power Services knows about us. I don't know that this is focused on much other than lower rates means we can keep rates lower for our customers.	9/25/2019 9:32 AM
10	Excellent. BPA, especially our AE, understands the challenges that we have had with multiple rate increases over the years, which were largely driven by BPA rate increases.	9/25/2019 6:11 AM
11	I think PS tries to understand our needs and challenges but when most PS employees only have large federal bureaucracy experience, they don't really understand the small electric co-op.	9/25/2019 3:55 AM
12	I believe that Power Services does understand our utility's needs and challenges. More forums dedicated to this process might help in this regard.	9/24/2019 9:21 AM
13	I am not sure how aware Power Services is aware of the needs and challenges. The rules seem to be set and nothing new or innovative is being shared. OF what can happen under the current rules, I think PS does do what it can. The industry and opportunities in the wholesale market are boundless at the moment. Is is a flash or is it real. I'm not sure BPA can simply wait until 2028 to see what will actually happen, as the market may have transformed twice over in that time. BPA's ability to adapt, accept and implement alternatives have been slow and can BPA, indeed demonstrate flexibility. You may have customers today who would like to work with you to try new products and services to see if they are beneficial - beta testers. Perhaps BPA could consider executing some contract options over an extended time period - particularly if BPA considers more than one power services option. Waiting to the last minute may leave some customers wondering. There continues to be a strong trend in the public power segment of new mangers and leaders. BPA must begin to develop and educate these new leaders of the benefit of BPA and show what it can offer. It would be terrible to loose the fight because new customer leaders are not attuned to BPA's value. BPA was there when public power turned on the lights, but those generations have long been gone and the new end-uses demand something they never lived without. The once societal benefit of electricity and the making of the PNW is being lost, BPA must demonstrate a new beginning and provide value beyond its historical legacy.	9/23/2019 12:11 AM
14	Since BPA is removed from the ultimate end-use ratepayer, they do not hear all of the challenges we utilities face from a pricing perspective in relation to our ratepayers.	9/19/2019 7:38 AM
15	Need to focus on new contracts and how transfer service will be dealt with. We need certainty on transfer service before we can really focus on new contracts.	9/18/2019 3:26 AM

Q9 How forthright are Power Services' communications with you?

Answered: 70 Skipped: 4



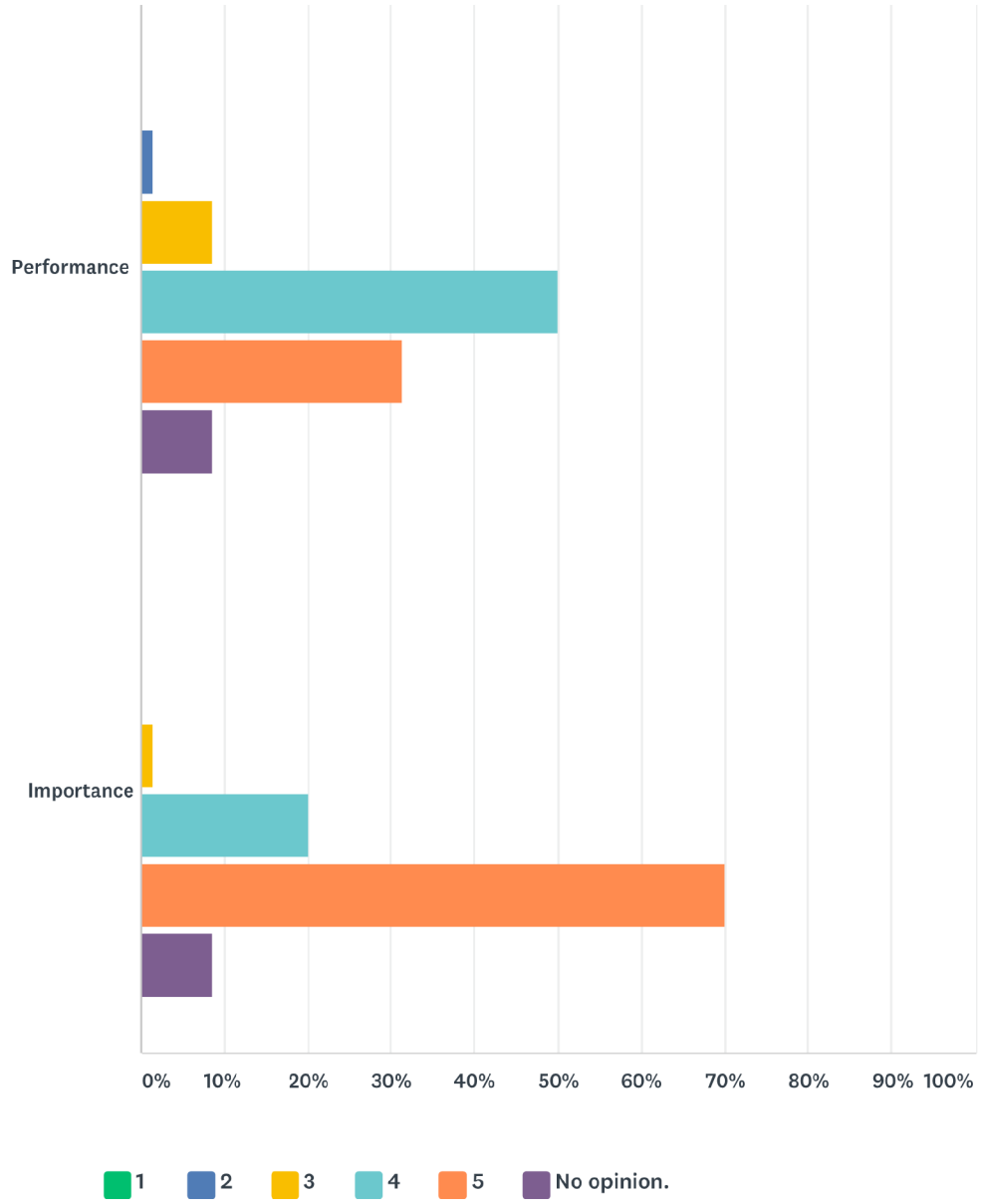
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	1.43% 1	7.14% 5	41.43% 29	48.57% 34	1.43% 1	70	4.39
Importance	0.00% 0	0.00% 0	7.14% 5	27.14% 19	64.29% 45	1.43% 1	70	4.58

#	LET US KNOW SPECIFICS!	DATE
1	Again our Power AE is an excellent communicator with me and my staff. Whenever we meet, he comes fully prepared with our account information and can handle most questions I give him. For the minimal number of items that he does not have an answer for, he is quick and thorough to find me an answer.	10/9/2019 2:24 AM

2	Overall, Power Services staff are clear and forthright. Seattle staff greatly benefit from this in identifying issues and interests and believe it fosters a more positive relationship between BPA and Seattle City Light, particularly on controversial topics.	10/4/2019 7:57 AM
3	Our Power Acct Exec is prompt with disseminating BPA news.	10/1/2019 12:42 AM
4	There are three business lines: Power, Transmission, Corporate. This is response is for PBL.	9/30/2019 2:12 AM
5	We do not have any problems in this area.,	9/27/2019 4:40 AM
6	There was an odd situation this past summer where there was a meeting scheduled around ICUA where only a few were invited? I thought that was odd but I'm sure it was not on purpose?	9/27/2019 2:20 AM
7	Honesty and transparency is essential, especially in the run up to the 2028 discussions. Further, and again, the work BPA did to disclose, investigate and keep customers informed about the accounting error between Power and Transmission was excellently done. Built much credibility with that process.	9/26/2019 10:32 AM
8	For better or for worse, our communications are candid and honest. It would be difficult to achieve success for either organization if communications were not direct.	9/26/2019 3:43 AM
9	Excellent.	9/25/2019 6:11 AM
10	Usually I am satisfied with PS communications. Last March when there was concern of gen covering load, a communication was issued on a Friday afternoon asking customers to conserve. There was no justification for the request and it caused more concern that it did good.	9/25/2019 3:55 AM
11	I believe Power Services is forthright and fair. I have never experiences anything otherwise.	9/23/2019 12:11 AM
12	Again, Mike Normandeau is a great AE. Thanks to Mike, performance is a 5.	9/19/2019 7:38 AM
13	Everyone is honest and trustworthy even though we have disagreements.	9/18/2019 3:26 AM

Q10 Considering BPA's products, services and reliability, how much value do BPA's power rates represent relative to other providers?

Answered: 70 Skipped: 4



	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	1.43% 1	8.57% 6	50.00% 35	31.43% 22	8.57% 6	70	4.22
Importance	0.00% 0	0.00% 0	1.43% 1	20.00% 14	70.00% 49	8.57% 6	70	4.75

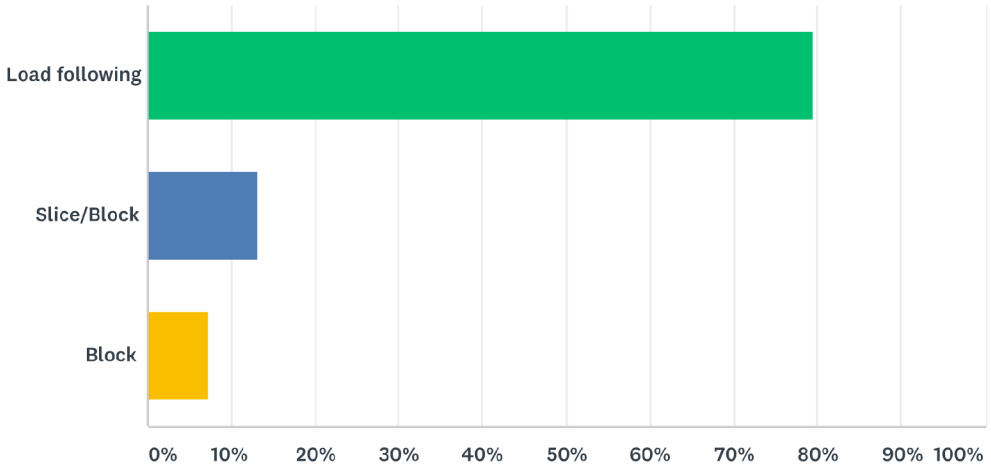
#	LET US KNOW SPECIFICS!	DATE
1	We are a load following, firm purchaser of BPA Power.	10/9/2019 2:24 AM

2	If there was an option to select 3.75 in performance that would be the rating. While BPA's rates have risen significantly recently, overall the product offerings and the reliability of the FCRPS provide significant value. Seattle acknowledges that it can difficult to quantify the overall value relative to other providers or resources and this may lead to uncertainty in the decision making and metrics that will be used to assess BPA's products, services and reliability.	10/4/2019 7:57 AM
3	Currently, the value is definitely there. Particularly with respect to load following. Shaping services are probably undervalued. Looking forward, particularly with respect to utilities facing load growth and state legislative requirements regarding renewable energy, it is currently unclear what products will meet customer's needs and at what price point. The influence of the California market is huge right now.	10/1/2019 1:43 AM
4	Snohomish values BPA's power product and its reliability and appreciate BPA's efforts to actively manage agency costs and seek revenue producing opportunities.	10/1/2019 12:42 AM
5	Continue to be at or below market rates.	9/30/2019 4:24 AM
6	Over the past 3-4 years BPA has lost the entire Lewis County 69-kV load three times. The causes behind those outages have mostly been addressed with improvements made to the BPA-Chehalis and Centralia Substations by the transmission side of BPA. CCL has requested that the new 230/115-kV transformers be sized for future growth and complete back up capability not the 150 MVA units first proposed but 200 MVA units that have base isolation included to resist the coming Cascadia Subduction Zone Earthquake event.	9/30/2019 2:00 AM
7	BPA's rates are critical to our success. However, when blended with some market power it improves our competitiveness. Due to transfer, it sometime appear we are being denied access to the mid-c, where all other direct connect customer enjoy.	9/27/2019 4:40 AM
8	I have to say, BPA rates are very competitive, and I hope they can stay that way	9/27/2019 2:20 AM
9	BPA's power rates are very valuable relative to other providers because of the nature of the product (clean hydro) and the fact that other services are not required to firm up the resource. BPA is subject to an enormous number of market forces beyond its control. I believe it has made considerable progress in cost-effectiveness, for which we are grateful. I think there is further progress to be made, some of which may require Congressional action, but I believe that BPA has the means to be the provider of choice again in the future.	9/26/2019 10:32 AM
10	Price is only one factor in our organization's selection of power products. BPAP ranks at the top in terms of non-price factors. The "system" qualities of the product are in large measure what contributes to the higher rates relative to market prices. Other providers do not always offer or provide the same services or attributes that BPAP provides.	9/26/2019 3:43 AM
11	As a full requirements BPA customer we do not have experience with other providers	9/25/2019 9:55 AM
12	It is a good value for the most part.	9/25/2019 9:32 AM
13	Excellent. It is hard to beat the value of BPA as a full-service provider (i.e. firm delivery and scheduling), products or reliability. Hydropower is still the best source of energy in terms of being clean and renewable, frequency response, efficiency and storage.	9/25/2019 6:11 AM
14	Given the services that come with BPA power, the value is good compared with other providers. The concern lies in the trend of significant rate increases since the initiation of the power sales contracts. BPA must control rates to retain current value in the present market conditions.	9/25/2019 3:55 AM
15	Historically, BPA has provided a very competitive power product. Going forward, the challenges BPA faces in continuing to provide these rates is in question. That being said, expense mitigation measures and commitments made by BPA recently, have served to assuage these concerns.	9/24/2019 9:21 AM
16	BPA under the current contract is losing ground in this area and by the time to renew the agreement the ranking may be lower. BPA's power costs are out of the market is some ways, and fair in others. The one-stop approach has worked well, but alternatives are being developed and in turn could advance BPA into a higher value segment rather than an all or nothin approach. I am not certain all BPA customers may be ready to consider something less than an all-in approach, but they might find a long term contract too binding if there is traction gained in other market segments. BPA may need to develop a partial power services requirement, and value those customers equally as they will provide a market opportunity for BPA. Some customers may simply want an all- requirement solution, some still yet will want to continue to sel-supply. BPA could well develop a broader market reach for each segment and not come across serving all requirements customers at the expense of others.	9/23/2019 12:11 AM
17	this is a comment looking back. This rate case is a great step forward.	9/18/2019 10:33 AM

18	The question seems awkward. We get that the BPA product isn't apples to apples with a market purchase or with a resource, consequently our expectation is that the rate will be higher. Honestly, we haven't compared the cost of a comparable product (load following, reliability, etc.) with the BPA cost.	9/18/2019 8:03 AM
19	The power product we receive from BPA continues to be very valuable. All the strings attached to being a preference customer are weighing heavily on customers. Other providers and resources do not have the baggage associated with the tier 1 product.	9/18/2019 3:41 AM
20	BPA is a critical part of our business model. I work with cooperatives that buy power from other G&Ts such as Basin and TriState. I feel fortunate that we are able to be a BPA customer.	9/18/2019 3:26 AM

Q11 Please indicate which power product you currently purchase.

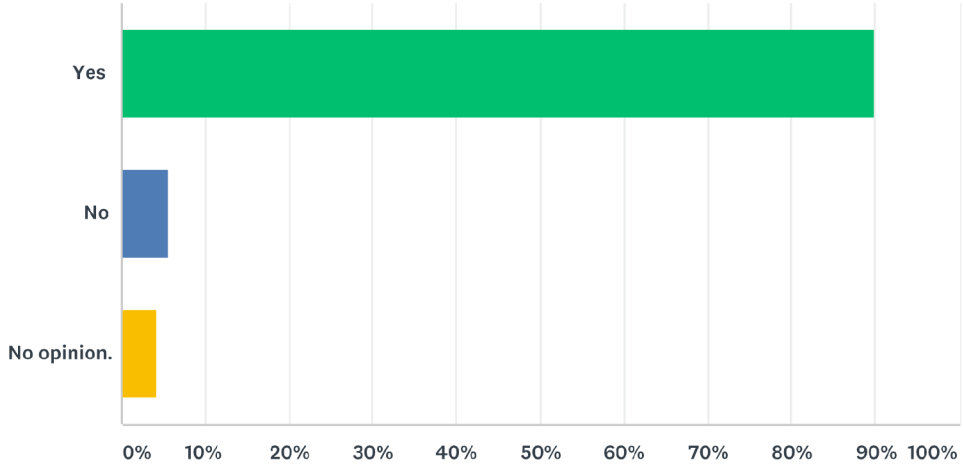
Answered: 68 Skipped: 6



ANSWER CHOICES	RESPONSES	
Load following	79.41%	54
Slice/Block	13.24%	9
Block	7.35%	5
Total Respondents: 68		

Q12 Are you satisfied with your current power product(s)?

Answered: 70 Skipped: 4



ANSWER CHOICES	RESPONSES	
Yes	90.00%	63
No	5.71%	4
No opinion.	4.29%	3
TOTAL		70

#	LET US KNOW SPECIFICIS!	DATE
1	However, I do not have anything to compare them against as we purchase solely from BPA.	10/9/2019 2:24 AM
2	With the changing energy landscape and impending retirements of baseload thermal resources there might be a need to consider some additional attributes for BPA's power products. However, it's very difficult now to have clarity on what those might be, and Seattle is not able to offer specific suggestions at this point in time.	10/4/2019 7:57 AM
3	Slice is more complicated than it needs to be. BPA does not timely communicate important relevant information related to the operation of the federal system.	10/2/2019 3:11 AM
4	The load following product meets the PUD's current needs seamlessly and the price is reasonable. Going forward, the PUD's biggest issue is the potential for large load growth and facing the NLSL issue. If we are to remain a full requirements customer of BPA there needs to be a means to incorporate new large loads and secure power from BPA at a reasonable price relative to non-federal power alternatives.	10/1/2019 1:43 AM
5	There is room and opportunity to improvement/simplify the power product.	10/1/2019 12:42 AM
6	Yes and no. Mason 3 is happy with our load following product however we are ready for some contract changes and look forward to 2028 negotiations.	9/30/2019 4:32 AM
7	We are happy with rates	9/27/2019 2:20 AM
8	We appreciate the flexibility of the Slice product, and would like to see an option like it in the future.	9/26/2019 10:32 AM
9	Yes, but there are some contract "features" that should be either removed or revised to make the products more practical to use and a better value. One example is the Above-Rate Period High Water Mark (ARHWM) obligation. This provision in the contract can force uneconomical planning and operating decisions by customers. Furthermore, it greatly complicates monthly settlement processes. During the coming months as the post-2028 contracts are discussed, a list of "features" that should be reviewed will be brought up.	9/26/2019 3:43 AM

10	But... we have much work to do over the next few years to prepare for the termination of the TRM agreements. Post 2028 power supply commitments will need to be made well in advance of this. As we approach those considerations, some public power utilities will likely choose other paths that fragment the region if we cannot land on a suitable, post 2028 regimen, prior.	9/26/2019 3:14 AM
11	That's not to say there won't be challenges in the future that will make that answer change.	9/25/2019 9:32 AM
12	I'm somewhat satisfied. The Tiered Rate Methodology needs to be simplified in the next contract. And future rate increases need to be kept to a minimum.	9/25/2019 4:16 AM
13	We were penalized due to TOCA being arbitrarily based on a single year where the North Peninsula had a particularly disadvantageous demand and energy.	9/24/2019 2:13 AM
14	I am satisfied with load following, yet my load profile and customer base is changing and I must adapt. I which BPA could offer additional products and statutorily could serve new and developing large loads.	9/23/2019 12:11 AM
15	The RSO test and penalty are beyond punitive. thankfully we have never actually triggered one. this MUST be improved on for 2028.	9/18/2019 10:33 AM
16	Satisfied that it follows load - yes. Satisfied with complexity - no.	9/18/2019 8:03 AM
17	All products are capable of more than they currently offer.	9/18/2019 3:41 AM
18	Overall very satisfied, but RSS was too expensive for our wind project so we had to move to another supplier.	9/18/2019 3:26 AM
19	WE have low rates and we want to keep it that way.	9/18/2019 2:55 AM

Q13 Overall, what does Power Services do well?

Answered: 39 Skipped: 35

#	RESPONSES	DATE
1	Understands the dynamics of my utility account and is actively involved (and respected) within our local and statewide cooperative group. He goes the "extra mile" to make sure that my needs are met.	10/9/2019 2:24 AM
2	Excellent communication through our Account Executive.	10/7/2019 5:12 AM
3	See answer to question 1, 2, 9, and 10.	10/4/2019 7:57 AM
4	Good communication with regard to load forecasting.	10/4/2019 7:19 AM
5	Communicate	10/3/2019 6:59 AM
6	Slice operators are helpful.	10/2/2019 3:11 AM
7	Power Services listens and responds to our requests for information and/or provides potential solutions to the PUD's issues. In particular, our Power Services Account Executive does a great job in responding to our requests and or issues.	10/1/2019 1:43 AM
8	Very supported of our needs	10/1/2019 12:56 AM
9	We appreciate Power Services staff's efforts to work/communicate through PPC's Rates & Contracts committee members on a variety of issues. This has been an insightful and productive exchange of thought on policy and implementation matters. BPA Slice Staff continues to be engaged and both responsive and collaborative in exploring ways to make process/communication improvements. Flex spill approach is prime example of collaboration.	10/1/2019 12:42 AM
10	Works well with answering all questions we may have	9/30/2019 8:39 AM
11	They work hard at keeping the costs down and communicating with us on our load forcasts.	9/30/2019 6:44 AM
12	Overall Mason 3 is happy with the decision for an average T1 rate increase of 0% and the determination to not increase fish and wildlife spending. The team worked itself ragged cutting costs and it is evident in the Administrator's decision.	9/30/2019 4:32 AM
13	Listen to our concerns and work with staff.	9/30/2019 2:06 AM
14	They are particularly good at explaining the power contract and making sure CCL completes all necessary BPA related administrative requirements on time.	9/30/2019 2:00 AM
15	We appreciate the collective services BPA provides to us as a small utility.	9/30/2019 1:53 AM
16	Power Service works very hard for us. We are just not easy and the established rules that usually work for everyone else and usually contrary to meeting our needs.	9/27/2019 4:40 AM
17	Im sure they do a lot well, but honestly PNGC does 99 percent of this.	9/27/2019 2:20 AM
18	Relationships, hiring and keeping quality people, and communicating with its customers.	9/26/2019 10:32 AM
19	Very well. Just hope they can stay competitive in the market.	9/26/2019 6:43 AM
20	BPA (Power and Transmission) implements operation of a large, complex system of tangible power production facilities that provide remarkable value to the Northwest region. Through its relationship with USACE, BUREC, ENW and others, it provides customers with a fleet of assets that are unrivaled in the region.	9/26/2019 3:43 AM
21	They have regular meetings with us which is very helpful.	9/25/2019 9:55 AM
22	Provide power with limited outages.	9/25/2019 9:32 AM
23	Reliability.	9/25/2019 6:11 AM
24	Provide value in their product oferings.	9/25/2019 4:16 AM
25	Provide clean, reliable energy at what is presently a good value.	9/25/2019 3:55 AM

26	Power Services are very helpful in assisting to understanding contracts and power product.	9/24/2019 9:21 AM
27	Communicates quickly on issues	9/24/2019 9:09 AM
28	Good job on letting customer know of surcharges that are coming.	9/24/2019 5:53 AM
29	I think they have made a great effort to be more open to showing the region how the inner workings of the agency is.	9/24/2019 4:31 AM
30	Communication between Marcus and the utility is exceptional. He is very proactive in his dealings with us.	9/24/2019 2:13 AM
31	Communicates BPA's processes, challenges and works to assist me in understanding the complexities of BPA's services.	9/23/2019 12:11 AM
32	Great progress in bending the cost curve in the current rate case. This must continue.	9/20/2019 11:31 PM
33	AE service level/communication Breadth of services	9/19/2019 7:38 AM
34	they keep a good eye on the things that affect the utilities and are willing to help	9/18/2019 1:46 PM
35	GREAT STAFF.	9/18/2019 10:33 AM
36	In general, we believe BPA is a good business partner. I believe there are a lot of good people working at BPA that want to do a good job. BPA's a big organization with many varied customers.	9/18/2019 8:03 AM
37	Great prices and quality service.	9/18/2019 3:26 AM
38	AE is good to work with. Rates are low.	9/18/2019 2:55 AM
39	They listen to our concerns and try to include us in the processes.	9/18/2019 2:40 AM

Q14 Overall, what would you recommend Power Services do to improve?

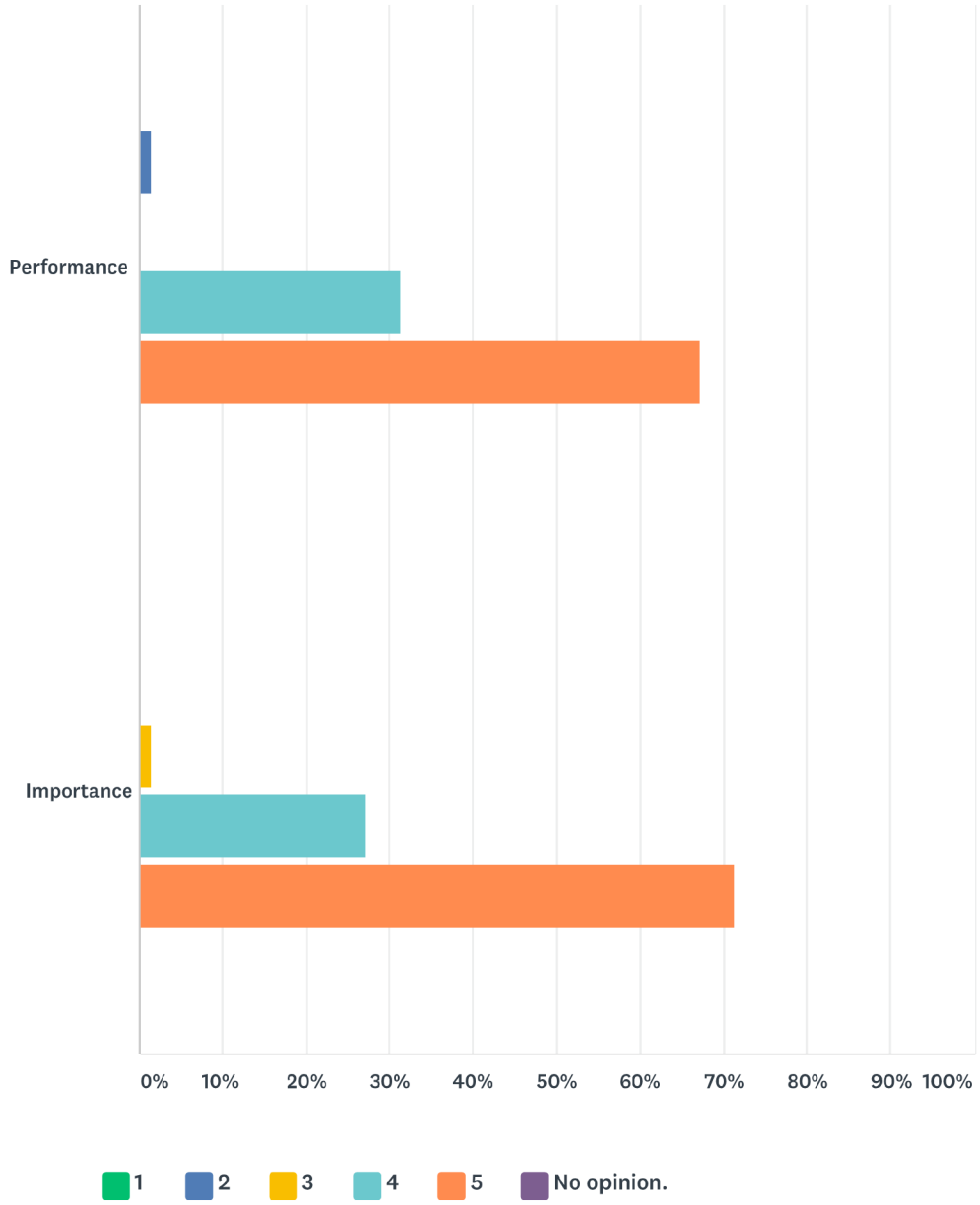
Answered: 37 Skipped: 37

#	RESPONSES	DATE
1	PS should have been transparent on how new power rates would impact utilities differently. The "0"% rate increase PR piece created hardship for us in mopping up miscommunication with our retail customers.	10/7/2019 5:12 AM
2	See answers to question 4,6, and 8.	10/4/2019 7:57 AM
3	Provide more customer specific impact of network operating committee discussions. Provide more vision into engineering details with PODs and metering points.	10/4/2019 7:19 AM
4	Stay competitive. Become more flexible and efficient.	10/4/2019 7:09 AM
5	no opinion	10/3/2019 6:59 AM
6	More timely sharing of slice constraint information, such as when non-treaty storage is used from Canada.	10/2/2019 3:11 AM
7	The main thing is to provide more information on creative power supply options that are different from the PF firm product and which might meet the PUD's new customer needs.	10/1/2019 1:43 AM
8	nothing	10/1/2019 12:56 AM
9	#1 Improve coordination and understanding between Power and Transmission Services in operations and practices – would reduce customer frustration and would avoid conflicting interactions between products. #2 Understand what the customer's business and challenges faced.	10/1/2019 12:42 AM
10	Nothing	9/30/2019 6:44 AM
11	Mason 3 encourages BPA and power services to continue to review the fish objectives and each programs success. If a program or expense is not related to a successful outcome then the program and funding should be eliminated. There is great potential for reducing the fish and wildlife budget even further instead of keeping it at the status quo.	9/30/2019 4:32 AM
12	I believe they need to hire more employees in engineering, operations, and in leadership roles.	9/30/2019 2:06 AM
13	Filter communications by adding a personal comment that this or that subject does/does not affect you.	9/30/2019 2:00 AM
14	Flexibility	9/27/2019 4:40 AM
15	Hard to say as I dont work directly with them for most things.	9/27/2019 2:20 AM
16	There seems to be some held over animosity towards the slice product which is frustrating to slice customers. We are not out to game the system but at times the approach to concerns customers bring forward to BPA are perceived that way.	9/26/2019 11:56 PM
17	3 year rate cases instead of 2. Currently spend 18 of 24 months in a rate case. Would free BPA staff up to focus on other areas of the business.	9/26/2019 6:43 AM
18	Some BPAP (and BPAT) contracts, rates and policies suffer from over complication. Efforts to simplify and remove unnecessary and burdensome provisions would improve customer experiences. The focus should be on core functions for reliable and economical service.	9/26/2019 3:43 AM
19	Provide us with actual breakdowns for the bills. I.e. what is the actual cost of F&W to our members	9/25/2019 9:55 AM
20	I don't know if there's more to say than I already have.	9/25/2019 9:32 AM
21	none	9/25/2019 8:44 AM
22	Continue to work toward being competitive, promoting energy efficiency, while balancing the costs of protecting fish and wildlife.	9/25/2019 6:11 AM
23	Continue to control costs and keep any rate increase to a minimum. Develop a long term solution to the South Idaho Exchange and Transfer Service issues.	9/25/2019 4:16 AM

24	Build a culture of continuous improvement where employees question processes and get needed support to make improvements. This is not intended to suggest big continuous improvement initiatives like Lean. Rather this is modifying the cultural mindset to be receptive to and active at continuously improving processes to gain efficiency. This opposed to growing bureaucracy to provide job security.	9/25/2019 3:55 AM
25	Audience to customer input could be increased.	9/24/2019 9:21 AM
26	Learning more about the needs that we have as a utility	9/24/2019 9:09 AM
27	Continue to look for ways to increase secondary revenue and also continue to be as transparent as possible to build trust be itself and its customers.	9/24/2019 4:31 AM
28	In view of CETA move away from the tiered product lines and seek a carbon free solution for WA state.	9/24/2019 2:13 AM
29	Guiding BPA customers to options and opportunities BPA is considering for the future.	9/23/2019 12:11 AM
30	Keep reducing costs and streamlining processes. I'd love to see state specific fuel mix offerings to deal with CETA regulations in Washington.	9/20/2019 11:31 PM
31	Cost competitiveness Timeliness	9/19/2019 7:38 AM
32	make more generation	9/18/2019 1:46 PM
33	It would be nice of the execs would pay some attention to the smaller customers. I know some of them came by to kiss EWEBs ring but didn't have time to swing by and see any of the rest of us.	9/18/2019 10:33 AM
34	BPA is experiencing the same turn over in staff as are utilities. It is difficult to pass on lessons learned from previous experiences -- west coast energy crisis for example. There is history as to why and how we got where we are today. Again, it is difficult to pass on that history, but it is necessary.	9/18/2019 8:03 AM
35	Take a less conservative approach to decision making.	9/18/2019 3:41 AM
36	Need to do a better job of promoting the benefits of hydro and fight efforts tear out the four lower dams on the Snake River. BPA does a great job mitigating for fish and the dams are needed to make other renewables possible and fight climate change.	9/18/2019 3:26 AM
37	Resist the influence of outside interests and fight a little harder for our core purpose.	9/18/2019 2:40 AM

Q15 How timely are your Power Services Account Executive and team members in responding to your questions and requests?

Answered: 70 Skipped: 4



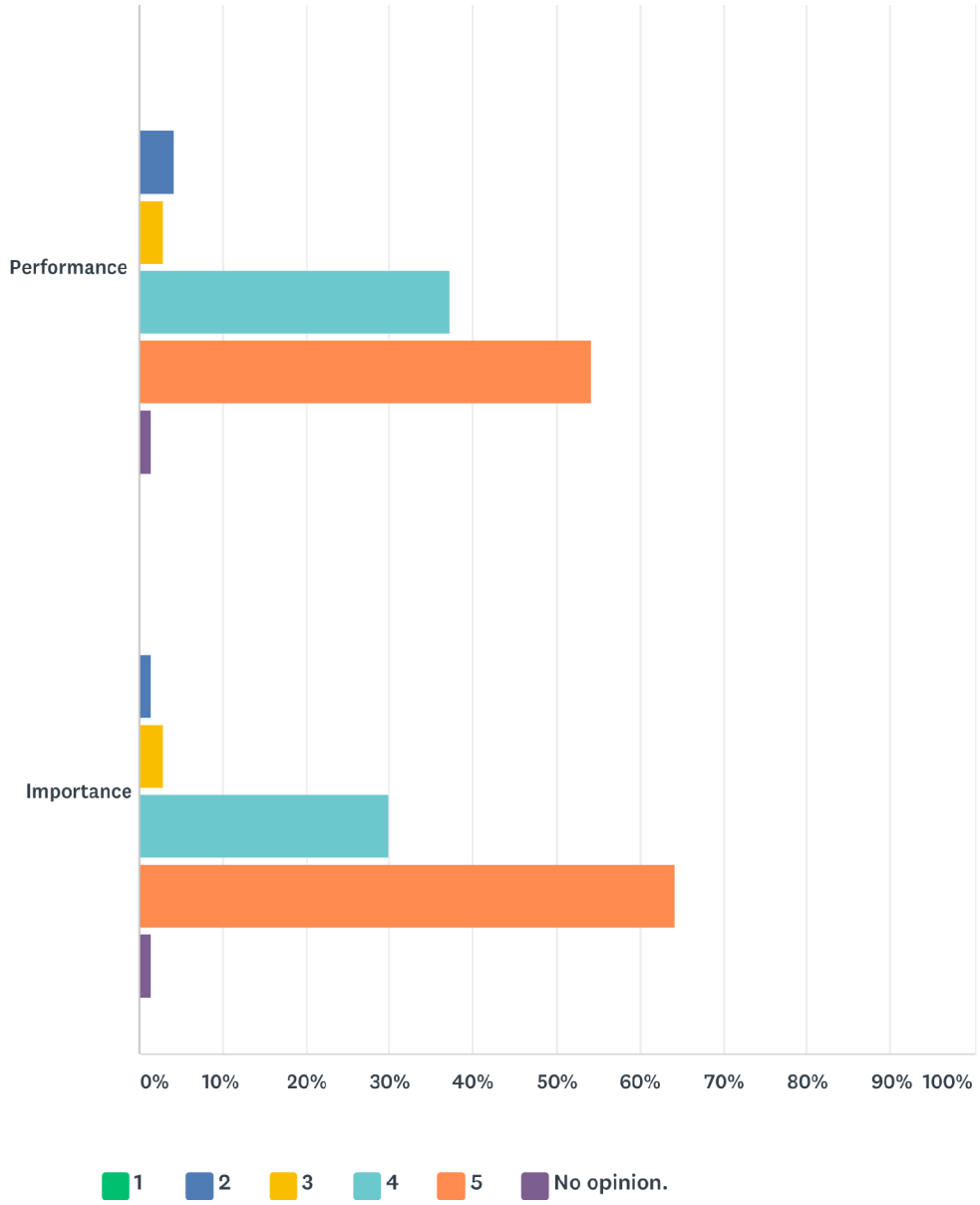
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	1.43% 1	0.00% 0	31.43% 22	67.14% 47	0.00% 0	70	4.64
Importance	0.00% 0	0.00% 0	1.43% 1	27.14% 19	71.43% 50	0.00% 0	70	4.70

#	LET US KNOW SPECIFICS!	DATE
1	Our Power AE does a great job with communication.	10/9/2019 2:30 AM
2	Great Service and always helpful. Hope Ross does a great job for us.	10/4/2019 7:11 AM

3	The PUD's Power Services Account Executive has gone above expectations with regard to attempting to address our needs and in terms of timely responses. This past year we have thrown a number of one-off things at our AE and he has always made an attempt to address our needs or concerns. He is always candid with regard to what BPA can and can't do.	10/1/2019 1:43 AM
4	Our representative Andrew does and excellent job of staying in touch and keeping a pulse on our needs.	9/30/2019 6:46 AM
5	Mason 3's Power Services Account Executive and team work extremely hard to answer any questions we may have both expeditiously and accurately. They are quick to get into the weeds if need be.	9/30/2019 4:37 AM
6	Good communications are maintained at all times.	9/30/2019 2:03 AM
7	Always very good at responding in a timely manner	9/27/2019 2:24 AM
8	See my previous comment re: Kevin, and how valuable he is.	9/26/2019 10:33 AM
9	Hope Ross is the most responsive and reliable AE we have had.	9/26/2019 6:47 AM
10	Kirsten Watts is an effective communicator and is always responsive to our inquiries.	9/25/2019 8:45 AM
11	Excellent.	9/25/2019 6:11 AM
12	Our AE is to be commended. A recent inquiry into developments in the BPA Fish & Wildlife Budget were addressed thoroughly and with candor. A request for explaining our customer RIM was handled likewise.	9/24/2019 9:33 AM
13	My PS AE is excellent.	9/23/2019 12:15 AM
14	We've been fortunate to have a series of awesome AEs Paul Garrett Kevin Farley and now Linsday Bliefus. GREAT folks!	9/18/2019 10:35 AM
15	Our AE does a great job and ensures that our questions are answered and concerns addressed.	9/18/2019 3:31 AM

Q16 How well do your Power Services Account Executive and team members understand information of importance to you?

Answered: 70 Skipped: 4



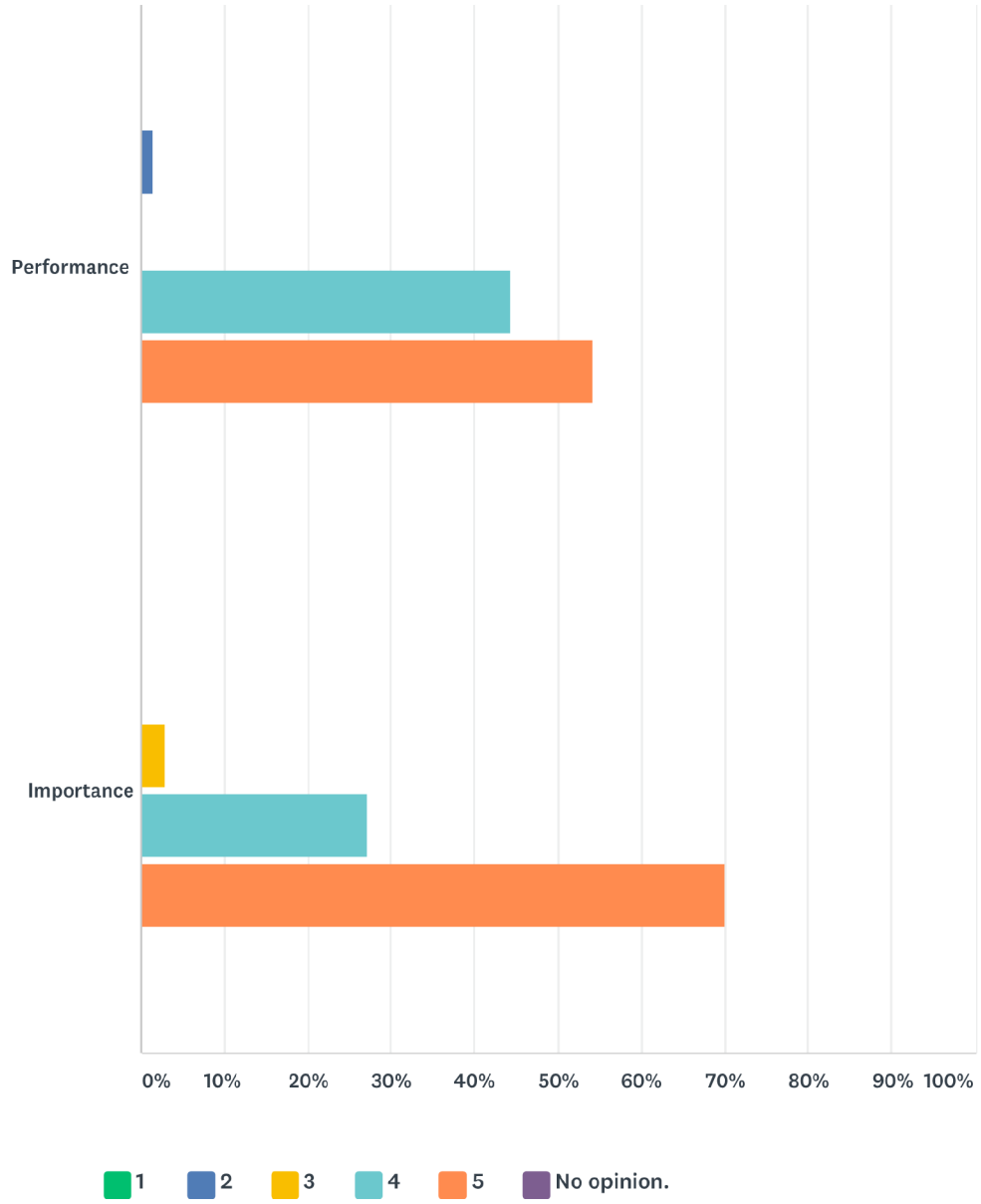
	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	4.29% 3	2.86% 2	37.14% 26	54.29% 38	1.43% 1	70	4.43
Importance	0.00% 0	1.43% 1	2.86% 2	30.00% 21	64.29% 45	1.43% 1	70	4.59

#	LET US KNOW SPECIFICS!	DATE
1	Our Account Executive demonstrates the highest level of standard of excellence in responsiveness.	10/7/2019 5:17 AM

2	Th power account executives and team members do very well with the information available to them. Timely and detailed communications within the agency to its staff would be of great benefit. The AE's should be aware of as much as possible as it relates to the utilities they serve.	9/30/2019 4:37 AM
3	Statements of applicability to CCL would be appreciated.	9/30/2019 2:03 AM
4	I think they understand but not really certain. Maybe this could be a talking point in the future	9/27/2019 2:24 AM
5	Excellent.	9/25/2019 6:11 AM
6	I don't believe in giving a 5 rating very often, but our AE has performed very well in sincerely meeting our needs in this regard.	9/24/2019 9:33 AM
7	I think they do and if I need to re-communicate they are receptive to learning the details.	9/23/2019 12:15 AM
8	Always room for improvement.	9/18/2019 3:31 AM

Q17 How transparent are your Power Services Account Executive and team members in providing answers to your questions and requests?

Answered: 70 Skipped: 4



	1	2	3	4	5	NO OPINION.	TOTAL	WEIGHTED AVERAGE
Performance	0.00% 0	1.43% 1	0.00% 0	44.29% 31	54.29% 38	0.00% 0	70	4.51
Importance	0.00% 0	0.00% 0	2.86% 2	27.14% 19	70.00% 49	0.00% 0	70	4.67

#	LET US KNOW SPECIFICS!	DATE

1	Our Power AE has work history outside of his tenure with BPA that allows him to easily identify with issues that his customers face. He is also a good and patient educator. Again, his reputation within our utility groups is highly revered.	10/9/2019 2:30 AM
2	They do a good job. We just have tough. No one like to tell someone “no” especially when the customer does not want to hear it	9/27/2019 4:43 AM
3	I very seldom have requests, but when I do, they are followed through	9/27/2019 2:24 AM
4	Typically if they can they are pretty quick in answering any questions we have.	9/25/2019 9:56 AM
5	Excellent.	9/25/2019 6:11 AM
6	May not always agree, but our AE has always been quick to respond and discuss.	9/24/2019 4:32 AM
7	very good and are there to help with question	9/18/2019 1:53 PM
8	Everyone is honest and they try to be transparent within the bounds of the red tape imposed on them.	9/18/2019 3:31 AM

Q18 Overall, what do your Power Services Account Executive and team members do well?

Answered: 39 Skipped: 35

#	RESPONSES	DATE
1	Coming adequately prepared with our account history whenever we meet. Brings additional resources to help educate others. We also appreciate the fact that he makes himself available to meet, when needed.	10/9/2019 2:30 AM
2	1) Responsive 2) Collaborative 3) Honest	10/7/2019 5:17 AM
3	Team and staff are very forthright and do not shy away from difficult conversations. They are very timely and collaborative and work very hard to not only represent customer interests internally but also work hard to put into context Power Services decisions that are necessary to maintain a strong BPA institution.	10/4/2019 7:58 AM
4	Keep up the effective communication.	10/4/2019 7:21 AM
5	Communication and answering questions.	10/4/2019 7:11 AM
6	Communicate	10/3/2019 7:00 AM
7	A very good job of answering questions.	10/2/2019 3:13 AM
8	Communications and explaining power costs. Also, the forward forecast of power costs, based on rate case information is great.	10/1/2019 1:43 AM
9	everything, always willing to help	10/1/2019 12:57 AM
10	They are available and responsive to questions, and are making the effort to learn our business by attending local meetings/tours to build a working relationship.	10/1/2019 12:48 AM
11	Help answer all questions well and in-depth	9/30/2019 8:40 AM
12	Andrew has been doing a great job for us and I am very satisfied with his performance.	9/30/2019 6:46 AM
13	Mason 3's Power Services Account Executive and team are reliable, demonstrate effective contract management, pay close attention to detail, and work hard to answer questions. Outside of task-related items they bring sincerity and integrity to all aspects of the job. We enjoy working with them.	9/30/2019 4:37 AM
14	Great communication.	9/30/2019 4:30 AM
15	Address our operational concerns and understand our operations and our customers.	9/30/2019 2:09 AM
16	CCL receives all BPA communications in a timely manner with adequate time to act on the ones that apply.	9/30/2019 2:03 AM
17	They have been proactive in assisting new members get up to speed on the issues and have brought forward other key BPA personnel to assist with the overall program.	9/30/2019 1:54 AM
18	For usually having their hands tied. The work pretty well, we believe they are working to find solution for us.	9/27/2019 4:43 AM
19	They are very good at letting us know about surveys, meetings and such	9/27/2019 2:24 AM
20	Communicate quickly, efficiently, and effectively. Reach out proactively as necessary. Manage relationships when appropriate.	9/26/2019 10:33 AM
21	Hope and Oscar are extremely reliable in getting our questions answered in a very timely manner. Both do a great job of making even the most complex topics easy to understand.	9/26/2019 6:47 AM
22	When our organization raises an issue, our AE responds quickly and seeks to address issues in a timely way. We appreciate the reminders that are provided relative to the contract deadlines. There are quite a few deadlines that are driven by decisions made during the contract development that are not clearly understood from a causation perspective today. Some of these deadlines can be traps that would drive unfavorable outcomes if they are missed.	9/26/2019 3:50 AM

23	Hope is timely in responding to our questions and needs, keeps us informed and respects that fact that some utilities need more care and feeding than others. When we need her, she is always their and dependably available. But, she does not badger us with unnecessary information.	9/26/2019 3:17 AM
24	Haven't had Lindsay as AE for very long but she has so far been very approachable and responsive when I get in touch.	9/25/2019 9:35 AM
25	They are very responsive and knowledgeable.	9/25/2019 6:11 AM
26	Communicate PS related issues via email. Understand the details of the complicated PS rate structure.	9/25/2019 4:01 AM
27	Our AE is professional, personable and timely in assisting with our needs.	9/24/2019 9:33 AM
28	Prompt communication	9/24/2019 9:10 AM
29	Communication	9/24/2019 4:32 AM
30	Responsive, proactive, transparent.	9/24/2019 2:15 AM
31	My AE communicates well - listens actively and I believe works to address my questions.	9/23/2019 12:15 AM
32	They communicate frequently, visit on a regular basis and always respond when I have a question.	9/20/2019 11:32 PM
33	Appreciate the responsiveness to requests	9/20/2019 2:56 AM
34	Communicating new information and data.	9/19/2019 9:01 AM
35	Mike Normandeau only: Accessible Knows his stuff Willing to have the hard conversation Great liaison	9/19/2019 8:26 AM
36	they try real hard to give us a good product at a reasonable price	9/18/2019 1:53 PM
37	Timely, accurate and concise information.	9/18/2019 10:35 AM
38	Keep me updated on contract issues, informed and they are available and responsive when I need them.	9/18/2019 3:31 AM
39	They really listen well.	9/18/2019 2:41 AM

Q19 Overall, what would you recommend your Power Services Account Executive and team members do to improve?

Answered: 31 Skipped: 43

#	RESPONSES	DATE
1	No improvements I can think of at this time.	10/9/2019 2:30 AM
2	Our AE could benefit from greater exposure to the broader Agency and its departments.	10/7/2019 5:17 AM
3	I believe that these staff have already identified opportunities to further improve communication, gather information regarding customers needs, participate in regional conversations, and pay attention to utility local governing bodies priorities. From these efforts, I'm cautiously optimistic that will BPA build the information and skill to synthesize the complex customer feedback it is likely to receive as its utility customers prepare and plan for an industry that is likely to undergo a significant evolution over the next 10-20 years.	10/4/2019 7:58 AM
4	N/a	10/4/2019 7:21 AM
5	Nothing that i can think of at the moment.	10/4/2019 7:11 AM
6	No opinion	10/3/2019 7:00 AM
7	To better understand our circumstance and be more of a customer advocate.	10/2/2019 3:13 AM
8	Develop more power supply options and better descriptions of what the options are and pros/cons.	10/1/2019 1:43 AM
9	nothing	10/1/2019 12:57 AM
10	It would be helpful if Power Services and team were more familiar with the way the customer uses the BPA Power, Transmission and EE services/products. Increase emphasis and outreach with customers on Fish and Wildlife related issues and programs - where can customers support?	10/1/2019 12:48 AM
11	Nothing	9/30/2019 6:46 AM
12	Mason 3's team is great; no suggestions at this time.	9/30/2019 4:37 AM
13	Hire!	9/30/2019 2:09 AM
14	Filter communications by adding statements of applicability to the type of customer that CCL is.	9/30/2019 2:03 AM
15	Perhaps reaching out to discuss our specific needs as they apply to our business more frequently	9/27/2019 2:24 AM
16	Nothing. They are doing a great job.	9/26/2019 6:47 AM
17	Sometimes contract exhibits may be delayed. This is usually due to the number of changes that are needed during resource transitions. This may not be an issue going forward.	9/26/2019 3:50 AM
18	I don't know yet.	9/25/2019 9:35 AM
19	N/A	9/25/2019 6:11 AM
20	Help us to help BPA by communicating positive developments that BPA has and is undertaking to meet its obligations. BPA's customers are BPA's biggest advocates!	9/24/2019 9:33 AM
21	Learn more about the specific issues and our utilities long-term goals. Learning how BPA can be part of our long-term future.	9/24/2019 9:10 AM
22	Our board would prefer updates from time to time by our account executive.	9/24/2019 2:15 AM
23	Communicate effectively the direction BPA plans under the strategic plan to develop solution for the changing market.	9/23/2019 12:15 AM
24	Keep doing what you are doing.	9/20/2019 11:32 PM
25	Get out to visit the customers a bit more often.	9/19/2019 9:01 AM
26	don't know	9/18/2019 1:53 PM
27	Never clear the upward feed of info is going on, or going on well.	9/18/2019 10:35 AM

28	Folks need to remember that you are all on the same team.	9/18/2019 8:06 AM
29	Actively provide information and analysis. Most information provided is after the fact and already provided on BPA's web site.	9/18/2019 3:44 AM
30	Keep improving the culture and bending the cost curve.	9/18/2019 3:31 AM
31	Fight a little harder for their customers, don't just relay the company line.	9/18/2019 2:41 AM

From: CARDOZA Kevin
Sent: Wed Oct 23 15:27:10 2019
To: Alders,Kyna L (BPA) - PGL-5; CAPPER Megan
Cc: Mantifel,Russell (BPA) - B-3; Burczak,Sarah E (BPA) - BD-3; Kerns,Steven R (BPA) - B-3; Farleigh,Kevin S (BPA) - PSW-6; Cisco,Kyle A (BPA) - PGL-5
Subject: [EXTERNAL] RE: [EXTERNAL] RE: BPA Visit
Importance: Normal
Attachments: image001.jpg; Agenda for BPA meeting 10-24-2019_final.docx

Good Afternoon All,

Here is an agenda of talking points for tomorrow's meeting. Please let me know if you would like to add anything so we can prepare on our end.

Safe travels tomorrow.

See you at 10am in the EWEB lobby at 500 East 4th Ave.

Kevin

Kevin Cardoza | Trading Operations Supervisor
O: 541-685-7338 | C: (b) (6) | E: kevin.cardoza@eweb.org
Eugene Water & Electric Board
500 East 4th Avenue, Eugene, OR 97440

From: Alders,Kyna L (BPA) - PGL-5 <klalders@bpa.gov>
Sent: Wednesday, October 23, 2019 15:23 PM
To: CAPPER Megan <Megan.Capper@EWEB.ORG>; CARDOZA Kevin < Kevin.CARDOZA@eweb.org>
Cc: Mantifel,Russell (BPA) - B-3 <rxmantifel@bpa.gov>; Burczak,Sarah E (BPA) - BD-3 < seburczak@bpa.gov>; Kerns,Steven R (BPA) - B-3 <srkerns@bpa.gov>; Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Cisco,Kyle A (BPA) - PGL-5 <kacisco@BPA.gov>
Subject: [EXTERNAL] RE: BPA Visit

Great. Thanks

Sent from Workspace ONE Boxer

On Oct 23, 2019 1:35 PM, CARDOZA Kevin < Kevin.CARDOZA@eweb.org> wrote:

> Kyna,
>
> I have a draft agenda going around EWEB right now and will forward to you and the BPA

group early this afternoon so you know what to expect. Nothing out of the norm, just want to make sure I capture everyone's topics.

Thanks,

Kevin

Kevin Cardoza | Trading Operations Supervisor
O: 541-685-7338 | C: (b) (6) | E: kevin.cardoza@eweb.org
Eugene Water & Electric Board
500 East 4th Avenue, Eugene, OR 97440

From: Alders,Kyna L (BPA) - PGL-5 < klalders@bpa.gov>
Sent: Wednesday, October 23, 2019 12:14 PM
To: CARDOZA Kevin < Kevin.CARDOZA@eweb.org>; CAPPER Megan < Megan.Capper@EWEB.ORG>
Cc: Kerns,Steven R (BPA) - B-3 < srkerns@bpa.gov>; Mantifel,Russell (BPA) - B-3 < rxmantifel@bpa.gov>; Burczak,Sarah E (BPA) - BD-3 < seburczak@bpa.gov>; Farleigh,Kevin S (BPA) - PSW-6 < ksfarleigh@bpa.gov>; Cisco,Kyle A (BPA) - PGL-5 < kacisco@BPA.gov>; Alders,Kyna L (BPA) - PGL-5 < klalders@bpa.gov>
Subject: BPA Visit

Hi Kevin and Megan,

We are looking forward to our visit tomorrow and just wanted to confirm that we plan to meet you in the EWEB lobby at 10 AM.

My understanding is that we will spend the morning discussing operations and the early afternoon with Matt discussing EDAM and other topics. If you need to reach me on the road for some reason, my work phone below is best as I'll have it forwarded.

Thanks,
Kyna

Kyna Alders
Bonneville Power Administration
Slice Operations & Management Supervisor
Phone: 503-230-5971 / Cell: (b) (6)

Agenda for BPA meeting 10/23/2019

- Introductions
- EWEB discussion on what is currently the likes and dislikes of the Slice product
- BPA discussion on their likes and dislikes of the Slice Product
- BPA discussion on EIM
    - How the Slice product will work with the EIM Timelines
    - Sub BA RS requirement discussion up to this point
    - Sub BA RA requirement discussion at this time
    - Metering needs of EWEB/BPA interconnection points
        - Non-participating requirements
        - Participating requirements
    - Settlements discussion
        - Non-participating requirements
        - Participating requirements
- Survey discussion as of this point
- EDAM Interests and Concern
- Post-2028 – reason for postponing discussion.

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Oct 24 13:55:22 2019
To: 'Seelig, Aliza'
Subject: RE: [EXTERNAL] RE: Seattle City Light's 2020 IRP Stakeholder Meeting
Importance: Normal
Attachments: image001.jpg

Hi Aliza,

I wanted to find out if you would be interested in setting up a casual BPA background meeting to discuss SCL's current power contract and some considerations for the future post-2028 contract. The meeting would include my Seattle contract staff expert, Kathryn Patton. Kate and I recently discussed the five GCPHA (irrigation district) contracts with Robin and Stephanie and Seattle's IRP planning considerations came up during our meeting.

If you are interested, Kate and I could come up to the SMT to meet with you and your staff.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Seelig, Aliza <Aliza.Seelig@seattle.gov>
Sent: Wednesday, October 16, 2019 7:58 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Subject: [EXTERNAL] RE: [EXTERNAL] RE: Seattle City Light's 2020 IRP Stakeholder Meeting

Hi Paul,
Please let me know if you have any questions and we can follow up later about stakeholder interest areas where BPA can provide some support.
Kind regards,
Aliza

From: Munz,Paul G (BPA) - PSW-SEATTLE < pgmunz@bpa.gov>
Sent: Wednesday, October 16, 2019 7:09 AM
To: Seelig, Aliza < Aliza.Seelig@seattle.gov>
Subject: [EXTERNAL] RE: Seattle City Light's 2020 IRP Stakeholder Meeting

CAUTION: External Email

Thanks, Aliza. I will read through it on the plane this morning. I hope the meeting goes well.

Paul
(206) 496-4021

On Oct 15, 2019 6:51 PM, "Seelig, Aliza" < Aliza.Seelig@seattle.gov> wrote:

> Good evening,
> I'm looking forward to welcoming you tomorrow afternoon. The attached slide deck has been prepared to facilitate tomorrow's meeting. Unlike past years, we will not be printing slides.
>
> As a reminder, the meeting will be held at City Hall in Room 370, located at 600 4th Ave between Cherry and James streets. For directions, transportation options and other visitor information, please click **here.**.
>
> We appreciate your interest in helping City Light develop the upcoming Integrated Resource Plan.
>
> Kind regards,
> Aliza

ALIZA SEELIG | RESOURCE PLANNING, FORECASTING & ANALYSIS MANAGER
POWER MANAGEMENT DIVISION

Seattle City Light

aliza.seelig@seattle.gov
TEL (206) 684-8458 cell (b) (6) [redacted]
The nation's greenest utility | LinkedIn | Facebook

http://www.seattle.gov/light/irp/

From: Rollie Miller
Sent: Tue Oct 29 07:45:21 2019
To: Normandeau,Mike (BPA) - PSE-RONAN
Cc: 'Joe Lukas'
Subject: [EXTERNAL] Meeting December 2nd
Importance: Normal
Attachments: image001.png

Mike,
Would it be possible to have a meeting with you to discuss the Post 2028 Questionnaire in Great Falls at the MECA offices on Monday, December 2nd at 3:00 pm??? That kinda worked for most of the WMG&T Manager's group. Hopefully it works for you. Thanks!

Regards,

Rollie Miller, PE | **General Manager** | **Rollie@vec.coop** |
PH 406.683.2327 | FAX 406.683.4328 | Mobile (b) (6) [redacted] **| 225 E. Bannack St. | P.O. Box 1049, Dillon, MT 59725 |**
www.vec.coop

"Don't ever take a fence down until you know why it was put up"…Robert Frost

Vigilante Electric Cooperative
A Touchstone Energy® Cooperative
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From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Tue Oct 29 08:50:25 2019
To: 'Luu, Kin'
Subject: SCL IRP Team Contact Information
Importance: Normal

Hi Kin,

I am working to set up a meeting with SCL's IRP group while Aliza is away and need to get the email addresses for the following folks:

1) Villamor Gamponia

2) Saul Villarreal

3) Paul Nissley

I would like to find out if the group is available for a meeting on Friday, Nov. 15th from 10:30 a.m. to 12:00 noon. The meeting would be in the SMT, but a meeting room would have to be determined.

I was thinking that I could set up the meeting…but if you want, you could set it up if you feel better about that.

Meeting topic: BPA/SCL IRP Meeting - contract discussion

Meeting summary: This meeting will be to open up the communication between Seattle's IRP group and the BPA Seattle office to cover current Regional Dialogue power contract questions and offer some preliminary discussion about a post-2028 BPA power contract.

For BPA, the meeting will include myself and Kathryn Patton (kbpatton@bpa.gov).

Please let me know if you have any questions.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Luu, Kin
Sent: Tue Oct 29 14:29:21 2019
To: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: [EXTERNAL] RE: SCL IRP Team Contact Information
Importance: Normal
Attachments: image003.jpg

Hi Paul,

Email addresses are:

1. 1. Villamor.Gamponia@seattle.gov
2. 2. Saul.Villarreal@seattle.gov
3. 3. Paul.Nissley@seattle.gov

Both Villamor and Paul are available on **Friday, Nov. 15th** from **10:30am-12pm**, and Saul is rearranging his schedule to accommodate the meeting.

Please check in at the Visitor Center on floor 32 for your badge and either Villamor/Saul/Paul will come escort you to **SMT 3303**. I have already reserved this conference room, so you can include the location on your meeting invite when you set it up/send it out.

Feel free to contact me if you have any questions.

Thanks,

KIN LUU | DIVISON ADMINISTRATOR
POWER MANAGEMENT DIVISION
Seattle City Light
kin.luu @ seattle.gov
TEL (206) 386-4508
The nation'sgreenest utility | LinkedIn | Facebook

From: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Sent: Tuesday, October 29, 2019 8:50 AM
To: Luu, Kin <Kin.Luu@seattle.gov>
Subject: SCL IRP Team Contact Information

CAUTION: External Email

Hi Kin,

I am working to set up a meeting with SCL's IRP group while Aliza is away and need to get the email addresses for the following folks:

1. 1. Villamor Gamponia

1. 2. Saul Villarreal

1. 3. Paul Nissley

I would like to find out if the group is available for a meeting on Friday, Nov. 15th from 10:30 a.m. to 12:00 noon. The meeting would be in the SMT, but a meeting room would have to be determined.

I was thinking that I could set up the meeting…but if you want, you could set it up if you feel better about that.

Meeting topic: BPA/SCL IRP Meeting - contract discussion

Meeting summary: This meeting will be to open up the communication between Seattle's IRP group and the BPA Seattle office to cover current Regional Dialogue power contract questions and offer some preliminary discussion about a post-2028 BPA power contract.

For BPA, the meeting will include myself and Kathryn Patton (kbpatton@bpa.gov).

Please let me know if you have any questions.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Johnson,Tim A (BPA) - LP-7
Sent: Tue Oct 29 16:23:12 2019
To: Normandeau,Mike (BPA) - PSE-RONAN; Greene,Richard A (BPA) - LP-7; Bleifuss,Lindsay A (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Traetow,Emily G (BPA) - PSR-6; Fisher,Daniel H (BPA) - PSR-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: Mid C Discussion, Pre and Post 2028
Importance: Normal

From: Normandeau,Mike (BPA) - PSE-RONAN
Sent: Tuesday, October 29, 2019 3:17 PM
To: Johnson,Tim A (BPA) - LP-7; Greene,Richard A (BPA) - LP-7; Bleifuss,Lindsay A (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Traetow,Emily G (BPA) - PSR-6; Fisher,Daniel H (BPA) - PSR-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: Mid C Discussion, Pre and Post 2028

Tim and Rich,

A group of us spoke today on this topic. Would like to explore the legal aspects with the two of you in

Hope you can make this time. Looked good on your calendars.

Mike

-----Original Appointment-----
From: Normandeau,Mike (BPA) - PSE-RONAN
Sent: Tuesday, October 29, 2019 4:06 PM
To: Normandeau,Mike (BPA) - PSE-RONAN; Johnson,Tim A (BPA) - LP-7; Greene,Richard A (BPA) - LP-7; Bleifuss,Lindsay A (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Traetow,Emily G (BPA) - PSR-6; Fisher,Daniel H (BPA) - PSR-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: Mid C Discussion, Pre and Post 2028
When: Wednesday, October 30, 2019 4:00 PM-5:00 PM (UTC-07:00) Mountain Time (US & Canada).
Where: 503-230-4000 ID: 243727544 Rm 632

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Sent: Wed Oct 30 09:01:00 2019
To: Johnson,Tim A (BPA) - LP-7; Normandeau,Mike (BPA) - PSE-RONAN; Greene,Richard A (BPA) - LP-7; Bleifuss,Lindsay A (BPA) - PSW-6; Traetow,Emily G (BPA) - PSR-6; Fisher,Daniel H (BPA) - PSR-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: Mid C Discussion, Pre and Post 2028
Importance: Normal

Hi Tim,
I have a meeting with Joel on Friday. He and I have tried to connect in the past two weeks, but our schedules have not aligned.

(b) (5) [redacted]

Thanks,
Nancy

From: Johnson,Tim A (BPA) - LP-7
Sent: Tuesday, October 29, 2019 4:23 PM
To: Normandeau,Mike (BPA) - PSE-RONAN; Greene,Richard A (BPA) - LP-7; Bleifuss,Lindsay A (BPA) - PSW-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Traetow,Emily G (BPA) - PSR-6; Fisher,Daniel H (BPA) - PSR-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: Mid C Discussion, Pre and Post 2028

(b) (5) [redacted]

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Subject: Mid C Discussion, Pre and Post 2028
When: Wednesday, October 30, 2019 4:00 PM-5:00 PM (UTC-07:00) Mountain Time (US & Canada).
Where: 503-230-4000 ID: 243727544 Rm 632

Subject:	BPA/SCL IRP Meeting - contract discussion
Location:	SMT 3303
Start:	Fri 11/15/2019 10:30 AM
End:	Fri 11/15/2019 12:00 PM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Munz,Paul G (BPA) - PSW-SEATTLE
Required Attendees:	Villamor Gamponia (Villamor.Gamponia@seattle.gov); Saul Villarreal (Saul.Villarreal@seattle.gov); Paul Nissley (Paul.Nissley@seattle.gov); Patton,Kathryn B (BPA) - PSS-SEATTLE
Optional Attendees:	Luu, Kin; Gillins,Christine A (CONTR) - PSW-SEATTLE; Aliza Seelig (aliza.seelig@seattle.gov)

Hello,

This meeting will be to open up the communication between Seattle's IRP group and the BPA Seattle office to cover the current Regional Dialogue power contract questions and some preliminary discussion about a future post-2028 power contract.

Please let me know if you have questions.

Thanks,

Paul

Paul Munz

Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Schwendiman,Celeste M (BPA) - PSE-BOISE
Sent: Friday, November 01, 2019 9:08 AM
To: ken@srec.org; Ken Dizes
Subject: next week

Categories: 2028, FOIA 2028

Hi Ken,

Checking in on what time works best for you next Wednesday (Nov 6) to meet before Lost River's annual meeting. Let me know your thoughts. Also, I'll have about 4 agenda items:

1) Net Billing follow up
2) Exhibit E revisions walk through (this is the metering exhibit—updates for Rock Creek Hydro)
3) Post-2028 survey questions early look
4) Housekeeping – review account profile of Salmon River Electric

I am planning to arrive up to 4 hours prior to the start of the business meeting (maybe around 4pm-ish or so) but can adjust as needed. Talk to you soon, -Celeste (208) 670-7406

ps. Please call or text me if you reply by email just to confirm receipt on my end

Celeste Schwendiman, Power Account Executive
Bonneville Power Administration
950 W Bannock Street, Suite 805, Boise, ID 83702

From: Sharon Silver
Sent: Fri Nov 01 11:20:46 2019
To: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: [EXTERNAL] Post 2028 BPA Contract Questions
Importance: Normal
Attachments: image001.png

Hi Paul - good meeting yesterday. Please send the above-referenced email to Jafar, Ryan and me. Enjoy the weekend sun!

Thanks –

Sharon Silver
Power Resources Manager
253-857-1526
sharons@penlight.org

From: Kevin Kytola
Sent: Tue Nov 05 09:20:48 2019
To: Alders,Kyna L (BPA) - PGL-5
Subject: [EXTERNAL] draft exec agenda
Importance: Normal
Attachments: AGENDA November 14 2019 Slice_BPA v1.docx

Hi Kyna,

Attached is an agenda for the Nov 14 exec meeting. The customer group has discussed it and ready to finalize but I wanted to discuss it with you first before I call it "final" and share it with others.

Let me know if you have space today between 11:30am and 3:30pm to discuss.

Kevin

Kevin Kytola
Sapere Consulting, Inc | 103 E. Main St.; Suite 301 | Walla Walla, WA 99362
509-524-2343 (office) | (b) (6) (cell) | 509-529-7886 (fax)

Slice Customer & BPA Executive Meeting

Thursday November 14, 2019 Sheraton PDX – St. Helens "D"

5:00 pm - 6:30 pm

ATTENDEES:

Customers: Slice SIG and Executive Reps;
BPA: Kieran Connelly, Kim Thompson, Joel Cook, Kyna Alders, Tina Ko

AGENDA:

Welcome & Introductions	5:00 pm
1. EIM Implementation	5:15 pm
2. EDAM Engagement	5:35 pm
3. Operations (spill planning and CRSO EIS update)	5:45 pm
4. Compatibility of changes in transmission business practices with other products and services	6:00 pm
5. Post-2028 Products and Services	6:15 pm
Adjourn	6:30 pm

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Tue Nov 05 10:19:59 2019
To: Miller,Robyn M (BPA) - PSS-6; 'Tracy Richardson (TracyR@subutil.com)'
Subject: RE: SUB Meeting with Kevin Next Week
Importance: Normal

Hi Tracy,

At our last meeting I mentioned BPA was gearing up for a post-2028 customer questionnaire/survey, and that I was hoping to spend time at our November meeting (next week) going through the questions with you.

Well we will still be issuing the survey, however we've decided to delay the rollout until January. There was concern with issuing it so close to the recently completed customer satisfaction survey.

So…, perhaps we could plan instead to set aside an hour or so of our January meeting to walk through the questions? Then starting January 1st, the SurveyMonkey questionnaire will also be live so you could follow up our meeting by entering the survey responses at your convenience. And of course I'll plan to send you the questions in advance of the January meeting. We should have those finalized within the next couple weeks.

On a related note, we should also attempt to get our 2020 meetings on the calendar, starting with January's. In general, 10am the second Wednesday every other month continues to work for me, starting with January 8th. How's that sound? Thanks, and apologies for the survey delay.

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Miller,Robyn M (BPA) - PSS-6
Sent: Tuesday, November 05, 2019 9:16 AM
To: 'Tracy Richardson (TracyR@subutil.com)'
Cc: Farleigh,Kevin S (BPA) - PSW-6
Subject: SUB Meeting with Kevin Next Week

Hi Tracy,

Please let me know if SUB has any items to add to the agenda for your meeting with Kevin next week. I will get them added to the list.

Thanks!
Robyn

Robyn Miller
Account Specialist – PSS
Bonneville Power Administration
503.230.5124

FINAL CUSTOMER QUESTIONNAIRE ON POST-2028 CONTRACTS, PRODUCTS, RATES

11/08/19

In 2016, Elliot Mainzer and other executives concluded Bonneville's Focus 2028 effort and held Provider of Choice conversations around the region. The Focus 2028 conversations culminated in Bonneville's long-term Strategic Plan released in 2018.

At the conclusion of the Provider of Choice conversations in fall of 2016, Bonneville committed to periodically continue regional conversations to understand the challenges customers are facing today and in the future as we strive to remain your provider of choice. Bonneville is fulfilling this commitment with a customer engagement period from this November through mid-2020.

Bonneville's goal is to be your cost-based, long term power provider of choice beyond 2028. Bonneville would like to hear from you.

The questions below are intended to elicit your feedback regarding the products and services you would like Bonneville to offer post-2028. By gaining an understanding of your needs, we will be better positioned to develop power sales contracts and policy for post-2028. Please know that your input is important and valuable. Please take the time to review these questions in advance of our meeting. The survey Bonneville will administer is identical to the questions below.

Customer Profile Questions

1. Name of the utility [drop-down box, pre-populated (*list PNGC and individual members)]
2. Name of utility member who is participating in/filling out the survey [comment box for one name]
3. Name of AE [drop-down box with AEs' names pre-populated]
4. Who is filling out the SurveyMonkey?
   - ○ AE
   - ○ Utility Member
5. Size of utility [TRL in aMW: 0-5aMW; 6-15; 16-40; 41-100; 101-200; >200aMW]
6. State [drop down box, pre-populated: WA, OR, ID, MT, CA, NV, WY]
7. Current product purchase (drop down box, pre-populated: Load Following, Block, Slice/Block) [only one selection allowed]

1. In terms of your current product purchase from Bonneville, what is working well and what can be improved for your utility? [comment box]

2. In the recent Customer Satisfaction Survey Bonneville sent to preference customers, <u>90%</u> of respondents said they were "satisfied with [their] current power product(s)". Bonneville interprets this information as customers generally feel that the Regional Dialogue contracts and tiered rates are working well. What is your opinion?

- ○ Works very well

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- ○ Works well
- ○ Neutral
- ○ Not working well at all

In one sentence, why did you answer the way you did? [comment box]

3. *Please note that the following three questions all relate to offering the same products and services post-2028, with tiered rates, as are offered under today's Regional Dialogue contracts.

By law, Bonneville cannot have contracts longer than a 20-year term and therefore must offer new contracts. Should Bonneville offer new contracts post-2028 that provide the same products, services, and tiered rate construct as provided under the Regional Dialogue power sales contract?

- ○ Yes, with no changes.
- ○ Yes, but with changes.
- ○ No. We need to develop new policies and contracts.

4. Using Regional Dialogue as your baseline for comparison, how would you change the new contract(s) and/or products? [comment box]

5. Post-2028, if Bonneville did end up offering the same products and services, with tiered rates, as provided under the Regional Dialogue contract (with or without changes), for what term would your utility consider ideal? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Please provide Bonneville additional information about the term and/or off-ramp structure that would be most attractive to your utility if Bonneville were to reoffer similar products, services and rate structure as under Regional Dialogue. [comment box]

6. Do you think your utility can be competitive post-2028 if Bonneville offered the same product offerings, and its tiered rate structure, as Regional Dialogue? Please provide explanations of why or why not.

- ○ Yes
- ○ Yes, with modifications

- ○ No
- ○ Not sure

Additional comments? [comment box]

7. What product offering (Load Following, Slice/Block, Block) is most appealing to your utility post-2028?

- ○ Load Following
- ○ Slice/Block
- ○ Block
- ○ Other

Please provide an explanation of your answer and any other additional comments. [comment box]

8. Given Bonneville's strategic emphasis on competitiveness and cost control, which of the following foundational principles of Regional Dialogue do you think remain valid post-2028 and are important to your utility to carry forward? Check all that apply.

- ○ Lowest Tier 1 Costs and Tier 1 Rates
- ○ Durability/Stability/Contract Enforceability
- ○ Customer/Regional Support and Equity
- ○ Certainty of Obligations for All Parties
- ○ Promote Infrastructure Development Consistent with the Northwest Power Act
- ○ Consistency with Bonneville Stewardship Obligations
- ○ Legality
- ○ Simplicity
- ○ Advancement of National Objectives

Are there other principles that should underlay the post-2028 policy? Please share. [comment box]

9. In general, do you think Bonneville should maintain a structure like today with a total allocation of system and its costs, or attempt to create a new structure that moves away from the current approach?

- ○ Similar structure
- ○ New structure

Please share your ideas for a new structure or approach. [comment box]

10. Should Bonneville offer a Slice product post-2028?

- ○ Yes
- ○ No
- ○ Depends on what, if anything, is offered in its place
- ○ No opinion

Please provide an explanation for your answer. [comment box]

11. <u>Question for current Slice/Block customers only</u>: What do you value about the Slice product? If Bonneville does offer Slice post-2028, what features would you like to see included? [comment box]

12. <u>Question for current Slice/Block customers only</u>: If Bonneville only offered the Load Following or Block product (but no Slice) in the same manner as today, are we at risk of losing you as a customer post-2028?

- ○ Very likely
- ○ Possibly
- ○ Not likely
- ○ Not applicable

Please provide as much detailed information and explanation as possible. [comment box]

13. <u>Question for current Slice/Block customers only</u>: Could the right Block with shaping product make you indifferent to the removal of the Slice product?

- ○ Yes
- ○ No
- ○ Not applicable

Additional comments? [comment box]

14. Do you think Bonneville should retain the tiered rate structure post-2028?

- ○ Yes
- ○ No
- ○ No opinion

How would you simplify or modify the rate structure? [comment box]

15. If Bonneville does NOT re-offer the same products, services and rate structure as under the Regional Dialogue contract (whether with or without changes) what contract term length would be ideal post-2028? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Additional comments? [comment box]

16. For your business, what is the optimal frequency of rate cases? (Please note the maximum is every 5 years.)

- ○ 1
- ○ 2
- ○ 3
- ○ 4
- ○ 5

Additional comments? [comment box]

17. Post-2028, should Bonneville continue to offer a self-funded energy efficiency option?

- ○ Yes
- ○ No
- ○ Maybe, with limitations
- ○ No opinion

If yes, what share of energy efficiency should utilities self-fund? [add sliding percentage bar]

18. Should Bonneville explore changing the current TOCA-based (equity) model for allocating EE funding?

- ○ Yes
- ○ No
- ○ No opinion

If yes, what other allocation methodology(ies) should be explored? [comment box]

19. In the next contract period do you think that secondary sales revenue should be:

- ○ Forecast for the rate period and included as an offset to the priority firm power rate (excluding Slice rate). (Status quo)
- ○ Rebated/credited back to customers at the end of the fiscal year based on actuals.
- ○ No opinion
- ○ Other. [Please explain in the box below.]

Additional comments? [comment box]

20. Should and/or how could Bonneville pursue changes to modify the criteria and/or calculation of the Irrigation Rate Discount benefits?

- ○ Retain at current levels
- ○ Cap
- ○ Reduce
- ○ Eliminate
- ○ No opinion

Additional comments? [comment box]

21. Bonneville has a statutory requirement to provide a Low Density Discount. Should and/or how could Bonneville pursue changes, as allowed, to modify criteria and calculation of the Low Density Discount benefit?

- ○ Retain at current levels
- ○ Cap
- ○ Reduce
- ○ No opinion

Additional comments? [comment box]

22. Are there provisions of the Northwest Power Act that you believe the region should work to change or update?

- ○ Yes
- ○ No
- ○ No opinion

If yes, please provide your ideas. [comment box]

23. Are you satisfied with the Residential Exchange Program Settlement Agreement?

- ○ Yes
- ○ No
- ○ No opinion

Additional comments? [comment box]

24. Should the region consider pursuing another settlement agreement for the Residential Exchange Program?

- ○ Yes
- ○ No
- ○ No opinion

Additional comments? [comment box]

25. Post-2028, should Bonneville consider offering a bundled power and transmission product at a melded (not tiered) rate that recovers both power and transmission costs?

- ○ Yes, bundled product and melded rate
- ○ Yes, bundled product but not necessarily at a melded rate
- ○ No
- ○ No opinion

Additional comments? [comment box]

26. Would your utility be interested in a 100% carbon free product?

- ○ Yes
- ○ No
- ○ Maybe

If yes, what would be a reasonable premium (in dollars)? Additional comments? [comment box]

27. What is your utility's position on nuclear energy (a baseload carbon-free resource)?

- ○ Glad it's in BPA's fuel mix
- ○ Should not be in BPA's fuel mix
- ○ Neutral about it being in BPA's fuel mix

Additional comments? [comment box]

28. Please rank the top three elements/features in order of those that are most critical to your utility's decision to make Bonneville your provider of choice post-2028. [Displayed as three separate drop-down boxes for priority 1, 2, 3. Comment box available to add priority(ies) that aren't listed.]

- ☐ Long term agreements
- ☐ Short term agreements
- ☐ Contracts with products /services similar to RD
- ☐ Contracts with products/services different than RD
- ☐ Transfer Service
- ☐ Availability of Slice product
- ☐ Viable alternative to Slice product
- ☐ Bundled power & transmission product
- ☐ Tiered Rates
- ☐ Melded rates or other rate structure
- ☐ Increased flexibility
- ☐ Increased simplicity
- ☐ Access to public benefits (LDD, IRD)
- ☐ Cost control by any means possible
- ☐ Measured cost control (provide details below)
- ☐ Service to New Large Single Loads
- ☐ Access to carbon-free power
- ☐ More self-funding in EE
- ☐ Restructured EE program
- ☐ Restructure secondary sales revenue
- ☐ EIM/day ahead market

[comment box] List any other priorities/comments

29. What are your top two concerns as you look beyond 2028? [comment box]

30. Please provide any other product ideas or suggestions regarding: contracts, products, billing, other elements that you would like to see considered as Bonneville moves toward post-2028. [comment box]

FINAL CUSTOMER QUESTIONNAIRE ON POST-2028 CONTRACTS, PRODUCTS, RATES
11/08/19

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Bonneville's goal is to be your cost-based, long term power provider of choice beyond 2028. Bonneville would like to hear from you.

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Customer Profile Questions

Comment [KO1]: AE PROMPT: We are asking these customer profile questions so that when Bonneville is analyzing the data and information collected in this survey, we can easily sort and filter the data.

1. Name of the utility [drop-down box, pre-populated (*list PNGC and individual members)]
2. Name of utility member who is participating in/filling out the survey [comment box for one name]
3. Name of AE [drop-down box with AEs' names pre-populated]
4. Who is filling out the SurveyMonkey?
   - ○ AE
   - ○ Utility Member
5. Size of utility [TRL in aMW: 0-5aMW; 6-15; 16-40; 41-100; 101-200; >200aMW]
6. State [drop down box, pre-populated: WA, OR, ID, MT, CA, NV, WY]
7. Current product purchase (drop down box, pre-populated: Load Following, Block, Slice/Block) [only one selection allowed]

1. In terms of your current product purchase from Bonneville, what is working well and what can be improved for your utility? [comment box]

2. In the recent Customer Satisfaction Survey Bonneville sent to preference customers, 90% of respondents said they were "satisfied with [their] current power product(s)". Bonneville interprets this information as customers generally feel that the Regional Dialogue contracts and tiered rates are working well. What is your opinion?

- ○ Works very well

- Works well
- Neutral
- Not working well at all

In one sentence, why did you answer the way you did? [comment box]

3. *Please note that the following three questions all relate to offering the same products and services post-2028, with tiered rates, as are offered under today's Regional Dialogue contracts.

By law, Bonneville cannot have contracts longer than a 20-year term and therefore must offer new contracts. Should Bonneville offer new contracts post-2028 that provide the same products, services, and tiered rate construct as provided under the Regional Dialogue power sales contract?

Comment [KO2]: AE PROMPT: Bonneville Project Act of 1937, §5(a), authorizes Bonneville to enter into contracts for the sale of electric energy for a term not to exceed twenty years.

- Yes, with no changes.
- Yes, but with changes.
- No. We need to develop new policies and contracts.

4. Using Regional Dialogue as your baseline for comparison, how would you change the new contract(s) and/or products? [comment box]

5. Post-2028, if Bonneville did end up offering the same products and services, with tiered rates, as provided under the Regional Dialogue contract (with or without changes), for what term would your utility consider ideal? Please add specificity in the comment box below.

- Under 10 years
- 10-20 years
- 10-20, with off-ramps

Please provide Bonneville additional information about the term and/or off-ramp structure that would be most attractive to your utility if Bonneville were to reoffer similar products, services and rate structure as under Regional Dialogue. [comment box]

6. Do you think your utility can be competitive post-2028 if Bonneville offered the same product offerings, and its tiered rate structure, as Regional Dialogue? Please provide explanations of why or why not.

- Yes
- Yes, with modifications

- No
- Not sure

Additional comments? [comment box]

7. What product offering (Load Following, Slice/Block, Block) is most appealing to your utility post-2028?

- Load Following
- Slice/Block
- Block
- Other

Please provide an explanation of your answer and any other additional comments. [comment box]

8. Given Bonneville's strategic emphasis on competitiveness and cost control, which of the following foundational principles of Regional Dialogue do you think remain valid post-2028 and are important to your utility to carry forward? Check all that apply.

- Lowest Tier 1 Costs and Tier 1 Rates
- Durability/Stability/Contract Enforceability
- Customer/Regional Support and Equity
- Certainty of Obligations for All Parties
- Promote Infrastructure Development Consistent with the Northwest Power Act
- Consistency with Bonneville Stewardship Obligations
- Legality
- Simplicity
- Advancement of National Objectives

Are there other principles that should underlay post-2028 policy? Please share. [comment box]

Comment [KO3]: AE PROMPT: Use this question to test the tension that inherently exist between some of the concepts: competitiveness and equality; infrastructure development and simplicity; etc.

AE PROMPT: Background information on *most* of these principles can be found in the July 2007 BPA Long-Term Regional Dialogue Final Policy. See section I(D), "Goals Achieved by The Policy", page 5. However, some principles such as Legality and Simplicity are not directly addressed in the policy. And doing a word-search for "certainty" within the policy will provide context for that principle.

Comment [KO4]: AE PROMPT: The context for this bullet is that it is there is national interest in Bonneville's ability to make our Treasury Payment on time and in full. Long-term contracts and power rates improve Bonneville's ability to meet long-term capital investment needs. See "Relationship to the President's Budget Proposal, page 7, Final RD Policy.

9. In general, do you think Bonneville should maintain a structure like today with a total allocation of system and its costs, or attempt to create a new structure that moves away from the current approach?

- Similar structure
- New structure

Please share your ideas for a new structure or approach. [comment box]

10. Should Bonneville offer a Slice product post-2028?

- ○ Yes
- ○ No
- ○ Depends on what, if anything, is offered in its place
- ○ No opinion

Please provide an explanation for your answer. [comment box]

11. Question for current Slice/Block customers only: What do you value about the Slice product? If Bonneville does offer Slice post-2028, what features would you like to see included? [comment box]

Comment [KO5]: AE PROMPT: Use this and the next few questions to delve deeper on what they do or do not like about the Slice product. Including but not limited to:
-The ability to do own marketing of surplus
-The ability to get surplus energy that is nearly carbon free
-How critical is the ability to make shaping decisions that are different than Bonneville
-How critical is it that those shaping decisions happen near to real time.
Encourage the customer to give details in conversation and particularly in the Survey Monkey responses.

12. Question for current Slice/Block customers only: If Bonneville only offered the Load Following or Block product (but no Slice) in the same manner as today, are we at risk of losing you as a customer post-2028?

- ○ Very likely
- ○ Possibly
- ○ Not likely
- ○ Not applicable

Please provide as much detailed information and explanation as possible. [comment box]

13. Question for current Slice/Block customers only: Could the right Block with shaping product make you indifferent to the removal of the Slice product?

Comment [KO6]: AE PROMPT: With this question we are trying to tease out what the right product would be for the customer. This is intended to imply that we are open to conversation and negotiation with our customers to understand what would be the right alternative to Slice. Please encourage the customer to leave details in the comment section.

- ○ Yes
- ○ No
- ○ Not applicable

Additional comments? [comment box]

14. Do you think Bonneville should retain the tiered rate structure post-2028?

- ○ Yes
- ○ No
- ○ No opinion

How would you simplify or modify the rate structure? [comment box]

15. If Bonneville does NOT re-offer the same products, services and rate structure as under the Regional Dialogue contract (whether with or without changes) what contract term length would be ideal post-2028? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Additional comments? [comment box]

16. For your business, what is the optimal frequency of rate cases? (Please note the maximum is every 5 years.)

- ○ 1
- ○ 2
- ○ 3
- ○ 4
- ○ 5

Additional comments? [comment box]

Comment [KO7]: AE PROMPT: Bonneville Project Act of 1937, §5(a), calls for the "adjustment of rates at appropriate intervals, no less frequently than once in every five years…" for the power sales agreements.

AE PROMPT: Daniel Fisher has indicated a strong preference for even number increments for rate cases because of CGS refueling.

17. Post-2028, should Bonneville continue to offer a self-funded energy efficiency option?

- ○ Yes
- ○ No
- ○ Maybe, with limitations
- ○ No opinion

If yes, what share of energy efficiency should utilities self-fund? [add sliding percentage bar]

18. Should Bonneville explore changing the current TOCA-based (equity) model for allocating EE funding?

- ○ Yes
- ○ No
- ○ No opinion

If yes, what other allocation methodology(ies) should be explored? [comment box]

19. In the next contract period do you think that secondary sales revenue should be:

- Forecast for the rate period and included as an offset to the priority firm power rate (excluding Slice rate). (Status quo)
- Rebated/credited back to customers at the end of the fiscal year based on actuals.
- No opinion
- Other. [Please explain in the box below.]

Additional comments? [comment box]

20. Should and/or how could Bonneville pursue changes to modify the criteria and/or calculation of the Irrigation Rate Discount benefits?

- Retain at current levels
- Cap
- Reduce
- Eliminate
- No opinion

Additional comments? [comment box]

21. Bonneville has a statutory requirement to provide a Low Density Discount. Should and/or how could Bonneville pursue changes, as allowed, to modify criteria and calculation of the Low Density Discount benefit?

- Retain at current levels
- Cap
- Reduce
- No opinion

Additional comments? [comment box]

22. Are there provisions of the Northwest Power Act that you believe the region should work to change or update?

Comment [KO8]: AE PROMPT: Symbolic question. Use as a way to start the conversation that BPA cannot change law, but how, as a region, can we do that if there is strong desire.

- Yes
- No
- No opinion

If yes, please provide your ideas. [comment box]

23. Are you satisfied with the Residential Exchange Program Settlement Agreement?

- Yes
- No
- No opinion

Additional comments? [comment box]

24. Should the region consider pursuing another settlement agreement for the Residential Exchange Program?

- Yes
- No
- No opinion

Additional comments? [comment box]

25. Post-2028, should Bonneville consider offering a bundled power and transmission product at a melded (not tiered) rate that recovers both power and transmission costs?

- Yes, bundled product and melded rate
- Yes, bundled product but not necessarily at a melded rate
- No
- No opinion

Additional comments? [comment box]

26. Would your utility be interested in a 100% carbon free product?

- Yes
- No
- Maybe

If yes, what would be a reasonable premium (in dollars)? Additional comments? [comment box]

27. What is your utility's position on nuclear energy (a baseload carbon-free resource)?

- Glad it's in BPA's fuel mix
- Should not be in BPA's fuel mix
- Neutral about it being in BPA's fuel mix

Additional comments? [comment box]

Comment [KO9]: AE PROMPT: Bonneville is trying to gauge customer interest in ENW upgrades and license extension without asking about that directly.

28. Please rank the top three elements/features in order of those that are most critical to your utility's decision to make Bonneville your provider of choice post-2028. [Displayed as three separate drop-down boxes for priority 1, 2, 3. Comment box available to add priority(ies) that aren't listed.]

- ☐ Long term agreements
- ☐ Short term agreements
- ☐ Contracts with products /services similar to RD
- ☐ Contracts with products/services different than RD
- ☐ Transfer Service
- ☐ Availability of Slice product
- ☐ Viable alternative to Slice product
- ☐ Bundled power & transmission product
- ☐ Tiered Rates
- ☐ Melded rates or other rate structure
- ☐ Increased flexibility
- ☐ Increased simplicity
- ☐ Access to public benefits (LDD, IRD)
- ☐ Cost control by any means possible
- ☐ Measured cost control (provide details below)
- ☐ Service to New Large Single Loads
- ☐ Access to carbon-free power
- ☐ More self-funding in EE
- ☐ Restructured EE program
- ☐ Restructure secondary sales revenue
- ☐ EIM/day ahead market

[comment box] List any other priorities/comments

Comment [KO10]: AE PROMPT: Flexibility and simplicity are intentionally abstract. The customers often say they want more flexibility. What do these mean to the customer…?

29. What are your top two concerns as you look beyond 2028? [comment box]

30. Please provide any other product ideas or suggestions regarding: contracts, products, billing, other elements that you would like to see considered as Bonneville moves toward post-2028. [comment box]

From: Olive,Kelly J (BPA) - PSS-6
Sent: Fri Nov 08 10:50:05 2019
To: ADL_PSE_ALL; ADL_PSW_ALL
Cc: ADL_PSS_ONLY; ADL_PSSE_ALL
Subject: Customer Version of Post-2028 Questionnaire Ready
Importance: Normal
Attachments: INTERNAL AE Prompts_external Post-2028 survey 11_08_19.docx; Customers' Post-2028 advance survey questions 11_08_19.docx; Tools/Materials for Post-2028 Questionnaire; 2012 REP Settlement Agreement_Quick Factsheet.docx

AEs,

Thank you for your patience on these final post-2028 questions for you to share with customers. We have added a new question 27 gauging the customers' appetite for nuclear energy; we were waiting on that question to be ok'd by the Administrator.

ATTACHMENTS
There are two versions of the questionnaire attached. The "INTERNAL AE Prompts…" version is the internal use only tool for AEs; it includes comment boxes containing background information to help you with your face-to-face conversations. **The "Customers' Post-2028…" version is the document you may share with your customers**. We are confident that these questions are the *exact* questions that will be on the SurveyMonkey, available in early January.

Also attached is the email sent mid-October that includes the following reference documents:
-AE Frequently Asked Questions' tool with the information on questionnaire process/timing
-External Post-2028 timeline
-Summary of the comments received during 2016 Provider of Choice conversations
-REP Settlement talking points

Lastly, you'll find a 'REP Settlement Agreement Quick Factsheet' attached that Rich Greene has prepared as another REP-related reference tool. It is ok to share this document externally.

We are building a Post-2028 Sharepoint Site to house all of these documents and will send that link when available.

WHAT NOW?
If you haven't started already, please coordinate with your customers to set up the face-to-face conversations between now and early February. Feel free to share the attached 'Customers' Post-2028..' advance survey questions with your customers. See the 'AEs FAQ' document for timing of the SurveyMonkey and close-out.

If there are other background, reference documents that you think would be helpful for you or other AEs, let us know and we can develop or find a tool for you.

Please strongly consider inviting your Account Specialist to your face-to-face conversations as another valuable set of eyes and ears and hands to take notes.

QUESTIONS?
The questionnaire development team is Kirsten and Paul; Nancy and Mike; and Claire, Farah, Kevin and me. Feel free to reach out to any of us with questions.

Thank you and have a great long weekend,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Olive,Kelly J (BPA) - PSS-6

Sent: Fri Oct 18 12:58:20 2019

To: ADL_PSW_ALL; ADL_PSE_ALL

Cc: Garrett,Paul D (BPA) - PSS-6; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6

Subject: Tools/Materials for Post-2028 Questionnaire

Importance: Normal

Attachments: External timeline_Provider of Choice10_10_19.docx; Provider of Choice October 2016 Communications 10252016 (2).doc; FAQ_AE tool_10_18_19.docx; REP Settlement Agreement Talking Points March_2011.doc

All,

Thank you for the opportunity to come join your retreat yesterday for the conversation on the Post-2028 Questionnaire. As a follow-up, I wanted to send you some tools related to your upcoming Post-2028 conversations with customers.

The attached "External Timeline Provider of Choice…" doc is ok to share with customers. This is the "little timeline" Joel referred to at this morning's AE call that he said he shared and discussed at yesterday's OMEU meeting, so know that it is already out there.

The "Provider of Choice Oct 2016…" doc is the summary document from the 2016 conversations. I mentioned this

summary yesterday. It is ok for external use, but primarily we're attaching this doc as a reference/preparation tool you can use to refresh your memories on what the customers' feedback on Post-2028/competitiveness was a few years ago.

The "FAQ AE tool" doc is the Post-2028 FAQ process and reference tool that was distributed at the retreat yesterday. Nothing confidential, per se, but please treat as Internal Use Only.

Lastly, there was a request for some background information on the Residential Exchange Program (REP) Settlement Agreement. The Res Ex team is resurrecting a Fact Sheet for us, but in the meantime, we can share the REP Settlement Talking Points from 2011; I suppose we should still treat these as Internal Use Only.

As mentioned yesterday, the goal is to have the final questionnaire questions to AEs by the end of next week. The questions, once final, can and should be shared with customers in advance of the face-to-face conversations. Additionally, we'll have a tool for the AEs consisting of the questionnaire *supplemented* with "AE notes" that give context/background/statutory references to help you prepare for the conversations.

If you have any questions at all on the process or tools, the SurveyMonkey, please feel free to ask Farah, Kevin or me.

If you have questions on the substance of the questionnaire questions, the three of us are available, as well as any and all of the the following AEs that have worked very diligently over the last few months to develop and fine-tune the questionnaire: Paul Munz, Kirsten, Claire, Mike, and Nancy.

Thank you and have a great weekend,
Kelly

kelly olive

contract technical lead

bpa, pss-6

p.o. box 3621

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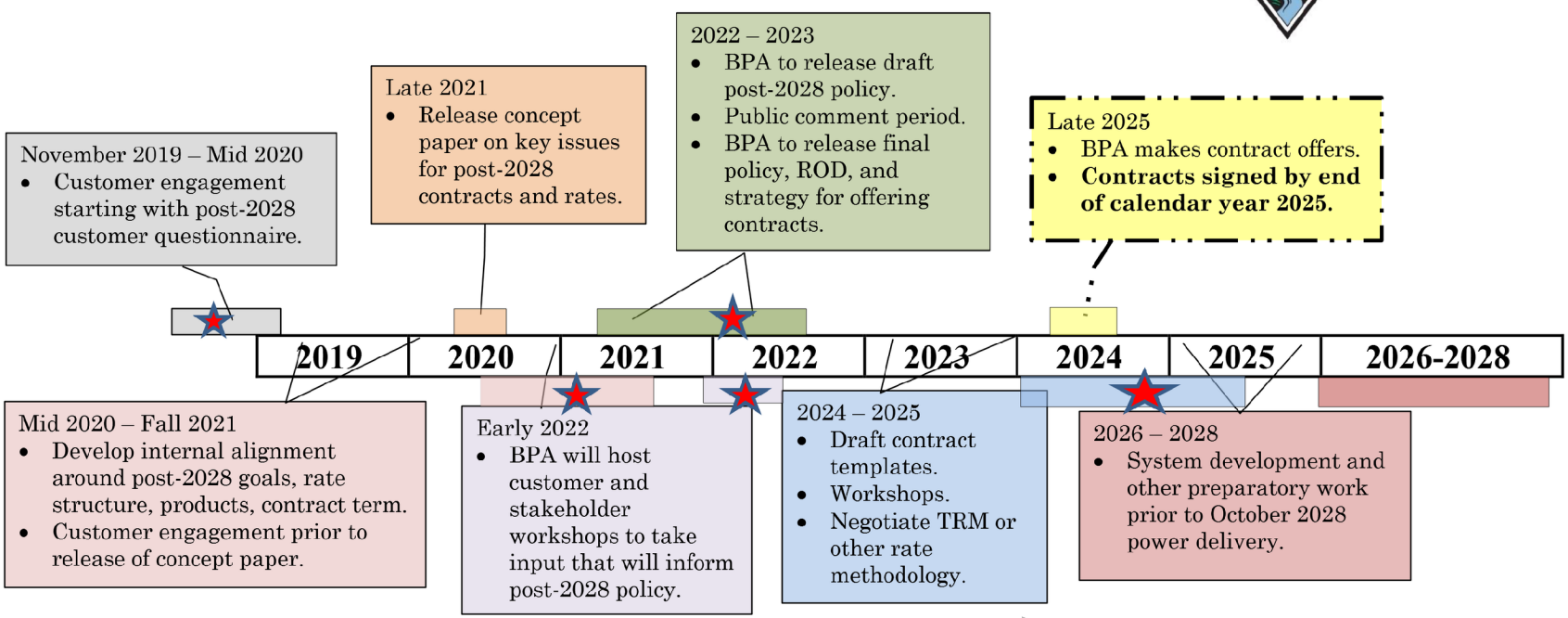
phone: 503.230.4735

Timeline for Post-2028 Power Policy, Rates, and Contracts



- This timeline outlines BPA's current expectation for the path to signed post-2028 power sales contract. This timeline is subject to adjustment.
- ★ Expected customer engagement (though BPA expects customer engagement to occur *throughout* the process).

Fall 2019

Timeline for Post-2028 Power Policy, Rates, and Contracts

Bonneville
POWER ADMINISTRATION

- Core product and service offerings
- Rate design
- Transfer service costs and business line functionalization
- Rate discounts (Low Density Discount, Irrigation Rate Discount)
- Energy Efficiency costs
- Treatment of carbon attributes and renewable energy certificates (RECs)
- Residential Exchange Program

Fall 2019

Provider of choice discussions with customers

A summary of our customers' views on competiveness for their business and Bonneville's

October 2016

BPA intends to establish long-term cost competitiveness metrics and goals to support our objective of remaining the wholesale power provider of choice when new power sales contracts are offered. In order to reflect customer perspective in the development of a new strategic plan to assure that we will be the wholesale provider of choice, BPA met with several customers and customer group representatives in September and October to collect their views on the competition they are facing now and what they expect to see over the next 10 years. The discussions also covered what competiveness means to our customers, concerns about BPA's competiveness and what BPA needs to do to remain their provider of choice.

We greatly appreciate the time and thoughtful comments and perspectives provided by our customers' executives, managers and subject matter experts.

To expand on these discussions, BPA account executives will be sharing the results of this effort with their customers over the next few months. They will be listening for concurrence with the perspectives we have identified in this paper and for any new observations.

BPA will then evaluate the information gathered from these discussions and incorporate it into the strategic plan development process. BPA also plans to engage the region in the development of BPA's long-term strategic plan in 2017.

Our intent is to have these discussions about every 18 months over the next several years. BPA wants to hear what competitive changes our customers are facing and be able to test where we are at as we strive to remain their provider of choice.

The following is a synopsis of what we heard from these discussions.

Key Themes from Competitiveness Discussions with Customers

1. **Competiveness challenges our customers are facing**
   - Customers are benchmarking against investor owned utilities and other public power utilities. If their rates are above a neighboring IOU's, it's harder to justify the benefits of public power.
   - Customers with substantial hydropower resources understand secondary sales and the upward rate pressure current conditions are placing on rates; they are facing the same market conditions as BPA and having to raise consumer rates.
   - No matter the size of the utility, almost all customers are experiencing declining loads, sales and revenue. The reasons include technology, smaller dwelling size, increased natural gas penetrations, energy efficient appliances/lighting and building codes.
   - Utilities have cut costs everywhere they can and they are running out of options to not raise rates.
   - Evolving markets are one area for new revenues to help keep rates down and bring value to our consumers.
   - Future power supply will be diversified with renewables, distributed generation and storage, but customers will still need energy and capacity products, which they would get from BPA if competitive.
   - Many customers are increasing rates annually from 3 to 6 percent.
   - Non-urban areas are falling further behind in income and are increasingly having to choose between electricity and other needs.

2. **BPA's competitiveness – establishing long-term credibility**
   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
   - BPA's proposed 4 to 9 percent rate increase, when projected forward, does not match with the long-term rate forecast projection. How is BPA going to get there?
   - Customers want to better understand the challenges and obstacles BPA is facing to be more competitive and want to help us where they can. Setting a rate target for 2028 would help.
   - There is a great concern that statutory requirements, such as the Endangered Species Act, energy efficiency, the Columbia River Treaty and the Residential Exchange Program, as well as current discretionary spending that other power suppliers do not face, will keep BPA from bending the cost curve and being competitive in 2028.
   - BPA's preliminary Integrated Program Review and Capital Investment Review spending levels show business as usual. BPA must demonstrate seriousness about controlling costs. BPA must build credibility now by changing the trajectory of its past three rate increases and start bending the cost curve.
   - Does BPA's future net requirement loads justify the level of proposed asset investments? Utilities are seeing growth but overall loads are flat and in many cases declining due to new technologies and resource options. Net requirements may be less in 2028 than today considering distributed generation, and there is a need to challenge the status quo.
   - BPA needs to consistently use a dependable and proven method when making decisions and provide better explanations on decisions as well as provide the details behind decisions.
   - There is a need to conduct market-based benchmarking to determine if cost projections and spending need a "course correction." Benchmarking can also provide significant informational benefits to help customers communicate the differences and value between BPA's products and the short-term energy market to utility boards and consumers.
   - The culture in transmission is not customer-service oriented and needs to be improved and reflect BPA's regional role.
   - Strong working relationships are heavily considered when selecting a provider. Many customers encouraged BPA to invest in our relationship due to the perception that it is an inexpensive way to create substantial value.
   - Customers are supportive of "rate case lite" decision-making process - with BPA staff proposal, stakeholder comment and transparent evaluation of positions with decision.
   - BPA brings too many employees to meetings. Do 25 employees really need to be at a rate case workshop?
   - BPA should consider a customer advisory group to create an ongoing opportunity for deeper discussions. The group would help develop BPA's strategic plan by picking up where Focus 2028 left off and provide a level of transparency.
   - There are too many processes that feel like they are just for the sake of process.
   - BPA appears to give more consideration to non-paying interest groups than the paying customer.
   - Public benefits provided to customers (e.g. Low Density Discount, irrigation rate mitigation and transfer service) are of great value to customers and consumers.
   - BPA needs to show value obtained from evolving markets and carbon-free hydro resources. BPA needs to maximize the value of its hydropower.
   - Customers understand that the short-term spot market is not comparable to the priority firm rate and the forward market is a somewhat better comparison.
   - Customers want to see BPA take a stronger stance on making large hydropower resources relevant in the future. There should be credits for being renewable and carbon free. It's currently being marginalized when it's a premium resource. California is not paying the value of a carbon-free resource today.

- BPA needs to look for opportunities and when needed partner with its customers. For example, opportunities in electric vehicles to increase power demand.
- Customers expect BPA to run like a business, even though it's a power marketing administration under the Department of Energy.

3. **Contracts**
   - BPA should offer both short-term and long-term contracts.
   - BPA should consider full and partial requirement contracts and consider offering off-ramps to allow customers out of contracts at different times.
   - BPA should consider dropping the Tiered Rates Methodology. Tiered rates used to make sense but it does not anymore.
   - Rate cases should be less frequent, such as every five years, partially related to perceived rate certainty but also due to fatigue of two-year budgeting and rate-setting processes.
   - Price certainty will be important in signing new contracts in 2025.
   - Customers want more flexibility to make or purchase contract changes and on product use.
     - They want the ability to diversify energy sources to meet state and consumer demands by reducing net requirements.
     - They want simplicity. The current contract is too complex and results in unnecessary customer overhead to manage. The implementation tends to be "paternalistic" from BPA.
     - There should be more clarity on how and who decides on penalty waivers. There should be fewer penalties in contracts. Is the Slice requirements Slice output Test, as currently implemented, really needed?

4. **Products**
   - There is significant interest in capacity products.
   - Customers want price certainty to hedge secondary risk, rate and cost collars. They are willing to pay a premium for certainty.
   - They want a standardized menu of products.
   - They also want unbundled products or cafeteria-style approach.
   - They want a more flexible and less complex Slice product.
   - Customers are going to be interested in a green or carbon-free product that does not include the Columbia Generating Station.

5. **General**
   - The business case for a new financial reserves policy is not compelling. BPA has a current practice. Why not document the current practice as a policy for the credit rating agencies?
   - BPA needs to invest in transmission. Transmission is a small portion of bill, but reliability is non-negotiable and wins over price every day.
   - Most customers cannot see a world without BPA in their future, but perhaps not to the extent it is today. Regardless, customers will have to do their due diligence with regard to evaluating other providers, and they want BPA to be the easy choice.
   - Preference is valued today, but at what cost? Non-paying interests, fish costs, energy efficiency and discretionary spending are eroding the value of preference.
   - Several customers acknowledged it is time to re-engage with the Northwest Power and Conservation Council and other areas where BPA needs support to change policies. In order to do so, BPA needs to say no to discretionary spending, political whims and not fund or go along with the "nice to have" initiatives. BPA needs to tell the customers how they can help you with specific information and education.
   - BPA needs to be an educator for utilities, board members and consumers of the Pacific Northwest.

Post-2028 Questionnaire FAQs

1. What is the context for AEs administering thePost-2028 questionnaire with our customers now?

In 2016, Bonneville concluded its Focus-2028 process and initiated Provider of Choice regional conversations. Both efforts aimed to: gauge what cost-competitiveness means to our customers, understand the challenges our customers are facing, and start formulating Bonneville's long-term cost competitiveness goals.

At that time, Bonneville committed to continue its Provider of Choice conversations throughout the region as it, together with customers, hones in on the policies, products and services Bonneville will offer in its subsequent power sales agreements.

Honoring Bonneville's commitment for further Provider of Choice conversations and to understand our customers' current thinking on post-2028 contracts, products, rates, and policies, the Power AEs will be meeting with customers in the coming months to administer a questionnaire related to those topics.

2. What is the timing for AEs to administer the questionnaire? How does the questionnaire fit into the larger customer engagement period?

The customer engagement period will kick off in November with the AEs reaching out to customers to begin scheduling their face-to-face conversations. AEs may share the questions with customers as soon as the questionnaire is finalized (expected in November). AEs have from January 2019 through March 2020 to administer the questionnaire and collect customers' responses in SurveyMonkey. An analysis and summary of the AEs' findings will be created in April 2020, and the Administrator will use the findings to aid his (and other executives') regional conversations in May and June 2020.

3. Are there any specific expectations on *how* AEs administer the survey?

Yes. There is an expectation that the AE will make *best efforts* to schedule face-to-face conversations with their customers to administer the questionnaire. There is also the expectation that the customers' responses will be captured in SurveyMonkey by the end of March. However, as further explained in question 4 below, AEs and customers do have some flexibility regarding how the SurveyMonkey questionnaire is completed.

4. What is the more detailed process and timing?

Mid-October, AE retreat

AEs will receive a package of materials to help them prepare for and schedule their conversations. The package will include talking points and a draft version of the questionnaire.

AEs can start reaching out to customers and scheduling their one-on-one conversations.

AEs can start to work with customers to decide how they want to administer the questionnaire.

November

Once the results of the recent customer satisfaction survey are received and any related edits are incorporated into the post-2028 questionnaire, the questionnaire will be deemed final. AEs will receive a streamlined Microsoft Word version of the survey questions that can be shared with customers for their review and consideration in advance of the questionnaire and face-to-face meetings.

November/December

If an AE or customer does not want to wait until after January to start the face-to-face conversations, meetings can be scheduled for November and December. But note that the SurveyMonkey questionnaire will not open until early January.

January 2020 - March

AEs will receive a link to SurveyMonkey within the first few days of January. AEs may choose to send the SurveyMonkey link to their customers in advance of their face-to-face conversations. Alternatively, the SurveyMonkey link can be sent after the face-to-face conversation as a follow-up.

A customer may choose to take the survey in advance of the face-to-face conversation with their AE. As outlined further in question 5 below, the AE can print the customer's responses and take the responses to the face-to-face conversation. The customer WILL have the ability to go back into SurveyMonkey to change or modify their responses.

The preference is to have the *customer* fill out the SurveyMonkey questionnaire before or after the face-to-face conversation. However, some customers may want the AE to take notes during the face-to-face conversation and fill the responses into Survey Monkey on the customers' behalf. This is acceptable, and is a customer service the AE can offer. However, there is concern about compromising the integrity of the survey if the AEs are summarizing and inputting the customers' answers. The AE needs to be conscientious of not allowing her or his own biases to enter into the customer's responses, and accordingly may want to share the responses with the customer for review.

Bonneville will 'close' the SurveyMonkey questionnaire at the end of March. We will synthesize the information received and write a summary document that we will share with AEs in late April.

5. How will Bonneville use the results of the survey?

Bonneville will consider feedback collected from customers during the 2016 Provider of Choice conversations and the upcoming post-2028 questionnaire and customer engagement period as we prepare Bonneville's post-2028 concept paper anticipated in 2021. The concept paper will outline Bonneville's policy direction on post-2028 contracts, products and rates.

6. When and how will the customers be informed about the results/findings of the survey?

AEs will be able to further discuss or clarify a customer's individual survey results. Additionally, summary results from all customers will be shared with customers during the Administrator's regional conversations expected in May and June 2020.

We anticipate that there may also be a close-out document at the end of this engagement period.

7. Noteworthy features of the post-2028 Survey.

- The post-2028 questionnaire answers are NOT meant to be anonymous. Bonneville staff, when analyzing the results of the questionnaire, *will* be able to attribute responses to specific customers. However, Bonneville will NOT share individual customer responses externally. Bonneville will aggregate the results and only share a summary of the questionnaire responses.
- We will modify the SurveyMonkey settings of the post-2028 questionnaire to allow customers to change their answers even after they complete their survey and close it. If a customer decides to complete the Survey Monkey prior to their face-to-face with the AE, this feature will give customers flexibility to go in and modify their answers, if they want to, after the face-to-face conversations with AEs.
- If a customer fills out the SurveyMonkey questionnaire prior to the face-to-face conversation, Bonneville will have the ability to go into SurveyMonkey and print off a customer's responses and use the print-out as a tool to facilitate the face-to-face conversation, if desired.

FOR INTERNAL USE ONLY

BPA talking points

BPA distributing proposed Residential Exchange Program settlement agreement for utility signatures

March 2011

What this is

Representatives of the region's investor-owned utilities, the vast majority of BPA's public agency customers, public agency customer associations, IOU consumer groups and IOU regulators have negotiated a proposed 2012 Residential Exchange Program Settlement Agreement. On their behalf and for ease of administration, BPA is sending the proposed agreement to its public agency customers for their consideration and signatures should they support the settlement. If a critical mass approves the settlement and if BPA decides to sign the settlement at the conclusion of the current REP-12 proceeding, it would replace the current Residential Exchange Program beginning with fiscal year 2012. If the settlement succeeds, it would end pending REP litigation among the settling parties and provide greater certainty to both utility groups for 17 years.

Key messages and storyline

- After a tremendous amount of work over the past year, representatives of the vast majority of BPA's preference customers, all of the region's investor-owned utilities and the state regulators for the four northwest states have negotiated the 2012 Residential Exchange Program Settlement Agreement, a proposed settlement of long standing litigation over the Residential Exchange Program.
- BPA's initial proposal for the REP-12 proceeding recommends that the administrator adopt the proposed settlement agreement because it would resolve longstanding legal issues and provide certainty that is not possible without the settlement on the level of REP benefits to IOUs and REP costs to public power through the 2028 fiscal year.
- The proposed settlement strikes a balance between what the investor-owned utilities could gain if they prevailed in pending litigation and the costs preference customers would pay if they prevailed in pending litigation.
- The settlement would result in lower costs to preference customers than BPA forecasts if BPA continues its current implementation of the REP. Settlement also would result in lower costs than BPA forecast for most potential litigation outcomes.

Background

Many issues regarding the proper implementation of the REP have been in litigation since May 2007 when a three-judge panel of the U.S. Court of Appeals for the Ninth Circuit in two cases disallowed a previous REP settlement that BPA began implementing in 2000 for fiscal years 2002-2011.

Beginning in April 2010, over 50 litigants and other parties entered into mediation to resolve their numerous disputes over the REP. Participants reached an agreement in principle in early September 2010 and now have reached a final settlement agreement – the 2012 Residential Exchange Program Settlement Agreement. BPA is not a party to the agreement at this time.

In December 2010, with the agreement in principle and a draft REP Settlement Agreement, BPA initiated the formal REP-12 Settlement Agreement proceeding. The REP-12 proceeding will, among other things, evaluate whether the terms and conditions of the proposed settlement are reasonable and consistent with BPA's statutory requirements.

Talking points dated December 2010 provide background on the REP-12 proceeding. Talking points dated March 2010 provide extensive background on the mediation process.

The proposed settlement agreement is posted internally at pwrinternal.bpa.gov/ps-reqMarketing/pss/REPSettlement/default.aspx and externally at www.bpa.gov/corporate/ratecase/2012/rep-12.cfm.

For more information contact: Chuck Forman at 503-230-3432.

Questions and answers

1. What is the status of the proposed REP-12 Settlement Agreement?

The participants in the REP settlement effort have produced a final settlement agreement for parties' consideration.

BPA is facilitating the settlement process by providing a signature-ready REP-12 Settlement Agreement to all entities that may want to sign it, including BPA's public agency customers. BPA will be explaining the agreement signing process, providing information already contained in the agency's REP-12 initial proposal, collecting signed agreements and reporting whether a critical threshold of signatures has been reached.

2. Must a critical mass of public agency customers sign in order for BPA to implement the settlement?

Yes. The proposed REP-12 Settlement Agreement establishes 91 percent of the public agency utilities' transition high water mark load on BPA as the critical mass of support.

3. Who else must sign?

The agreement must also be signed by the region's six IOUs, the public utility commissions of Idaho, Oregon and Washington; the Citizens' Utility Board of Oregon; the Public Power Council; PNGC Power; and Northwest Requirements Utilities. After such signatures are obtained and the REP-12 proceeding is concluded, the administrator would have to sign the agreement for it to become effective.

4. What happens if the required signatures are not obtained?

The agreement would not be implemented, and BPA would implement the existing REP.

5. What would the settlement accomplish if it succeeds?

The proposed agreement, if upheld by the courts, would resolve longstanding legal challenges over BPA's implementation of the REP and provide certainty of IOU REP benefits. Public agency utilities that sign the agreement would get a contractually guaranteed cap on the REP costs included in their PF rates through fiscal year 2028.

6. What are those IOU benefits and benefit cost caps?

The IOUs would receive a fixed schedule of REP benefits that (after being adjusted for certain refunds related to the lookbacks as described below) would begin at $182.1 million in the 2012 fiscal year and increase over time to $286.1 million in fiscal 2028. The distribution of these payments would depend on each IOU's average system cost and exchange load, plus adjustments to reflect lookback amounts recovered from IOUs in fiscal years 2009 through 2011. Signing preference customers' costs of REP settlement would be capped based on their proportional share of the costs of the REP, including the refund amounts described below.

7. What would be the status of the lookback amounts?

The outstanding lookback amounts BPA previously determined the IOUs owed as of the beginning of the 2012 fiscal year (approximately $511 million) would be replaced by the "refund amounts" identified in the agreement (approximately $610 million). Unlike the lookback amounts, which are IOU-specific obligations, the refund amounts are treated as a corporate refund obligation of the IOUs as a group. This means the REP benefits included in settling rates would be reduced by the refund amounts to determine the scheduled amounts provided to the IOUs. The refund amounts would be returned to the public agency utilities over an eight-year period (fiscal years 2012-2019) in equal distributions of $76.538 million per year.

8. How would the REP refund amounts be distributed among the public agency customers?

Fifty percent of the refund amount ($38.269 million per year) would be returned to public agency customers based on the percentages BPA established in the WP-10 rate proceeding to allocate the fiscal year 2010–2011 lookback credits to those customers. The remaining 50 percent would be returned to public agency customers based on each customer's Tier 1 Cost Allocator share (expected share of Tier 1 load).

9. Would the IOUs receive anything more than the identified stream of REP benefits?

Yes. The IOUs would also receive payment of interim true-ups due under the 2008 Residential Exchange Interim Relief and Standstill Agreements between BPA and four of the IOUs. The interim true-up payments would be made after any legal challenges to the settlement were resolved. Assuming the interim payments were made at the end of the 2013 fiscal year, the total would be approximately $88 million. This interim payment amount is not an additional cost to the preference utilities. It was recovered as part of the PF-07 rates and is being held in the BPA Fund pending resolution of current legal challenges to the REP.

In addition to the interim payments, IOUs would receive a small percentage (14 percent) of any incremental BPA renewable energy credits that might accrue to BPA resources used to serve BPA Tier 1 loads. Parties do not expect this to be a large element of the settlement package. No specific amounts are known today, but there could be some incremental benefits to share during the 17-year term of the settlement.

10. What would happen to the PF purchasers that do not sign the agreement if the target number of signatures is reached?

For the settlement to go forward, BPA must both sign the agreement and determine in the REP-12 record of decision that it will set rates for nonsigners the same as it sets rates for the signers of the agreement. If no one challenges the settlement, signers and nonsigners will see no differences in their rates.

11. What would happen if a utility that didn't sign the agreement challenged the rates set based on the settlement?

If such a challenge were successful, BPA would set rates for *all* nonsigners consistent with the court's ruling (regardless of whether a nonsigning party challenged the agreement). Only parties that sign the agreement would receive the cost protections and certainty in the agreement. In this situation, nonsigners' rates could be higher or lower than signers' rates depending on the specifics of the court ruling.

12. What is BPA's role in the REP-12 Settlement Agreement process?

BPA is acting as a facilitator in the agreement process. The agency will produce the individual copies of the proposed agreement and disseminate those to all entities that are potential signers. It needs to be clear that BPA is not currently a party to the agreement and would not be a party unless the administrator decides to execute the agreement after the REP-12 proceeding. The agreement is currently between the participants in the mediation and others that may want to be parties to the agreement.

If the agreement is supported by a sufficient amount of public agency load, BPA will continue the REP-12 proceeding and the administrator will decide whether the agency will execute the agreement after he considers the complete administrative record.

13. Doesn't the initial proposal in the REP-12 proceeding endorse the proposed agreement?

The initial proposal contains only a staff recommendation that the administrator should implement the agreement if it receives a critical mass of support. The staff analysis is that the public agency customers would likely receive more 7(b)(2) rate protection from REP costs under the settlement than would likely occur from implementation of the REP as it now occurs.

14. Doesn't the staff position suggest that the agency has already made a decision?

No. The initial proposal contains only the staff evaluation of the settlement and a recommendation to the administrator. It does not contain a decision. The administrator will make his decision after he reviews the entire administrative record – which includes testimony and comments from all affected parties.

15. What about the ex parte limitations that apply during a BPA rate case?

BPA's ex parte rules apply to the REP-12 proceeding. These rules prohibit BPA employees from engaging in off-the-record communications with non-BPA/Department of Energy employees on substantive matters within the scope of a section 7(i) proceeding. Because the REP-12 proceeding is being conducted under the rules of section 7(i) and the proposed REP-12 settlement agreement is within the scope of the REP-12 proceeding, BPA employees cannot have ex parte communications regarding the merits of issues involving the proposed REP-12 settlement agreement.

16. What can BPA employees say to customers and others without violating ex parte?

The staff analysis is a matter of public record. BPA employees may clarify, explain or describe the staff position contained in the REP-12 initial proposal with any party at any time. Staff may also provide clarification or answer questions regarding factual elements of the settlement agreement.

17. What is the staff position?

It is contained summarized in section 11 of the "REP Settlement Evaluation and Analysis Study," REP-12 -E-BPA-01, at www.bpa.gov/corporate/ratecase/2012/rep/rep-12-E-BPA-01.pdf.

In its most basic form, the staff has four reasons the settlement should be adopted.

- The preference utilities would likely receive more cost protection under the settlement than under the existing REP.
- The settlement strikes a balance between what the IOUs could gain if they prevailed in pending litigation and the costs the preference customers would pay if they prevailed in pending litigation.
- The IOU benefits under the settlement conform with Section 5(c) of the Northwest Power Act and are consistent with the current Average System Cost Methodology.

- The settlement would resolve in a fair and equitable manner all the outstanding lookback issues.

18. What is next?

BPA will begin distributing the proposed REP-12 Settlement Agreement to all entities for their consideration beginning March 3, 2011. The entities will have until April 15, 2011, to make their decision and return signed copies to BPA. BPA will notify parties of the results on or before April 25, 2011.

2012 Residential Exchange Program Settlement Agreement

Quick Fact Sheet

1. What is the Residential Exchange Program (REP)?

The REP is a statutory program created by section 5(c) of the Northwest Power Act (NWPA). In general terms, the REP allows utilities with high cost resources to "exchange" the power from those resources with Bonneville's cost of resources. The exchange is implemented through two "sales" of power. The utility sells power to Bonneville at the utility's "average system cost" of its resources (a term used in the statute and determined through a methodology). Bonneville, in turn, sells an equivalent amount of power at Bonneville's cost of its resources as described in section 7(b) of the NWPA. It is called the "residential exchange" because the amount of power sold to / from the utility is generally equal to its residential load. (The REP also includes "farm load", but calling the program "Residential and Farm Exchange Program" or "RFEP" never sounded as good as REP.)

2. Does the REP result in actual power flowing between Bonneville and the utility?

Historically, no. Bonneville has always implemented the REP as a paper transaction. The amount of power sold and purchased by Bonneville and the utility is the same amount of power. As such, the REP is implemented as a net transaction, with Bonneville traditionally sending the utility a monthly payment for the difference. A simple example will illustrate how the exchange works:

- Utility X's average system cost (ASC) is $65/MWh. Utility's residential load is 100MWh.
- Bonneville's cost of power (PF Exchange rate) is $45/MWh.
- The REP calculation is as follows:

  (ASC – PFx Rate) x Residential = REP payment

  or

  ($65 - $45) x 100MWh = $2000 (paid by Bonneville to utility).

  By statute, the $2000 in this example would have to be passed on to the utility's residential and farm customer's retail bills as a credit. The utility keeps *none* of these benefits.

3. Wait… So, Bonneville is *supposed* to lose money under the REP? Why did Congress do that?

The REP is a congressionally-created compromise to address wholesale rate disparity between customers legally entitled to Bonneville's power (preference customers) and customers that have no such entitlement (investor-owned utilities). At the time the

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NWPA was passed (December 1980), retail rates of IOUs were up to three times higher than the retail rates of public customers purchasing power from Bonneville. Advocates for the retail consumers of IOUs argued that regional ratepayers, regardless of their utility's legal status, should receive some benefits from the federal hydro projects. Public power advocates argued the preference provisions of the Bonneville Project Act and other laws precluded Bonneville from selling low cost federal power to the IOUs if a public customer requested the power first. To get around preference, Oregon and other states considered passing legislation creating state-wide public customers that would purchase federal power from Bonneville as a preference customer and then sell this low cost power directly to residential and farm consumers in IOU territories. Public power advocates viewed these state-wide public entities as a sham and were poised to litigate this issue in the courts.

Congress created the REP as a way of allowing the IOUs access to low cost federal power without violating preference. Through the sale and exchange in section 5(c), IOU residential and farm consumers receive a share of the benefits of the federal system through lower retail rates without reducing the supply from the federal system that would otherwise be used to serve public customer load.

4. Who pays for the REP?

Today, the REP is paid almost entirely by public customers. It is included in the PF rate and is around $260 million a year.

5. Why did the Public customers agree to pay for the REP?

Initially, they did not have to pay *any* REP costs. From 1980-1985, the costs of the REP were picked up by the direct service industrial (DSI) customers of Bonneville. At the time, Bonneville had over 3000MW of industrial load to spread REP costs. After 1985, the publics could pay for the REP, but they were protected from excessive REP costs through a special rate test provision of the NWPA, known as the section 7(b)(2) rate test.

6. How does the Section 7(b)(2) rate test work?

It is very complicated. At its core, the 7(b)(2) rate test compares two of rates: (1) a PF rate set under the terms of the NWPA (excluding certain costs); and (2) a hypothetical rate assuming five assumptions outlined in the statute. If rate (1) is higher than the hypothetical rate (2), then the difference is allocated to other non-PF rates (i.e., the PFx rate, surplus rates, DSI rate). The idea behind section 7(b)(2) was to show public customers that they were "no worse off" with the NWPA. The main provisions of the NWPA are removed in the hypothetical rate (2), so the publics could see what they would have paid for power without the NWPA. One of the assumptions removed in the hypothetical rate is the REP.

7. Is the REP controversial?

Yes. The REP creates a natural conflict between IOUs (which want the REP payments as high as possible to receive large benefits for their consumers), and public customers (which want the opposite). Recall that the REP calculation has three components: (ASC-PFx rate) x Residential Load. Litigation abounded in the 1980s and through the 1990s on the front part of the calculation, the ASC. These cases led Bonneville and the IOUs to adopt a settlement of the REP in 2000. This settlement, the 2000 REP Settlement, calculated the REP payment to the IOUs based on a negotiated formula. Critically, it did not use the statutory REP calculation just mentioned.

Bonneville was sued on its use of a formula rather than the statutory calculation for the REP in the Ninth Circuit Court of Appeals. In May 2007, the Court ruled that Bonneville had exceeded its authority by paying the IOUs too much under the REP, remanded Bonneville's rates (WP-02), and voided the 2000 REP Settlement. Thereafter, in 2007-2008, Bonneville initiated a special rate proceeding (WP-07 Supplemental Rate Proceeding) to calculate what the IOUs should have received in REP payments during the WP-02 rate period. After a nine-month proceeding, Bonneville issued a massive record of decision (over 700 pages), addressing a host of issues in response to the Court's opinion. Bonneville proposed to refund the publics $1.2 Billion, and proposed to get this money from reductions in future REP payments to the IOUs. Everyone sued Bonneville.

8. What is the current status of the REP?

The lawsuits from the failed 2000 REP Settlements were ultimately resolved in another settlement reached with almost every regional customer in 2011-2012 (2012 REP Settlement). This time, Bonneville followed the statutory calculation, but did so in the context of a long-term settlement. A single party sued Bonneville over the 2012 REP Settlement. The Court affirmed Bonneville's legal authority to adopt the 2012 REP Settlement in October 2013.

9. What are the terms of the 2012 REP Settlement?

The 2012 REP Settlement's essential features are as follows:

- A stream of fixed REP payments to the IOUs (as a group) for 17 years, from 2012-2028.
- A stream of payments to the publics to repay past overcharges of REP benefits, known as the "refund amount". For the FY 2012-2019 period, BPA made "refund amount" payments of $76,537,617 annually (these payments expired in the BP-18 rate period).
- Provisions describing how the REP payments are collected in the PF, IP, and any other applicable rates.

- Provisions describing how the REP payments are distributed to the IOUs through the statutory formula (ASC-PFx) x Residential Load. Under this paradigm, *no* single IOU is guaranteed any payments. If an IOUs ASC is lower than Bonneville's PFx rate, then that utility gets no REP benefits. However, the other IOUs with higher ASCs get more REP benefits because the ENTIRE FIXED PAYMENT must be paid in each year.
- IOUs receive 14% of the Environmental Attributes (a defined term) of the FCRPS.
- A provision committing Bonneville to revisit its implementation of 7(b)(2) in a public process prior to September of 2028.

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, November 08, 2019 10:50 AM
To: ADL_PSE_ALL; ADL_PSW_ALL
Cc: ADL_PSS_ONLY; ADL_PSSE_ALL
Subject: Customer Version of Post-2028 Questionnaire Ready
Attachments: INTERNAL AE Prompts_external Post-2028 survey 11_08_19.docx; Customers' Post-2028 advance survey questions 11_08_19.docx; Tools/Materials for Post-2028 Questionnaire; 2012 REP Settlement Agreement_Quick Factsheet.docx

AEs,

Thank you for your patience on these final post-2028 questions for you to share with customers. We have added a new question 27 gauging the customers' appetite for nuclear energy; we were waiting on that question to be ok'd by the Administrator.

ATTACHMENTS
There are two versions of the questionnaire attached. The "INTERNAL AE Prompts…" version is the internal use only tool for AEs; it includes comment boxes containing background information to help you with your face-to-face conversations. **The "Customers' Post-2028…" version is the document you may share with your customers**. We are confident that these questions are the *exact* questions that will be on the SurveyMonkey, available in early January.

Also attached is the email sent mid-October that includes the following reference documents:
- -AE Frequently Asked Questions' tool with the information on questionnaire process/timing
- -External Post-2028 timeline
- -Summary of the comments received during 2016 Provider of Choice conversations
- -REP Settlement talking points

Lastly, you'll find a 'REP Settlement Agreement Quick Factsheet' attached that Rich Greene has prepared as another REP-related reference tool. It is ok to share this document externally.

We are building a Post-2028 Sharepoint Site to house all of these documents and will send that link when available.

WHAT NOW?
If you haven't started already, please coordinate with your customers to set up the face-to-face conversations between now and early February. Feel free to share the attached 'Customers' Post-2028..' advance survey questions with your customers. See the 'AEs FAQ' document for timing of the SurveyMonkey and close-out.

If there are other background, reference documents that you think would be helpful for you or other AEs, let us know and we can develop or find a tool for you.

Please strongly consider inviting your Account Specialist to your face-to-face conversations as another valuable set of eyes and ears and hands to take notes.

QUESTIONS?
The questionnaire development team is Kirsten and Paul; Nancy and Mike; and Claire, Farah, Kevin and me. Feel free to reach out to any of us with questions.

Thank you and have a great long weekend,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Olive,Kelly J (BPA) - PSS-6

Sent: Fri Oct 18 12:58:20 2019

To: ADL_PSW_ALL; ADL_PSE_ALL

Cc: Garrett,Paul D (BPA) - PSS-6; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6

Subject: Tools/Materials for Post-2028 Questionnaire

Importance: Normal

Attachments: External timeline_Provider of Choice10_10_19.docx; Provider of Choice October 2016 Communications 10252016 (2).doc; FAQ_AE tool_10_18_19.docx; REP Settlement Agreement Talking Points March_2011.doc

All,

Thank you for the opportunity to come join your retreat yesterday for the conversation on the Post-2028 Questionnaire. As a follow-up, I wanted to send you some tools related to your upcoming Post-2028 conversations with customers.

The attached "External Timeline Provider of Choice…" doc is ok to share with customers. This is the "little timeline" Joel referred to at this morning's AE call that he said he shared and discussed at yesterday's OMEU meeting, so know that it is already out there.

The "Provider of Choice Oct 2016…" doc is the summary document from the 2016 conversations. I mentioned this summary yesterday. It is ok for external use, but primarily we're attaching this doc as a reference/preparation tool you can use to refresh your memories on what the customers' feedback on Post-2028/competitiveness was a few years ago.

The "FAQ AE tool" doc is the Post-2028 FAQ process and reference tool that was distributed at the retreat yesterday. Nothing confidential, per se, but please treat as Internal Use Only.

Lastly, there was a request for some background information on the Residential Exchange Program (REP) Settlement Agreement. The Res Ex team is resurrecting a Fact Sheet for us, but in the meantime, we can share the REP Settlement Talking Points from 2011; I suppose we should still treat these as Internal Use Only.

As mentioned yesterday, the goal is to have the final questionnaire questions to AEs by the end of next week. The questions, once final, can and should be shared with customers in advance of the face-to-face conversations. Additionally, we'll have a tool for the AEs consisting of the questionnaire *supplemented* with "AE notes" that give context/background/statutory references to help you prepare for the conversations.

If you have any questions at all on the process or tools, the SurveyMonkey, please feel free to ask Farah, Kevin or me.

If you have questions on the substance of the questionnaire questions, the three of us are available, as well as any and all of the the following AEs that have worked very diligently over the last few months to develop and fine-tune the questionnaire: Paul Munz, Kirsten, Claire, Mike, and Nancy.

Thank you and have a great weekend,
Kelly

kelly olive

contract technical lead

bpa, pss-6

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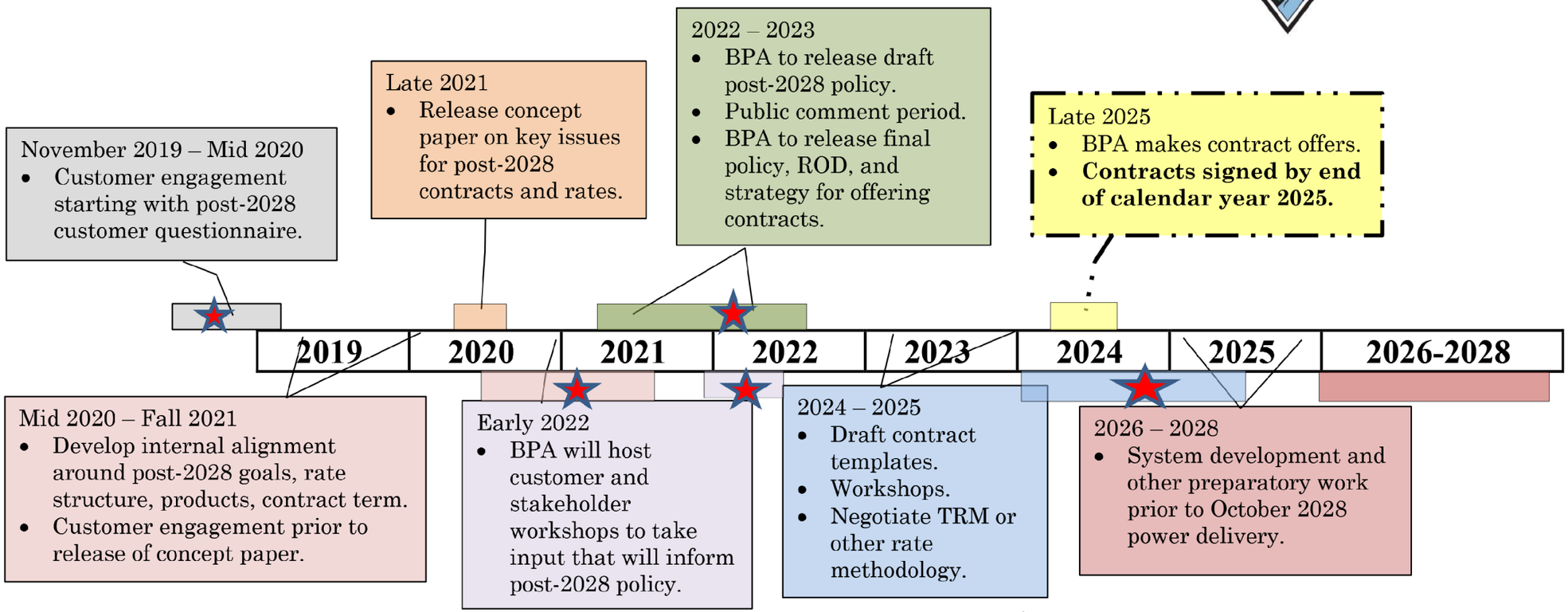
phone: 503.230.4735

Timeline for Post-2028 Power Policy, Rates, and Contracts



- This timeline outlines BPA's current expectation for the path to signed post-2028 power sales contract. This timeline is subject to adjustment.
- ★ Expected customer engagement (though BPA expects customer engagement to occur *throughout* the process).

Fall 2019

Timeline for Post-2028 Power Policy, Rates, and Contracts

Bonneville
POWER ADMINISTRATION

- Core product and service offerings
- Rate design
- Transfer service costs and business line functionalization
- Rate discounts (Low Density Discount, Irrigation Rate Discount)
- Energy Efficiency costs
- Treatment of carbon attributes and renewable energy certificates (RECs)
- Residential Exchange Program

Fall 2019

Provider of choice discussions with customers

A summary of our customers' views on competiveness for their business and Bonneville's

October 2016

BPA intends to establish long-term cost competitiveness metrics and goals to support our objective of remaining the wholesale power provider of choice when new power sales contracts are offered. In order to reflect customer perspective in the development of a new strategic plan to assure that we will be the wholesale provider of choice, BPA met with several customers and customer group representatives in September and October to collect their views on the competition they are facing now and what they expect to see over the next 10 years. The discussions also covered what competiveness means to our customers, concerns about BPA's competiveness and what BPA needs to do to remain their provider of choice.

We greatly appreciate the time and thoughtful comments and perspectives provided by our customers' executives, managers and subject matter experts.

To expand on these discussions, BPA account executives will be sharing the results of this effort with their customers over the next few months. They will be listening for concurrence with the perspectives we have identified in this paper and for any new observations.

BPA will then evaluate the information gathered from these discussions and incorporate it into the strategic plan development process. BPA also plans to engage the region in the development of BPA's long-term strategic plan in 2017.

Our intent is to have these discussions about every 18 months over the next several years. BPA wants to hear what competitive changes our customers are facing and be able to test where we are at as we strive to remain their provider of choice.

The following is a synopsis of what we heard from these discussions.

Key Themes from Competitiveness Discussions with Customers

1. **Competiveness challenges our customers are facing**
   - Customers are benchmarking against investor owned utilities and other public power utilities. If their rates are above a neighboring IOU's, it's harder to justify the benefits of public power.
   - Customers with substantial hydropower resources understand secondary sales and the upward rate pressure current conditions are placing on rates; they are facing the same market conditions as BPA and having to raise consumer rates.
   - No matter the size of the utility, almost all customers are experiencing declining loads, sales and revenue. The reasons include technology, smaller dwelling size, increased natural gas penetrations, energy efficient appliances/lighting and building codes.
   - Utilities have cut costs everywhere they can and they are running out of options to not raise rates.
   - Evolving markets are one area for new revenues to help keep rates down and bring value to our consumers.
   - Future power supply will be diversified with renewables, distributed generation and storage, but customers will still need energy and capacity products, which they would get from BPA if competitive.
   - Many customers are increasing rates annually from 3 to 6 percent.
   - Non-urban areas are falling further behind in income and are increasingly having to choose between electricity and other needs.

2. **BPA's competitiveness – establishing long-term credibility**
   - BPA's customers want us to succeed and want to assure our success in controlling costs so that we can be the provider of choice for all of public power in 2028. "You need us and we need you!"
   - BPA's proposed 4 to 9 percent rate increase, when projected forward, does not match with the long-term rate forecast projection. How is BPA going to get there?
   - Customers want to better understand the challenges and obstacles BPA is facing to be more competitive and want to help us where they can. Setting a rate target for 2028 would help.
   - There is a great concern that statutory requirements, such as the Endangered Species Act, energy efficiency, the Columbia River Treaty and the Residential Exchange Program, as well as current discretionary spending that other power suppliers do not face, will keep BPA from bending the cost curve and being competitive in 2028.
   - BPA's preliminary Integrated Program Review and Capital Investment Review spending levels show business as usual. BPA must demonstrate seriousness about controlling costs. BPA must build credibility now by changing the trajectory of its past three rate increases and start bending the cost curve.
   - Does BPA's future net requirement loads justify the level of proposed asset investments? Utilities are seeing growth but overall loads are flat and in many cases declining due to new technologies and resource options. Net requirements may be less in 2028 than today considering distributed generation, and there is a need to challenge the status quo.
   - BPA needs to consistently use a dependable and proven method when making decisions and provide better explanations on decisions as well as provide the details behind decisions.
   - There is a need to conduct market-based benchmarking to determine if cost projections and spending need a "course correction." Benchmarking can also provide significant informational benefits to help customers communicate the differences and value between BPA's products and the short-term energy market to utility boards and consumers.
   - The culture in transmission is not customer-service oriented and needs to be improved and reflect BPA's regional role.
   - Strong working relationships are heavily considered when selecting a provider. Many customers encouraged BPA to invest in our relationship due to the perception that it is an inexpensive way to create substantial value.
   - Customers are supportive of "rate case lite" decision-making process - with BPA staff proposal, stakeholder comment and transparent evaluation of positions with decision.
   - BPA brings too many employees to meetings. Do 25 employees really need to be at a rate case workshop?
   - BPA should consider a customer advisory group to create an ongoing opportunity for deeper discussions. The group would help develop BPA's strategic plan by picking up where Focus 2028 left off and provide a level of transparency.
   - There are too many processes that feel like they are just for the sake of process.
   - BPA appears to give more consideration to non-paying interest groups than the paying customer.
   - Public benefits provided to customers (e.g. Low Density Discount, irrigation rate mitigation and transfer service) are of great value to customers and consumers.
   - BPA needs to show value obtained from evolving markets and carbon-free hydro resources. BPA needs to maximize the value of its hydropower.
   - Customers understand that the short-term spot market is not comparable to the priority firm rate and the forward market is a somewhat better comparison.
   - Customers want to see BPA take a stronger stance on making large hydropower resources relevant in the future. There should be credits for being renewable and carbon free. It's currently being marginalized when it's a premium resource. California is not paying the value of a carbon-free resource today.

- BPA needs to look for opportunities and when needed partner with its customers. For example, opportunities in electric vehicles to increase power demand.
- Customers expect BPA to run like a business, even though it's a power marketing administration under the Department of Energy.

3. Contracts

- BPA should offer both short-term and long-term contracts.
- BPA should consider full and partial requirement contracts and consider offering off-ramps to allow customers out of contracts at different times.
- BPA should consider dropping the Tiered Rates Methodology. Tiered rates used to make sense but it does not anymore.
- Rate cases should be less frequent, such as every five years, partially related to perceived rate certainty but also due to fatigue of two-year budgeting and rate-setting processes.
- Price certainty will be important in signing new contracts in 2025.
- Customers want more flexibility to make or purchase contract changes and on product use.
    - They want the ability to diversify energy sources to meet state and consumer demands by reducing net requirements.
    - They want simplicity. The current contract is too complex and results in unnecessary customer overhead to manage. The implementation tends to be "paternalistic" from BPA.
    - There should be more clarity on how and who decides on penalty waivers. There should be fewer penalties in contracts. Is the Slice requirements Slice output Test, as currently implemented, really needed?

4. Products

- There is significant interest in capacity products.
- Customers want price certainty to hedge secondary risk, rate and cost collars. They are willing to pay a premium for certainty.
- They want a standardized menu of products.
- They also want unbundled products or cafeteria-style approach.
- They want a more flexible and less complex Slice product.
- Customers are going to be interested in a green or carbon-free product that does not include the Columbia Generating Station.

5. General

- The business case for a new financial reserves policy is not compelling. BPA has a current practice. Why not document the current practice as a policy for the credit rating agencies?
- BPA needs to invest in transmission. Transmission is a small portion of bill, but reliability is non-negotiable and wins over price every day.
- Most customers cannot see a world without BPA in their future, but perhaps not to the extent it is today. Regardless, customers will have to do their due diligence with regard to evaluating other providers, and they want BPA to be the easy choice.
- Preference is valued today, but at what cost? Non-paying interests, fish costs, energy efficiency and discretionary spending are eroding the value of preference.
- Several customers acknowledged it is time to re-engage with the Northwest Power and Conservation Council and other areas where BPA needs support to change policies. In order to do so, BPA needs to say no to discretionary spending, political whims and not fund or go along with the "nice to have" initiatives. BPA needs to tell the customers how they can help you with specific information and education.
- BPA needs to be an educator for utilities, board members and consumers of the Pacific Northwest.

Post-2028 Questionnaire FAQs

1. What is the context for AEs administering thePost-2028 questionnaire with our customers now?

In 2016, Bonneville concluded its Focus-2028 process and initiated Provider of Choice regional conversations. Both efforts aimed to: gauge what cost-competitiveness means to our customers, understand the challenges our customers are facing, and start formulating Bonneville's long-term cost competitiveness goals.

At that time, Bonneville committed to continue its Provider of Choice conversations throughout the region as it, together with customers, hones in on the policies, products and services Bonneville will offer in its subsequent power sales agreements.

Honoring Bonneville's commitment for further Provider of Choice conversations and to understand our customers' current thinking on post-2028 contracts, products, rates, and policies, the Power AEs will be meeting with customers in the coming months to administer a questionnaire related to those topics.

2. What is the timing for AEs to administer the questionnaire? How does the questionnaire fit into the larger customer engagement period?

The customer engagement period will kick off in November with the AEs reaching out to customers to begin scheduling their face-to-face conversations. AEs may share the questions with customers as soon as the questionnaire is finalized (expected in November). AEs have from January 2019 through March 2020 to administer the questionnaire and collect customers' responses in SurveyMonkey. An analysis and summary of the AEs' findings will be created in April 2020, and the Administrator will use the findings to aid his (and other executives') regional conversations in May and June 2020.

3. Are there any specific expectations on *how* AEs administer the survey?

Yes. There is an expectation that the AE will make *best efforts* to schedule face-to-face conversations with their customers to administer the questionnaire. There is also the expectation that the customers' responses will be captured in SurveyMonkey by the end of March. However, as further explained in question 4 below, AEs and customers do have some flexibility regarding how the SurveyMonkey questionnaire is completed.

4. What is the more detailed process and timing?

Mid-October, AE retreat

AEs will receive a package of materials to help them prepare for and schedule their conversations. The package will include talking points and a draft version of the questionnaire.

AEs can start reaching out to customers and scheduling their one-on-one conversations.

AEs can start to work with customers to decide how they want to administer the questionnaire.

November

Once the results of the recent customer satisfaction survey are received and any related edits are incorporated into the post-2028 questionnaire, the questionnaire will be deemed final. AEs will receive a streamlined Microsoft Word version of the survey questions that can be shared with customers for their review and consideration in advance of the questionnaire and face-to-face meetings.

November/December

If an AE or customer does not want to wait until after January to start the face-to-face conversations, meetings can be scheduled for November and December. But note that the SurveyMonkey questionnaire will not open until early January.

January 2020 - March

AEs will receive a link to SurveyMonkey within the first few days of January. AEs may choose to send the SurveyMonkey link to their customers in advance of their face-to-face conversations. Alternatively, the SurveyMonkey link can be sent after the face-to-face conversation as a follow-up.

A customer may choose to take the survey in advance of the face-to-face conversation with their AE. As outlined further in question 5 below, the AE can print the customer's responses and take the responses to the face-to-face conversation. The customer WILL have the ability to go back into SurveyMonkey to change or modify their responses.

The preference is to have the *customer* fill out the SurveyMonkey questionnaire before or after the face-to-face conversation. However, some customers may want the AE to take notes during the face-to-face conversation and fill the responses into Survey Monkey on the customers' behalf. This is acceptable, and is a customer service the AE can offer. However, there is concern about compromising the integrity of the survey if the AEs are summarizing and inputting the customers' answers. The AE needs to be conscientious of not allowing her or his own biases to enter into the customer's responses, and accordingly may want to share the responses with the customer for review.

Bonneville will 'close' the SurveyMonkey questionnaire at the end of March. We will synthesize the information received and write a summary document that we will share with AEs in late April.

5. How will Bonneville use the results of the survey?

Bonneville will consider feedback collected from customers during the 2016 Provider of Choice conversations and the upcoming post-2028 questionnaire and customer engagement period as we prepare Bonneville's post-2028 concept paper anticipated in 2021. The concept paper will outline Bonneville's policy direction on post-2028 contracts, products and rates.

6. When and how will the customers be informed about the results/findings of the survey?

AEs will be able to further discuss or clarify a customer's individual survey results. Additionally, summary results from all customers will be shared with customers during the Administrator's regional conversations expected in May and June 2020.

We anticipate that there may also be a close-out document at the end of this engagement period.

7. Noteworthy features of the post-2028 Survey.

- The post-2028 questionnaire answers are NOT meant to be anonymous. Bonneville staff, when analyzing the results of the questionnaire, *will* be able to attribute responses to specific customers. However, Bonneville will NOT share individual customer responses externally. Bonneville will aggregate the results and only share a summary of the questionnaire responses.
- We will modify the SurveyMonkey settings of the post-2028 questionnaire to allow customers to change their answers even after they complete their survey and close it. If a customer decides to complete the Survey Monkey prior to their face-to-face with the AE, this feature will give customers flexibility to go in and modify their answers, if they want to, after the face-to-face conversations with AEs.
- If a customer fills out the SurveyMonkey questionnaire prior to the face-to-face conversation, Bonneville will have the ability to go into SurveyMonkey and print off a customer's responses and use the print-out as a tool to facilitate the face-to-face conversation, if desired.

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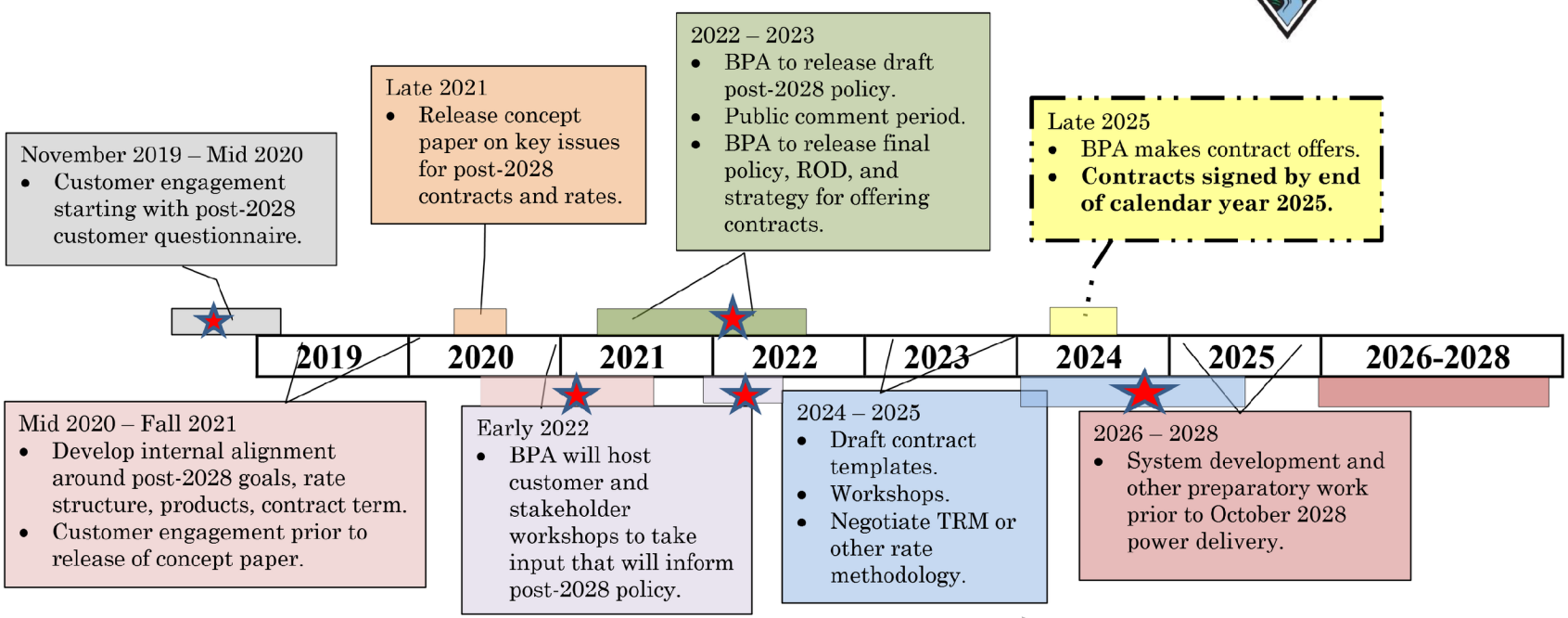
Timeline for Post-2028 Power Policy, Rates, and Contracts



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Fall 2019

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Bonneville
POWER ADMINISTRATION

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Fall 2019

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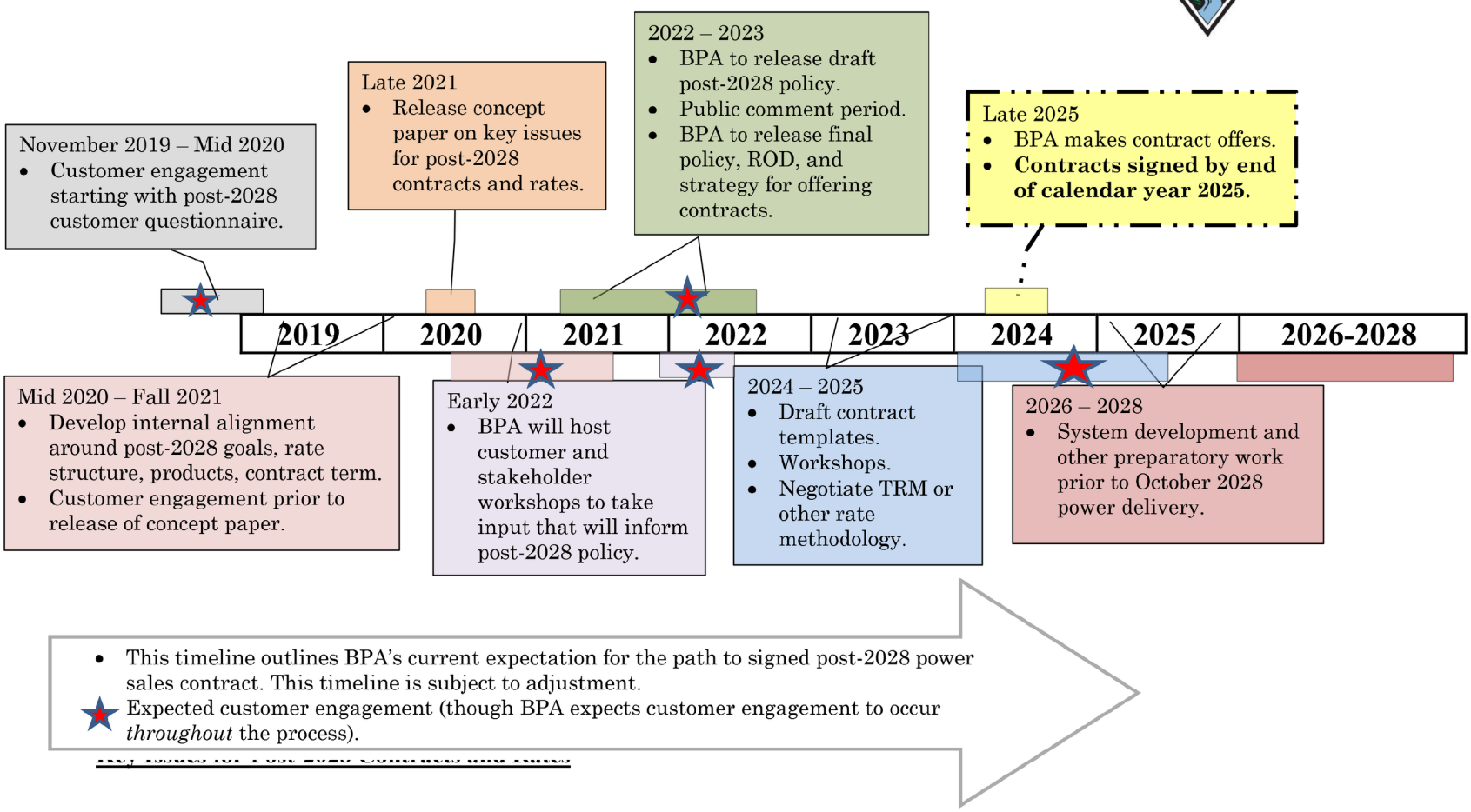

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Fall 2019

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After the internal post-2028 survey, you indicated an interest in being kept in the loop on any post-2028 questionnaire happenings. Please see attached.

Thanks.
kelly

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If you have questions on the substance of the questionnaire questions, the three of us are available, as well as any and all of the the following AEs that have worked very diligently over the last few months to develop and fine-tune the questionnaire: Paul Munz, Kirsten, Claire, Mike, and Nancy.

Thank you and have a great weekend,
Kelly

kelly olive

contract technical lead

bpa, pss-6

p.o. box 3621

portland, or 97208

phone: 503.230.4735

From: Alders,Kyna L (BPA) - PGL-5
Sent: Fri Nov 08 11:24:02 2019
To: Olive,Kelly J (BPA) - PSS-6
Subject: RE: Customer Version of Post-2028 Questionnaire Ready
Importance: Normal

Thanks Kelly.

Perfect timing. I know slice customers have this on their list for our meeting next week.

Kyna

Kyna Alders
Bonneville Power Administration
Slice Operations & Management Supervisor
Phone: 503-230-5971 / Cell: (b) (6)

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Friday, November 8, 2019 10:58 AM
To: Thompson,Kim T (BPA) - PE-6 <ktthompson@bpa.gov>; Alders,Kyna L (BPA) - PGL-5 <klalders@bpa.gov>; Doumbia,Julie A (BPA) - PEH-6 <jadoumbia@bpa.gov>; Walker,Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>; Cornejo,Paulina (BPA) - PSRF-6 <ypcornejo@bpa.gov>; Fisher,Daniel H (BPA) - PSR-6 <dhfisher@bpa.gov>; Yokota,Daniel R (BPA) - PSST-6 <dryokota@bpa.gov>
Cc: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud,Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>; Garrett,Paul D (BPA) - PSS-6 <pdgarrett@bpa.gov>
Subject: FW: Customer Version of Post-2028 Questionnaire Ready

All,

I wanted to let you know that the Post-2028 Customer Questionnaire is final. The advanced-copy, Word version of the questionnaire is now in AEs' hands and they have the green light to share the questions with their customers. The electronic SurveyMonkey version will be available for AEs to send to customers in early January.

Questions, tools, reference materials attached.

Please let Kevin, Farah or me know if you have any questions.

Best,
Kelly

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, November 08, 2019 10:50 AM
To: ADL_PSE_ALL; ADL_PSW_ALL

Cc: ADL_PSS_ONLY; ADL_PSSE_ALL
Subject: Customer Version of Post-2028 Questionnaire Ready

AEs,

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QUESTIONS?
The questionnaire development team is Kirsten and Paul; Nancy and Mike; and Claire, Farah, Kevin and me. Feel free to reach out to any of us with questions.

Thank you and have a great long weekend,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Fri Nov 08 15:34:06 2019
To: Susan Cutrell
Bcc: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: BPA Post-2028 Survey Questions and Process
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx

Hello Susan,

Following up on my recent discussion with you about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next four months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions
- The Post-2028 Survey Monkey response by you or your assigned utility responder (expected mid-January 2020)
- BPA review and summary of utility Post-2028 survey responses

Please feel free to send back any clarification questions you have about the Post-2018 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Friday, November 08, 2019 3:52 PM
To: Olive,Kelly J (BPA) - PSS-6
Subject: RE: Customer Version of Post-2028 Questionnaire Ready

Follow Up Flag: Follow up
Flag Status: Flagged

THANK YOU!!

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Friday, November 8, 2019 10:50 AM
To: ADL_PSE_ALL <ADL_PSE_ALL@BPASite1.bpa.gov>; ADL_PSW_ALL <ADL_PSW_ALL@BPASite1.bpa.gov>
Cc: ADL_PSS_ONLY <ADL_PSS_ONLY@BPASite1.bpa.gov>; ADL_PSSE_ALL <ADL_PSSE_ALL@BPASite1.bpa.gov>
Subject: Customer Version of Post-2028 Questionnaire Ready

AEs,

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WHAT NOW?

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QUESTIONS?
The questionnaire development team is Kirsten and Paul; Nancy and Mike; and Claire, Farah, Kevin and me. Feel free to reach out to any of us with questions.

Thank you and have a great long weekend,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Kevin Kytola
Sent: Mon Nov 11 16:00:58 2019
To: Alders,Kyna L (BPA) - PGL-5
Subject: [EXTERNAL] Slice Exec Agenda
Importance: Normal
Attachments: AGENDA November 14 2019 Slice_BPA v2.docx

Hi Kyna,

Here is the final agenda for the Thursday evening executive meeting.

It's the same as what you reviewed previous except for the update to BPA attendees.

Kevin

Kevin Kytola
Sapere Consulting, Inc | 103 E. Main St.; Suite 301 | Walla Walla, WA 99362
509-524-2343 (office) | (b) (6) cell) | 509-529-7886 (fax)

Slice Customer & BPA Executive Meeting

Thursday November 14, 2019 Sheraton PDX – St. Helens "D"

5:00 pm - 6:30 pm

ATTENDEES:
Customers: Slice SIG and Executive Reps;
BPA: Joel Cook, Kyna Alders, Kim Thompson, Nita Zimmerman

AGENDA:

Welcome & Introductions	5:00 pm
1. EIM Implementation	5:15 pm
2. EDAM Engagement	5:35 pm
3. Operations (spill planning and CRSO EIS update)	5:45 pm
4. Compatibility of changes in transmission business practices with other products and services	6:00 pm
5. Post-2028 Products and Services	6:15 pm
Adjourn	6:30 pm

From: Alders,Kyna L (BPA) - PGL-5
Sent: Tue Nov 12 07:51:53 2019
To: Thompson,Kim T (BPA) - PE-6; Zimmerman,Nita M (BPA) - B-3; Cook,Joel D (BPA) - P-6
Subject: FW: [EXTERNAL] Slice Exec Agenda
Importance: Normal
Attachments: AGENDA November 14 2019 Slice_BPA v2.docx

Here is the final agenda for the executive meeting. I included some notes relevant to each topic in an email on Friday.

Kyna

Kyna Alders
Bonneville Power Administration
Slice Operations & Management Supervisor
Phone: 503-230-5971 / Cell (b) (6) [redacted]

From: Kevin Kytola <kkytola@sapereconsulting.com>
Sent: Monday, November 11, 2019 4:01 PM
To: Alders,Kyna L (BPA) - PGL-5 <klalders@bpa.gov>
Subject: [EXTERNAL] Slice Exec Agenda

Hi Kyna,

Here is the final agenda for the Thursday evening executive meeting.

It's the same as what you reviewed previous except for the update to BPA attendees.

Kevin

Kevin Kytola
Sapere Consulting, Inc | 103 E. Main St.; Suite 301 | Walla Walla, WA 99362
509-524-2343 (office) | (b) (6) [redacted] (cell) | 509-529-7886 (fax)

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Adjourn	6:30 pm

From: Ackley,Sandra J (BPA) - ECP-5
Sent: Tue Nov 12 11:19:55 2019
To: Mohan,Usha V (BPA) - ECP-4; Olive,Kelly J (BPA) - PSS-6
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: NEPA/Customer Version of Post-2028 Questionnaire Ready
Importance: Normal
Attachments: image022.jpg; image023.jpg; image024.jpg; image025.jpg; image026.jpg; image027.jpg; image028.jpg; image029.jpg; image030.jpg; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

(b) (5) [redacted]. Something to ask NCO and Hub if CEQ does adopt the edit.
Sandra

Sandra Ackley sjackley@bpa.gov
Environmental Protection Specialist | O: 503-230-3824 | C: 503-260-6548
Bonneville Power Administration | mailstop ECP-4, 905 NE 11th Ave, Portland, OR 97208

From: Mohan,Usha V (BPA) - ECP-4
Sent: Tuesday, November 12, 2019 11:11 AM
To: Ackley,Sandra J (BPA) - ECP-5; Olive,Kelly J (BPA) - PSS-6
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Customer Version of Post-2028 Questionnaire Ready

Thanks Sandra! [redacted] (b) (5) [redacted]. Thanks!

Best,

Usha
From: Ackley,Sandra J (BPA) - ECP-5
Sent: Tuesday, November 12, 2019 11:06 AM
To: Olive,Kelly J (BPA) - PSS-6; Mohan,Usha V (BPA) - ECP-4
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Customer Version of Post-2028 Questionnaire Ready

Good memory! (b) (5) [redacted]

less time.

Thanks for remembering.
Sandra

Sandra Ackley sjackley@bpa.gov
Environmental Protection Specialist | O: 503-230-3824 | C: (b) (6)
Bonneville Power Administration | mailstop ECP-4, 905 NE 11th Ave, Portland, OR 97208

From: Olive,Kelly J (BPA) - PSS-6
Sent: Tuesday, November 12, 2019 10:47 AM
To: Ackley,Sandra J (BPA) - ECP-5; Mohan,Usha V (BPA) - ECP-4
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Customer Version of Post-2028 Questionnaire Ready

Thanks Sandra. (b) (5) For some reason, I vaguely remember that it was proposed…

Thanks again,
K

From: Ackley,Sandra J (BPA) - ECP-5
Sent: Tuesday, November 12, 2019 10:32 AM
To: Olive,Kelly J (BPA) - PSS-6; Mohan,Usha V (BPA) - ECP-4
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Customer Version of Post-2028 Questionnaire Ready

Kelly, Kevin, and Farah,

Thank you for sharing this information. I've skimmed the lot and have no questions as of now.

I'll coordinate with Usha, and re-engage the NEPA Compliance Officers. With Stacy Mason retiring, I'm not sure if it'll be Katey Grange, Sarah Biegel, or both who will need to be consulted on our NEPA strategy as the process moves forward. Both are aware that this action is beginning and that customers are to be contacted but it's easy to defer discussions when the timeline is years out! And, reminding Hub Adams of course once Treaty obligations settle a bit for him.

(b) (5)

Thanks again for keeping EC in the information loop.

Sandra

Sandra Ackley sjackley@bpa.gov
Environmental Protection Specialist | O: 503-230-3824 | C: (b) (6)
Bonneville Power Administration | mailstop ECP-4, 905 NE 11th Ave, Portland, OR 97208

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, November 08, 2019 11:01 AM
To: Mohan,Usha V (BPA) - ECP-4; Ackley,Sandra J (BPA) - ECP-5
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: FW: Customer Version of Post-2028 Questionnaire Ready

Hi Usha and Sandra,

No action needed. But just so you're in the loop on post-2028 contract/policy happenings. In the email attached, you'll find the external timeline for post-2028 contracts/policy/ROD that we're sharing with customers.

Please let Kevin, Farah or me know if you have any questions.
Kelly

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, November 08, 2019 10:58 AM
To: Thompson,Kim T (BPA) - PE-6; Alders,Kyna L (BPA) - PGL-5; Doumbia,Julie A (BPA) - EC-5; Walker,Danielle N (BPA) - PEH-6; Cornejo,Paulina (BPA) - PSRF-6; Fisher,Daniel H (BPA) - PSR-6; Yokota,Daniel R (BPA) - PSST-6
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6; Garrett,Paul D (BPA) - PSS-6
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All,

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Questions, tools, reference materials attached.

Please let Kevin, Farah or me know if you have any questions.

Best,
Kelly

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, November 08, 2019 10:50 AM
To: ADL_PSE_ALL; ADL_PSW_ALL
Cc: ADL_PSS_ONLY; ADL_PSSE_ALL

Subject: Customer Version of Post-2028 Questionnaire Ready

AEs,

Thank you for your patience on these final post-2028 questions for you to share with customers. We have added a new question 27 gauging the customers' appetite for nuclear energy; we were waiting on that question to be ok'd by the Administrator.

ATTACHMENTS
There are two versions of the questionnaire attached. The "INTERNAL AE Prompts..." version is the internal use only tool for AEs; it includes comment boxes containing background information to help you with your face-to-face conversations. **The "Customers' Post-2028..." version is the document you may share with your customers**. We are confident that these questions are the *exact* questions that will be on the SurveyMonkey, available in early January.

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QUESTIONS?
The questionnaire development team is Kirsten and Paul; Nancy and Mike; and Claire, Farah, Kevin and me. Feel free to reach out to any of us with questions.

Thank you and have a great long weekend,
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kelly olive
contract technical lead

bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Olive,Kelly J (BPA) - PSS-6
Sent: Tue Nov 12 13:13:01 2019
Required: Thompson,Kim T (BPA) - PE-6; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: Post-2028 Overview: policy, contracts, timeline
Location: Kim's office
Start time: Mon Nov 18 13:30:00 2019
End time: Mon Nov 18 14:00:00 2019
Importance: Normal

Please let me know if a conference room is preferable.

From: Thompson,Kim T (BPA) - PE-6
Sent: Wednesday, November 13, 2019 12:12 PM
To: Olive,Kelly J (BPA) - PSS-6
Subject: RE: FYI on post-2028 survey...

Thanks Kelly. Appreciate the insight and the additional context about what Joel has and has not seen.

Best Regards,
Kim Thompson
Energy Efficiency | Vice President
BONNEVILLE POWER ADMINISTRATION
bpa.gov | P 503-230-3408 | C (b) (6)

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Friday, November 8, 2019 12:06 PM
To: Thompson,Kim T (BPA) - PE-6 <ktthompson@bpa.gov>
Cc: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud,Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>
Subject: FYI on post-2028 survey...

Kim,

Just wanted to flag for you that we did not send these questions to Joel in the communication out earlier. Please feel free to forward at your discretion.

Best,
Kelly

From: Olive,Kelly J (BPA) - PSS-6
Sent: Friday, November 08, 2019 10:58 AM
To: Thompson,Kim T (BPA) - PE-6; Alders,Kyna L (BPA) - PGL-5; Doumbia,Julie A (BPA) - EC-5; Walker,Danielle N (BPA) - PEH-6; Cornejo,Paulina (BPA) - PSRF-6; Fisher,Daniel H (BPA) - PSR-6; Yokota,Daniel R (BPA) - PSST-6
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Thank you and have a great long weekend,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Ontiveros,Eric A (BPA) - PSS-SEATTLE
Sent: Wed Nov 13 12:48:39 2019
To: Munz,Paul G (BPA) - PSW-SEATTLE; Perry,Marcus I (BPA) - PSW-SEATTLE
Subject: RE: BPA Post-2028 Survey Questions and Process
Importance: Normal

Paul –

Depending what file format is used when it is actually sent out, I think the ease of use could be improved by adjusting page breaks where questions/answers are separated into different pages (if possible) which seems to be possible by adding a few extra lines of spacing for questions that have quite small comment box(es).

Also, PDF format is my personal preference to fill out documents as to avoid any errors or layout issues changing from sender to receiver, but guessing everyone still focuses on Word docs.

-Eric

From: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Sent: Friday, November 8, 2019 3:45 PM
To: Perry,Marcus I (BPA) - PSW-SEATTLE <miperry@bpa.gov>; Ontiveros,Eric A (BPA) - PSS-SEATTLE <eaontiveros@bpa.gov>
Subject: FW: BPA Post-2028 Survey Questions and Process

Here is my ice-breaker send-out to my first customer – Susan Cutrell at Parkland. Any comments, improvements, or errors identified will be appreciated.

Thanks,

Paul

From: Munz,Paul G (BPA) - PSW-SEATTLE < pgmunz@bpa.gov>
Sent: Friday, November 8, 2019 3:34 PM
To: Susan Cutrell < cutrell@plw.coop>
Subject: BPA Post-2028 Survey Questions and Process

Hello Susan,

Following up on my recent discussion with you about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next four months:

- Your review and consideration of the specific survey questions
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Please feel free to send back any clarification questions you have about the Post-2018 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Patton,Kathryn B (BPA) - PSS-SEATTLE
Sent: Wed Nov 13 12:50:36 2019
To: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: RE: teleworking tomorrow
Importance: Normal
Attachments: image003.png; image004.png; image005.png; image006.png

Yes I think we should meet Friday morning. If you like I can also call you tomorrow at some point and we can go over what we need to before the meeting with SCL.

Kathryn Patton
Public Utilities Specialist | Power Account Services
Bonneville Power Administration
bpa.gov | P 206-220-6785 | C 206-851-9747
[redacted]

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Wednesday, November 13, 2019 12:49 PM
To: Patton,Kathryn B (BPA) - PSS-SEATTLE
Subject: RE: teleworking tomorrow

So, do you want meet on Friday after the Joel/Scott morning call to talk about the Seattle IRP meeting at 10:30? I think a lot will be to cover NR, likely using the GCPHA irrigation district projects as examples for our current contract and potentially for a new Post-2028 contract. I'm not really certain what they will be asking us about, so I thought a short prep session would help.

Paul
(206) 220-6763

From: Patton,Kathryn B (BPA) - PSS-SEATTLE <kbpatton@bpa.gov>
Sent: Wednesday, November 13, 2019 12:33 PM
To: Obeng,Carol A (BPA) - PSS-SEATTLE <caobeng@bpa.gov>; Ontiveros,Eric A (BPA) - PSS-SEATTLE <eaontiveros@bpa.gov>; Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Subject: teleworking tomorrow

Good Afternoon,

(b) (6)
[redacted]

Kathryn Patton
Public Utilities Specialist | Power Account Services
Bonneville Power Administration
bpa.gov | P 206-220-6785 | C [redacted] (b) (6)

From: Alders,Kyna L (BPA) - PGL-5
Sent: Thu Nov 14 07:44:05 2019
To: Cook,Joel D (BPA) - P-6; Thompson,Kim T (BPA) - PE-6; Zimmerman,Nita M (BPA) - B-3; Ko,Tina G (BPA) - TS-DITT-2
Subject: notes for today's Slice Executive Meeting
Importance: Normal
Attachments: 11.14 SIG and BPA executive meeting notes.docx; NW-Public-Power-Interests-for-Markets_9-03-FINAL.pdf; External timeline_Provider of Choice10_10_19.docx; Slice Customer Engagement During BPA EIM Phase III v4.docx

Hi All,

In case you are interested, attached is an annotated version of the agenda with some notes on what we might hear. I'm also attaching a couple of relevant documents from them.

See you this evening.

Kyna

Kyna Alders
Bonneville Power Administration
Slice Operations & Management Supervisor
Phone: 503-230-5971 / Cell: (b) (6) [redacted]

Slice Customer & BPA Executive Meeting
Thursday, Nov. 14, 2019
Sheraton PDX – St Helens "D"
5-6:30 PM

Agenda Item	BPA Lead for responses	Background / Notes
Introductions (5PM)		
EIM Implementation (5:15)	Joel/Kyna	We expect to hear general support for our work together, but reiteration of Slice Customer's concern that Carbon is not part of the Phase III policy process. Their top issues are below with more detail in the attached document - RS at the sub-BAA level - Impacts to BPA and transmission products and services (Especially short term ATC) - Impacts of EIM imports and exports on BPA Fuel Mix - Settlements/billing mechanics - Allocation of EIM charge codes - Data submission requirements - Principles, processes, decision-making framework and criteria for participating in evolving or emerging markets.
EDAM Engagement **(5:35)**	Joel	I'm expecting they will ask about the nature of our engagement on EDAM. Last Spring, they reiterated the NW Public Power interest for markets and recently looked to this again re EDAM. Their principles are: - Independent representative governance - RA and RS requirements provide for reliability and equity - Transmission owners can meet existing and future load service obligations at reasonable cost (transmission compensation) - Market power mitigation recognizes the unique situation of hydropower - Fair compensation for services and transparent price formation
Operations (Spill	Joel	**CRSO EIS:** Customers will have had a meeting with BPA on Wednesday

Slice Customer & BPA Executive Meeting
Thursday, Nov. 14, 2019
Sheraton PDX – St Helens "D"
5-6:30 PM

planning CRSO EIS update) (5:45)		re this topic. Initial analysis of four scenarios is complete. Work is ongoing to align on a preferred alternative in advance of publishing the draft EIS. • **February** – Draft EIS published • **Feb-May** – 45 day public comment period, responses, and updates • **June** – Final EIS published • **September** - ROD
Compatibility of changes in transmission business practices with other products and services **(6:00)**	Tina	I'm not exactly sure what they will bring up, but several customers have had recent issues with block load cuts during the North of Echo lake outage. Also, several slice customers were using hourly firm because the timelines lined up well with the Slice product (which is known about an hour before the operating hour, can be used for load service or marketing and fluctuates greatly during the year) The loss of hourly firm has had some customers serving their load with non-firm transmission.
Post-2028 Products and Services **(6:15)**	Kim / Kyna	I expect they will ask about timelines and the reason for the delayed start. Notes: While we had anticipated starting conversations in November, and are still open to that upon customer request, we added a short delay to allow customer satisfaction survey result to be compiled prior to these meetings. Our expected timeline is as follows: - AE's to conduct in person survey prior to end of March - Jan-Mar. [Survey Monkey] - May-June: Elliot Roadshow - 2021 – Expect to publish a concept paper similar to what we published in 2005

NW Public Power Interests for Markets

September 3, 2018

The NW Publicly Owned Utilities (NW Public Power) recognize that centralized markets have been evolving as part of the Western power landscape. The foundation of a centralized market, including its governance structure and market design, is critical to a fair sharing of value among participants. This paper is not intended to offer support or opposition for any specific new or expanded market proposals but provides NW Public Power's perspective on principles and elements that should be applied to any centralized market that may develop in the Northwest.

Independent, Representative Governance

- An independent, non-affiliated Board of Governors ("Board") of sufficient size to allow the Board to represent different regions, market participants, and interests.
- A clearly defined process for the selection of the Board by a Nominating Committee comprised of representative regions and participants, including representatives of NW Public Power.
- A Member Advisory Committee as a formal advisory channel to the Board itself. Members would include a balanced mix of market participants, including representatives of NW Public Power.
- A States Committee that provides for state public utility commissions, Power Marketing Agencies, and public power from all regions impacted by the market to have input to the Board on key market design issues, including resource adequacy and transmission cost allocation.
- Board decision-making and stakeholder engagement occurs in a transparent and inclusive manner.

Resource Adequacy[i] and Resource Sufficiency[ii] Requirements Provide for Reliability and Equity

- Entities seeking to participate in an organized market must meet standard minimum resource requirements that provides for a high level of reliability (Resource Adequacy for an RTO and Resource Sufficiency for any voluntary market).
- Processes assure that participants offering resources to the market satisfy their obligations and provide deliverability to load.
- Market design should ensure that Resource Adequacy and Resource Sufficiency requirements are not circumvented by leaning on investments made by others.

Transmission Owners Can Meet Existing and Future Load Service Obligations at Reasonable Cost

- Transmission Owners receive sufficient compensation to cover the costs of existing transmission and those costs are appropriately assigned to users based on cost causation.
- Transmission rights holders are ensured congestion/financial rights to mitigate congestion costs.
- Transmission planning and cost allocation processes adequately expand the transmission system and fairly allocate transmission costs and recovery.

Market Power Mitigation recognizes the unique situation of hydropower

- Mitigation methods accept and provide for the complex and dynamic nature of hydropower planning, operational constraints, and opportunity costs. Therefore, opportunity costs for hydropower should recognize the trade-off between producing energy today instead of producing energy in the future, as well as the opportunity costs of alternative real-time bilateral market transactions.

- These complexities of hydropower operation and planning range from considerations within the hour and day to periods spanning weeks, months and potentially years.
- Market Power Mitigation should only occur where the opportunity to exercise market power exists.
- Market Power Mitigation methodology should consider the unique aspects of a voluntary market which includes choices surrounding the nature of a voluntary market (access to other opportunities, opportunity costs, the cost of water in various time increments, etc.).

Fair Compensation for Services and Transparent Price Formation

- Market rules provide appropriate compensation for all stand-ready services and use of flexible capacity.
- Market rules allow market prices to accurately signal shortages and scarcity.
- Bidding and dispatch rules assure proper accounting and compensation for environmental attributes, consistent with state policies.
- Market rules ensure proper economic market function and reliability only. Costs driven by specific policy objectives of individual jurisdictions are accounted for in pricing for those jurisdictions separately.

Respects Existing Laws, Statutory Obligations, Regulations, and Local Regulatory Authorities

- Organized markets with different kinds of participants (e.g. IOUs, COUs, PMAs, etc.) must respect existing laws, statutory obligations, regulation, and local regulatory authorities.
- Resource Adequacy and Resource Sufficiency requirements do not supplant local regulatory decision authority for resource procurement.

---

[i] The term Resource Adequacy in this context references the capacity to reliably meet demand in a certain confidence interval over a given time horizon--usually longer term.

[ii] The term Resource Sufficiency in this context references a showing of resources with the appropriate resource characteristics that are available to meet demand on a shorter time horizon--usually day-ahead and real-time.

NRU Northwest Requirements Utilities PGP Public Generating Pool PPC PUBLIC POWER COUNCIL PNGC Power Smart. Local. Connected.

Slice Customer Priorities and Perspectives on EIM Phase III Topics - DRAFT: 8/22/19

	Phase III Topic (prioritized)	Customer Perspectives
1	Resource Sufficiency at the sub-BAA level	a) Leverage current scheduling and tagging practices to identify potential win-win adjustments b) Load forecast information would be at the utility scale c) Minimize or eliminate incongruency in business practices across customers (e.g., in-kind versus financial loss returns) d) Ensure that business processes can support, and are commensurate with, scheduling that appears to be shifting earlier and perhaps occurring more quickly.
2	Impacts to Bonneville power and transmission products and services (especially network transmission and short-term ATC)	a) Do not diminish the feasibility of being able to move/transact Slice energy b) Recognize potential customer time and costs for standing up systems and processes to support EIM participation
3	Impact of EIM imports and exports on Bonneville fuel mix	a) Value of carbon free resources is structured in a way to provide mutually beneficial outcome b) Ensure BPA fuel mix is no worse off with respect to carbon content
4	Settlements/Billing Mechanics	a) Start simply - Don't make it too complicated until BPA has more experience. Use best efforts for BP-22 until more experience to help inform more granularity – if any - in future rate periods. b) BP-22 EI rates should work for both pre- and post-EIM go live periods. c) Could Generation Imbalance be a direct pass through since generation resources are modeled by CAISO? d) Energy Imbalance may not be able to be passed through easily since individual LSEs not modeled. e) Use EIM elements for BP-22 where it makes sense (e.g., single LAP rate for EI) but maintain existing sub-BA incentives that are compatible with EIM goals (e.g., match resources to load). f) Recognize potential customer time and costs for standing up systems and processes to support EIM settlements and billing mechanics. g) Recognize how variability in customer characteristics (e.g., own BAA vs BPA BAA; with resources vs. without resources) impact what is expected of customers.
5	Allocation of EIM charge codes	
6	Data submission requirements	a) Maximize use of existing business process and systems b) Recognize potential customer time and costs for standing up systems and processes to support data submission requirements
7	Principles, processes, decision-making framework, and criteria for participation in evolving or emerging markets	a) Endeavor to capture more value out of FCRPS b) Value of carbon free resources is structured in a way to provide mutually beneficial outcome c) Accommodate customer review and input d) Incorporate principles expressed on Slide #56 of the January 2019 Stakeholder Meeting slide deck.

BPA's Principles for Other Emerging Markets

- EIM principles still apply, plus likely additions:
  - **Governance**: Independent, Representative
  - **Resource Adequacy**: Provides for reliability and equity; Respects existing jurisdictional authorities
  - **Transmission**: Access and utilization are comparable; Adequate compensation; Equitable cost allocation
  - **Market Power Mitigation**: Recognize the opportunity costs of hydro; Apply when there is an opportunity to exercise; Consider voluntary nature of the market
  - **Market Price Formation**: Appropriate compensation for the services provided (e.g. energy, capacity, ancillary services, environmental attributes)

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BPA's Application of Principles for Other Emerging Markets

- Criteria for evaluating other emerging markets impact on BPA's decision to join the EIM:
  - Is there an impact on EIM?
  - If so, what is it and how is EIM impacted?
    - Is it mandatory or optional?
    - Is the nature of the impact qualitative? For example:
      - Reliability impact?
      - Additional certainty or uncertainty?
    - Can the impact be quantified? For example:
      - Revenue impact?
      - Cost impact?
  - When are EIM participants impacted?
- How these policy initiatives impact existing business and/or future decision(s) are not within scope of this EIM Implementation Agreement decision process

57

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Nov 14 10:46:56 2019
To: Abby Gribi (townadmin@eatonville-wa.gov)
Bcc: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: BPA Post-2028 Survey Questions and Process
Importance: Normal
Attachments: External timeline BPA Provider of Choice 10102019.docx; BPA Post-2028 advance survey questions 11142019.pdf

Hello Abby,

Following up on my recent discussion with you about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the Post-2028 contract survey process. This is my brief summary of the steps over the next four months:

- Your review and consideration of the specific survey questions (Nov/Dec 2019)
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions (Nov/Dec/Jan)
- The Post-2028 Survey Monkey response by you or your assigned utility responder (expected mid-January 2020)
- BPA review and summary of utility Post-2028 survey responses (after Feb. 2020)

Please feel free to send back any clarification questions you have about the Post-2018 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) [redacted] (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Thu Nov 14 10:48:29 2019
To: 'TracyR@subutil.com' (TracyR@subutil.com)
Subject: Post-2028 Questionnaire and Timeline documents
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Hi Tracy,

As we discussed yesterday, please find attached electronic copies of the post-2028 customer questionnaire and timeline I handed out yesterday. We'll plan to walk through these questions at our January meeting.

Please let me know if you have any questions about this. Thanks again!

Kevin

Kevin Farleigh
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905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Nov 14 14:05:15 2019
To: Emeka Anyanwu (Emeka.Anyanwu@seattle.gov); Craig Smith - Seattle City Light (Craig.Smith@seattle.gov); Joy Liechty (joy.liechty@seattle.gov)
Subject: BPA Post-2028 Survey Questions and Process: Seattle
Importance: Normal
Attachments: BPA Post-2028 advance survey questions 11142019.pdf; External timeline BPA Provider of Choice 10102019.docx

Hello Emeka, Craig and Joy,

Following up on my recent discussions with you about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your internal review of the questions is the first step of the Post-2028 contract survey process. This is my brief summary of the steps over the next four months:

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- BPA review and summary of utility Post-2028 survey responses (after Feb. 2020)

Please feel free to send back any clarification questions you have about the Post-2018 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
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909 First Ave, Suite 380
Seattle, WA 98104

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Nov 14 14:09:35 2019
To: robin.cross@seattle.gov; Michael Little (michael.little@seattle.gov)
Subject: FW: BPA Post-2028 Survey Questions and Process: Seattle
Importance: Normal
Attachments: BPA Post-2028 advance survey questions 11142019.pdf; External timeline BPA Provider of Choice 10102019.docx

Robin and Mike,

I wanted both of you to know that I have sent out the BPA Post-2028 survey questions to Emeka, Craig and Joy. Please let me know if you have any questions.

Paul
(206) 220-6763

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thursday, November 14, 2019 2:05 PM
To: Emeka Anyanwu (Emeka.Anyanwu@seattle.gov) <Emeka.Anyanwu@seattle.gov>; Craig Smith - Seattle City Light (Craig.Smith@seattle.gov) <Craig.Smith@seattle.gov>; Joy Liechty (joy.liechty@seattle.gov) <joy.liechty@seattle.gov>
Subject: BPA Post-2028 Survey Questions and Process: Seattle

Hello Emeka, Craig and Joy,

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- BPA review and summary of utility Post-2028 survey responses (after Feb. 2020)

Please feel free to send back any clarification questions you have about the Post-2018 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

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909 First Ave, Suite 380
Seattle, WA 98104

From: Olive,Kelly J (BPA) - PSS-6
Sent: Fri Nov 15 11:57:37 2019
To: Doumbia,Julie A (BPA) - EC-5
Cc: Farleigh,Kevin S (BPA) - PSW-6
Subject: Post-2028
Importance: Normal
Attachments: EE_Focus_2028_Closeout_letter_final_Oct 2016.pdf; External timeline_Provider of Choice10_10_19.docx

Some resources for our conversation at 1.

Link to Regional Dialogue contract templates (see section 18.1) and the RD Policy/ROD (with discussions on EE):
https://www.bpa.gov/p/Power-Contracts/Regional-Dialogue/Pages/Regional-Dialogue.aspx

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Fri Nov 15 15:06:38 2019
To: Shailesh Shere (Sshere@cityofpa.us); Gking@cityofpa.us
Subject: BPA Post-2028 Survey Questions and Process
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Microsoft Exchange Server;converted from html;

Hello Shailesh and Gregg,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next few months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (survey link available mid-January 2020 and to slated to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments. Let me know your preference.

Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
Bonneville Power Administration
miperry@bpa.gov | P 206-220-6779 | C [redacted (b)]

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Fri Nov 15 15:07:36 2019
To: Lee Jensen (lee.jensen@netl.doe.gov)
Subject: BPA Post-2028 Survey Questions and Process
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Microsoft Exchange Server;converted from html;

Hello Lee,

Following up from our discussion this summer about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

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Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
Bonneville Power Administration
miperry@bpa.gov | P 206-220-6779 | C (b) (6)

Marcus Perry

Marcus Perry
Account Executive | Power Services
Bonneville Power Administration
miperry@bpa.gov | P 206-220-6779 | C (b)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Fri Nov 15 15:07:50 2019
To: brianwalters@pudwhatcom.org
Subject: BPA Post-2028 Survey Questions and Process
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Microsoft Exchange Server;converted from html;

Hello Brian,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

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Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
Bonneville Power Administration
miperry@bpa.gov | P 206-220-6779 | C (b) (6)

Marcus Perry

Marcus Perry
Account Executive | Power Services
Bonneville Power Administration
miperry@bpa.gov | P 206-220-6779 | C (b)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Friday, November 15, 2019 3:08 PM
To: Sunny Aulakh (sAulakh@cityofsumas.com)
Cc: Rod Fadden (PWDirector@cityofsumas.com)
Subject: BPA Post-2028 Survey Questions and Process
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx

Hello Sunny,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

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Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
BONNEVILLE POWER ADMINISTRATION
miperry@bpa.gov | P 206-220-6779 | C [redacted (b)]

16060031-0

Marcus Perry

Marcus Perry
Account Executive | Power Services
BONNEVILLE POWER ADMINISTRATION
mlperry@bpa.gov | P 206-220-6779 | C (b)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Friday, November 15, 2019 3:09 PM
To: Ravyn Whitewolf (RWhitewolf@ci.blaine.wa.us)
Cc: Karla Flaming (KFlaming@cityofblaine.com); Jeffrey Lazenby (JLazenby@cityofblaine.com)
Subject: BPA Post-2028 Survey Questions and Process
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx

Hello Ravyn,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next few months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (available mid-January 2020 and to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments.

Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
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16060040-0

Marcus Perry

Marcus Perry
Account Executive | Power Services
BONNEVILLE POWER ADMINISTRATION
miperry@bpa.gov | P 206-220-6779 | C (b)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Friday, November 15, 2019 3:09 PM
To: steve@tannerelectric.coop
Subject: BPA Post-2028 Survey Questions and Process
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx

Hello Steve,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next few months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (available mid-January 2020 and to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments.

Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
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miperry@bpa.gov | P 206-220-6779 | C (b) (6)

Marcus Perry

Marcus Perry
Account Executive | Power Services
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miperry@bpa.gov | P 206-220-6779 | C (b) (6)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Friday, November 15, 2019 3:09 PM
To: Kristin Masteller
Subject: BPA Post-2028 Survey Questions and Process
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx

Hello Kristin,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next few months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (available mid-January 2020 and to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments.

Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
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Marcus Perry

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Account Executive | Power Services
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miperry@bpa.gov | P 206-220-6779 | C (b) (6)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Fri Nov 15 15:09:02 2019
To: michelep@masonpud3.org
Subject: BPA Post-2028 Survey Questions and Process
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Microsoft Exchange Server;converted from html;

Hello Michele,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next few months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (available mid-January 2020 and to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments. Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
Bonneville Power Administration
miperry@bpa.gov | P 206-220-6779 | C (b) (6)

Marcus Perry

Marcus Perry
Account Executive | Power Services
Bonneville Power Administration
miperry@bpa.gov | P 206-220-6779 | C (b)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Fri Nov 15 15:09:09 2019
To: kstreett@jeffpud.org
Subject: BPA Post-2028 Survey Questions and Process
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Microsoft Exchange Server;converted from html;

Hello Kevin,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next few months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (available mid-January 2020 and to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments. Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
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miperry@bpa.gov | P 206-220-6779 | C (b) (6)

Marcus Perry

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Account Executive | Power Services
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miperry@bpa.gov | P 206-220-6779 | C (b)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Friday, November 15, 2019 3:09 PM
To: Doug Nass x230 (dougn@clallampud.net); johnp@clallampud.net
Cc: Sean Worthington x240; tylerk@clallampud.net
Subject: BPA Post-2028 Survey Questions and Process
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx

Hello Doug and John,

Following up on our recent discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next four months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (available mid-January 2020 and to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments.

Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
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miperry@bpa.gov | P 206-220-6779 | C [redacted (b)]

Marcus Perry

Marcus Perry
Account Executive | Power Services
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mlperry@bpa.gov | P 206-220-6779 | C (b) (6)

From: Perry,Marcus I (BPA) - PSW-SEATTLE
Sent: Friday, November 15, 2019 3:10 PM
To: Anna Berg (AJBerg@snopud.com)
Cc: Tom DeBoer (TADeBoer@snopud.com)
Subject: BPA Post-2028 Survey Questions and Process
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline BPA Provider of Choice 10102019.docx

Hello Anna,

Following up on the discussion about BPA's Post-2028 contract process and survey questions, attached are the final BPA survey questions. I have also included the Post-2028 contract timeline to provide the longer range context and background for this BPA process.

Your review of the questions is the first step of the contract survey process. This is my brief summary of the steps over the next few months:

- Your review and consideration of the specific survey questions
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions – Jan/Feb 2020
- The Post-2028 Survey Monkey response by you or your assigned utility responder (available mid-January 2020 and to close end of February)
- BPA review and summary of utility Post-2028 survey responses (Once all surveys have been received)

As discussed, the one-on-one meeting with the AE can take place before or after you have filled out the online survey. Some utilities have expressed a desire for the one-on-one prior to filling out the survey to make sure they understand the questions, and some prefer to meet after they've had a chance to think through what their responses might be at the utility. That's entirely up to you. We anticipated these one-on-one's to take place in Jan/Feb 2020 but if you are ready sooner, we can definitely have a discussion in December or perhaps schedule multiple discussions (if necessary). We really do value your input and want to make sure we provide ample opportunity to capture all of your utility's thoughts/comments.

Please feel free to send back any clarification questions you have about the Post-2028 survey questions, the timeline, or the overall BPA process and communication with customers.

Thanks,

Marcus Perry

Marcus Perry
Account Executive | Power Services
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miperry@bpa.gov | P 206-220-6779 | C [redacted (b)]

Marcus Perry

Marcus Perry
Account Executive | Power Services
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mlperry@bpa.gov | P 206-220-6779 | C (b)

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tue Nov 19 08:52:24 2019
To: ML Norton
Cc: Dave Hayes (DHayes@cityofcentralia.com); Randi Leach (rleach@cityofcentralia.com)
Subject: BPA's Post 2028 Products and Services Questions
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Customers' Post-2028 advance survey questions 11_08_19.docx.pdf

Hello ML. BPA is looking forward to continuing its business relationship with your utility after the current power sales contract expires. Is that a goal of Centralia City Light, too? If so, BPA would like to know what products and services would best meet your utility's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect your utility's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell (b) (6) • Fax: 206.220.6803

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tuesday, November 19, 2019 8:55 AM
To: Todd Baun
Cc: 'Paul Nott'
Subject: BPA's Post 2028 Products and Services Questions
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx.pdf

Hello Todd. BPA is looking forward to continuing its business relationship with your utility after the current power sales contract expires. Is that a goal of City of McCleary, too? If so, BPA would like to know what products and services would best meet your utility's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect your utility's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tue Nov 19 11:01:39 2019
To: Jason Dunsmoor
Cc: Humaira Falkenberg (humairaf@pacificpud.org)
Subject: BPA's Post 2028 Products and Services Questions
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Customers' Post-2028 advance survey questions 11_08_19.docx.pdf

Hello Jason. BPA is looking forward to continuing its business relationship with your utility after the current power sales contract expires. Is that also a goal of Pacific County PUD No. 2? If so, BPA would like to know what products and services would best meet your utility's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect your utility's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tue Nov 19 11:04:35 2019
To: Keith Warner
Cc: Sean McKee
Subject: BPA's Post 2028 Products and Services Questions
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Customers' Post-2028 advance survey questions 11_08_19.docx.pdf

Hello Keith. BPA is looking forward to continuing its business relationship with your utility after the current power sales contract expires. Is that a goal of the Port of Seattle, too? If so, BPA would like to know what products and services would best meet your utility's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect your utility's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tue Nov 19 11:09:16 2019
To: Clay Norris
Cc: Ray Johnson; Todd Lloyd (tlloyd@cityoftacoma.org); Mike Hill; Rick Applegate; Jim Russell (jrussell@ci.tacoma.wa.us); Leah Marquez-Glynn
Subject: BPA's Post 2028 Products and Services Questions
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Customers' Post-2028 advance survey questions 11_08_19.docx.pdf

Hello Clay. BPA is looking forward to continuing its business relationship with your utility after the current power sales contract expires. Is that a goal of Tacoma Power, too? If so, BPA would like to know what products and services would best meet your utility's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect your utility's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (5) • Fax: 206.220.6803

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tue Nov 19 11:14:37 2019
To: Kevin Stigile
Cc: Chuck Benson (Chuck.Benson@navy.mil)
Subject: BPA's Post 2028 Products and Services Questions
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Customers' Post-2028 advance survey questions 11_08_19.docx.pdf

Hello Kevin. BPA is looking forward to continuing its business relationship with the Navy bases we serve after the current power sales contract expires. Is that a goal of the Navy, too? If so, BPA would like to know what products and services would best meet Bangor's, Bremerton's, and Jim Creek's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect the Navy's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tuesday, November 19, 2019 11:27 AM
To: 'ML Norton'
Cc: David Hayes; Randi Leach
Subject: RE: [External]BPA's Post 2028 Products and Services Questions

Thanks for your prompt response, ML. How about meeting on January 23, at 10 AM or later?

Happy Thanksgiving to you, too. >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: ML Norton <MLNorton@cityofcentralia.com>
Sent: Tuesday, November 19, 2019 10:03 AM
To: Watts,Kirsten (BPA) - PSW-SEATTLE <rkwatts@bpa.gov>
Cc: ML Norton <MLNorton@cityofcentralia.com>; David Hayes <DHayes@cityofcentralia.com>; Randi Leach <rleach@cityofcentralia.com>
Subject: [EXTERNAL] RE: [External]BPA's Post 2028 Products and Services Questions

Kirsten,

The questions look reasonable, though some are specific to other types of participants. Preparing answers for most of them should not be too difficult, but some would benefit from a face-to-face meeting and discussion time. City Light and BPA would benefit from a more accurate response if a meeting could be scheduled toward the end of January. I am out of town January 10-20, but the 23rd-24th and most of the next week (27th-31st) is available. I would appreciate being put on your list of places you plan to visit in this regard.

Thank you for the note and have a Happy Thanksgiving,
MLN

From: Watts,Kirsten (BPA) - PSW-SEATTLE [mailto:rkwatts@bpa.gov]
Sent: Tuesday, November 19, 2019 8:53 AM
To: ML Norton <MLNorton@cityofcentralia.com>
Cc: David Hayes <DHayes@cityofcentralia.com>; Randi Leach <rleach@cityofcentralia.com>
Subject: [External]BPA's Post 2028 Products and Services Questions

CAUTION:This email originated from outside the City of Centralia's network. Do not click links or open attachments unless you are expecting this email and know the contents are safe.

Hello ML. BPA is looking forward to continuing its business relationship with your utility after the current power sales contract expires. Is that a goal of Centralia City Light, too? If so, BPA would like to know what products and services would best meet your utility's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect your utility's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
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From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tue Nov 19 11:30:50 2019
Required: ML Norton
Subject: Accepted: [EXTERNAL] Meet to Discuss BPA Post-2028 Survey
Location: Centralia City Light Conference Room
Start time: Thu Jan 23 10:00:00 2020
End time: Thu Jan 23 12:00:00 2020
Importance: Normal

From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Tuesday, November 19, 2019 12:02 PM
To: 'Stigile, Kevin W CIV USN NAVFAC NW SVD WA (USA)'
Cc: Benson, Charles D CIV USN NAVFAC NW SVD WA (USA); Fontenot, Rachel L CIV (USA)
Subject: RE: BPA's Post 2028 Products and Services Questions

Much appreciated, Kevin!

Happy Thanksgiving >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Stigile, Kevin W CIV USN NAVFAC NW SVD WA (USA) <kevin.stigile@navy.mil>
Sent: Tuesday, November 19, 2019 12:00 PM
To: Watts,Kirsten (BPA) - PSW-SEATTLE <rkwatts@bpa.gov>
Cc: Benson, Charles D CIV USN NAVFAC NW SVD WA (USA) <Chuck.Benson@navy.mil>; Fontenot, Rachel L CIV (USA) <rachel.fontenot@navy.mil>
Subject: [EXTERNAL] RE: BPA's Post 2028 Products and Services Questions

Kirsten,

Yes, we will desire to continue the relationship. We'll watch for the survey and complete it!

v/r,
Kevin S.

From: Watts,Kirsten (BPA) - PSW-SEATTLE <rkwatts@bpa.gov>
Sent: Tuesday, November 19, 2019 11:15 AM
To: Stigile, Kevin W CIV USN NAVFAC NW SVD WA (USA) <kevin.stigile@navy.mil>
Cc: Benson, Charles D CIV USN NAVFAC NW SVD WA (USA) <Chuck.Benson@navy.mil>
Subject: [Non-DoD Source] BPA's Post 2028 Products and Services Questions

Hello Kevin. BPA is looking forward to continuing its business relationship with the Navy bases we serve after the current power sales contract expires. Is that a goal of the Navy, too? If so, BPA would like to know what products and services would best meet Bangor's, Bremerton's, and Jim Creek's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect the Navy's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Schwendiman,Celeste M (BPA) - PSE-BOISE
Sent: Tue Nov 19 13:33:20 2019
To: Alan Skinner; Brad Gamett; Chad Surrage; Clay Fitch; Clint Heward; Gary Buerkle; Greer Copeland; Jared Teeter; Jim Bowers; Jim Webb; Jo Elg; Kelly Anthon; Ken Dizes; ken@srec.org; Mayor Austin Robinson ; Mayor Cleo Gallegos; Mayor Diana Thomas; Mayor Isaac Loveland; Mayor Jay Darrington; Mayor Jim Cook; Mayor Steve Ormond; Amber Whitaker; Ashlee Langley; Billy Palmer; Bo Betzer; Brent Wallin; Cindy Hruza ; David Tate; Enoch Dahl; Kay Buerkle; Mark Mitton; Mary Yeaman; Michael Campbell; Mike Cromie; Soda Springs; Tony Morley; Will Hart
Cc: Hardin,Craig A (TFE)(BPA) - TSE-TPP-2; DeClerck,Angela (TFE)(BPA) - TSE-TPP-2
Subject: Post 2028 Survey Questions & Timeline
Importance: Normal
Attachments: timeline.pdf; questions.pdf

Dear Customers,

BPA is seeking your feedback on our products and services—whether you like what you purchase from us today or would like to see some changes after our current contracts expire in 2028. We came up with a number of questions to help spur a conversation. Attached, please find a preview of those questions. As part of the process, I would like to visit you and talk through the questions and your responses, and also send a link to an online survey for you to fill out. The online survey will open early next year and remain open through March.

We are planning to review the survey results and share them with customers next summer during regional meetings with Elliot Mainzer (as early as May 2020). I've also attached a timeline document with key milestones for developing our post 2028 products and services.

If you have any questions or would like additional information, please don't hesitate to reach out to me directly. I am looking forward to seeing you soon, -Celeste (208) 670-7406

Celeste Schwendiman, Power Account Executive
Bonneville Power Administration
950 W Bannock Street, Suite 805, Boise, ID 83702

Ps. Here's the latest from our news desk:

BPA Annual Report Available

The 2019 Annual Report has been posted on BPA.gov. It shows our audited financial performance for the year and includes an overview of the year's accomplishments in a letter from the BPA administrator.

Quarterly Business Review Workshop & Materials

Materials for the **Nov. 20, 2019** Quarterly Business Review (QBR) Technical workshop and the Financial Reserves Policy (FRP) Implementation workshop are available on the Quarterly Business Review webpage and FY 2020-21 Rate Adjustments webpage, respectively. Materials will be projected on screen during the meetings (no hard copies will be available).
For the most up-to-date information, please visit the BPA Public Engagement and Event Calendar.

QBR Technical Workshop:
When: Nov. 20, 2019

Time: 9:30 a.m. – 12:30 p.m.
Where: BPA Rates Hearing Room, 1201 Lloyd Blvd., Suite 200, Portland, OR
Phone Bridge: (b) (2)
WebEx: Join the meeting
Meeting Number (access code): (b) (2) **Meeting Password:** (b) (2)

FRP Implementation Workshop:
When: Nov. 20, 2019
Time: 1:30 p.m. – 2:30 p.m.
Where: BPA Rates Hearing Room, 1201 Lloyd Blvd., Suite 200, Portland, OR
Phone Bridge: (b)
WebEx: Join the meeting
Meeting Number (access code): (b) (2) **Meeting Password:** (b) (2)

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Wed Nov 20 15:09:01 2019
To: 'Dan Murphy'; 'Carol R Sullivan'; Jim Stuart
Subject: Post-2028 Questionnaire for our December 11 meeting
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Hi Dan, Carol, and Jim,

As I mentioned earlier, BPA is kicking off formal discussions around post-2028 contracts by issuing a questionnaire to all our preference customers. In short, we're looking to hear from you all as a first step in this. Things like: What's currently working with your power arrangement with BPA? What could be improved? What are your biggest concerns looking forward? Etc....

So to that end, please find attached two documents. The first is the questionnaire, and the second is a timeline showing our current expectation for the overall process between now and 2028. So at our meeting on December 11, in addition to the load forecast, I was also hoping to take some time to walk through the questionnaire with you.

In terms of survey mechanics, responses will ultimately be captured in SurveyMonkey. However, the SurveyMonkey will not be live until early January. So given that, there's probably a couple ways to move this forward. We could walk the through questions on the 11th, and then one of you could go into the SurveyMonkey in January to enter your responses directly. Alternatively, I'd be more than happy to take notes during our meeting on the 11th and then complete the SurveyMonkey on your behalf. Either works for me. We can discuss your preferred approach on the 11th. But at a minimum, I wanted to get you these questions in advance so you could start thinking about them.

Please let me know if you have any questions or other thoughts about this. Thanks, and we'll see you on the 11th!
Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Thursday, October 24, 2019 6:00 AM
To: 'Dan Murphy'; Carol R Sullivan
Cc: Jim Stuart; Davis,Reed C (BPA) - KSL-4
Subject: RE: Meeting with BPA?

Let's plan for December 11, 10am at your office in Canby. Thank you!

Kevin

From: Dan Murphy [mailto:dmurphy@canbyutility.org]
Sent: Wednesday, October 23, 2019 3:32 PM
To: Farleigh,Kevin S (BPA) - PSW-6; Carol R Sullivan
Cc: Jim Stuart
Subject: [EXTERNAL] RE: Meeting with BPA?

I am also okay with December 11.

Dan

From: Farleigh,Kevin S (BPA) - PSW-6 [mailto:ksfarleigh@bpa.gov]
Sent: Wednesday, October 23, 2019 9:04 AM
To: Dan Murphy; Carol R Sullivan
Cc: Jim Stuart
Subject: RE: Meeting with BPA?

Good morning all,

As I mentioned to Dan last week, I'm wondering if perhaps a date in early December might work. Perhaps Wednesday December 4th or December 11th? I'm trying to buy a little time to ensure our post-2028 survey questions are ready for prime-time, as well as line up a time that works for our load forecaster.

Kevin

From: Dan Murphy [mailto:dmurphy@canbyutility.org]
Sent: Sunday, October 13, 2019 6:19 PM
To: Carol R Sullivan
Cc: Farleigh,Kevin S (BPA) - PSW-6; Jim Stuart
Subject: [EXTERNAL] Re: Meeting with BPA?

I would personally prefer the week before Thanksgiving. (b)(6) [redacted]

On Oct 11, 2019, at 10:01 AM, Carol R Sullivan < csullivan@canbyutility.org> wrote:

Good morning,

That day works for me. How about you guys, Dan, Jim? Just to note it is the day before Thanksgiving.

Best regards,
Carol R Sullivan

<image001.jpg>

Carol R Sullivan, Finance Manager
1265 SE 3rd Ave
PO Box 1070
Canby, OR 97013

Phone: 503.266.1156
Fax: 503.263.8621

From: Farleigh,Kevin S (BPA) - PSW-6 [mailto:ksfarleigh@bpa.gov]
Sent: Wednesday, October 09, 2019 8:34 AM
To: Carol R Sullivan; Dan Murphy
Cc: Jim Stuart
Subject: RE: Meeting with BPA?

Good morning Carol,

Would the morning of November 27 work? Maybe 9 or 10am? Thanks.

Kevin

From: Carol R Sullivan [mailto:csullivan@canbyutility.org]
Sent: Tuesday, October 08, 2019 11:18 AM
To: Farleigh,Kevin S (BPA) - PSW-6; Dan Murphy
Cc: Jim Stuart
Subject: [EXTERNAL] RE: Meeting with BPA?

Hi Kevin,

Here are some dates in November: 6, 13, 20, or 27. Let me know if any of those work for the BPA team. Thank you.

Best regards,
Carol R Sullivan

<image004.jpg>

Carol R Sullivan, Finance Manager
1265 SE 3rd Ave
PO Box 1070
Canby, OR 97013

Phone: 503.266.1156

Fax: 503.263.8621

From: Farleigh,Kevin S (BPA) - PSW-6 [mailto:ksfarleigh@bpa.gov]
Sent: Monday, September 09, 2019 3:26 PM
To: Carol R Sullivan; Dan Murphy
Subject: RE: Meeting with BPA?

Hi Carol,

I'm sure we could make one of these dates work, but let me throw another consideration into the mix.

We are actually planning a formal check-in with our customers later this fall to discuss post-2028 contract considerations. This will likely be a survey/conversation where Account Executives will walk through a series of questions with customers to dig into what's working well, what could be improved in future contracts, and ultimately what's needed for customers to stay with BPA post-2028. I understand Elliot mentioned this at PPC last week in case either you or Dan attended.

We're targeting a November 1st kickoff to this, which isn't too far beyond the dates you noted. What do you think about trying instead for a November meeting date where we could include this post-2028 discussion along with the other updates? I want to be sensitive to your time and wondered if this might be a good way to knock out a couple birds with one stone. The only downside is if you'd prefer an earlier date to cover rates questions (or any other more time-sensitive topic).

Please let me know your thoughts on this. If you're game to try for November, go ahead and send me a couple dates that might work for you. Thanks!

Kevin
503-230-4055

From: Carol R Sullivan [mailto:csullivan@canbyutility.org]
Sent: Wednesday, September 04, 2019 4:24 PM
To: Farleigh,Kevin S (BPA) - PSW-6; Dan Murphy
Subject: [EXTERNAL] RE: Meeting with BPA?

Hi Kevin,

Something after 10/8 would work 10/9, 10/10, 10/16, or 10/17?

Best regards,
Carol R Sullivan

<image004.jpg>

Carol R Sullivan, Finance Manager

1265 SE 3rd Ave
PO Box 1070
Canby, OR 97013

Phone: 503.266.1156
Fax: 503.263.8621

From: Farleigh,Kevin S (BPA) - PSW-6 [mailto:ksfarleigh@bpa.gov]
Sent: Tuesday, August 27, 2019 11:09 AM
To: Dan Murphy; Carol R Sullivan
Subject: Meeting with BPA?

Dan, Carol, good morning,

Hope you're enjoying summer and keeping cool.

I thought I'd reach out again to see if we might be able to schedule a meeting for next month or early October? Nothing critical on our end, but it has been a little while and we wanted to check-in on several topics including rates (now that the rate case has concluded) and several other BPA topics. Ideally Brian Altman (BPA Transmission) would also be able to attend.

If interested, might any of these days work? 9/4, 9/11, 9/17, 10/3, 10/8. Thanks.

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

BPA Update

November 2019

Discussion Topics

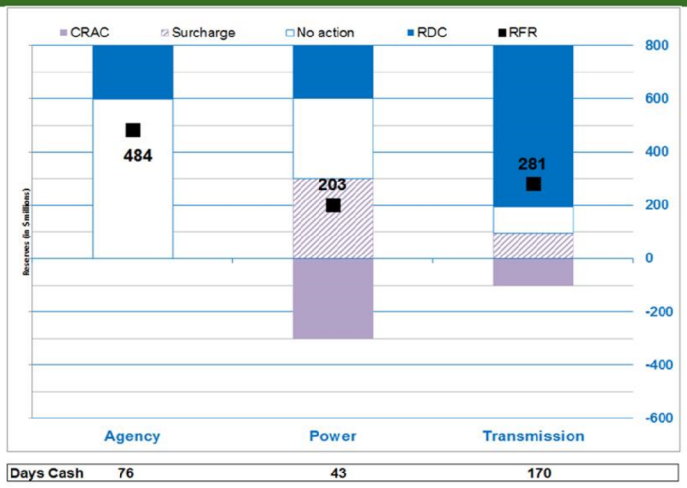
- Introductions
- Financial Reserves Policy (FRP)
  - Financial Reserves
  - Financial Reserves Business Unit Misallocation
- Energy Imbalance Market
  - High Level Schedules and Timeline
- Post 2028 – Power Sales Contract
  - Schedules and Milestones

Financial Reserves Policy

- Financial Reserves Policy (FRP)
  - Sustain Financial Strength
  - Power FRP
    - Surcharge $30 Million
    - Triggered for FY 2020
    - Range of 1%-2% Effective Rate
- Financial Reserve Business Unit Misallocation
  - From FY 2003 to FY 2018
  - Did Not Impact Audited Financials
  - Misallocation Resolved
    - $182.3 million ($158.7 Million Principal, $23 Million Interest)

Financial Reserves Policy

EOY FY 2019 Financial Reserves



Days Cash	76	43	170

Energy Imbalance Market

Five Phases to Western EIM Decision

Exploration July 2018–June 2019
Implementation agreement June–Sept. 2019
Policy decisions Oct. 2019–Aug. 2020
BP-22 & TC-22 Nov. 2020–July 2021
Close-out Oct.–Dec. 2021

Energy Imbalance Market

EIM Policy Timeline

CY 2019	CY 2020	CY 2021

Phase III – Post-ROD policy
October 2019 – August 2020
Workshops to resolve remaining policy issues combined with BP-22 and TC-22 pre-workshops

Phase IV – BP-22/TC-22
November 2020 – July 2021
Rates and tariff proceedings policy decisions

EIM Implementation and Stakeholder Engagement
October 2019 – December 2021
Work on EIM implementation projects underway and ongoing stakeholder engagement meetings are held

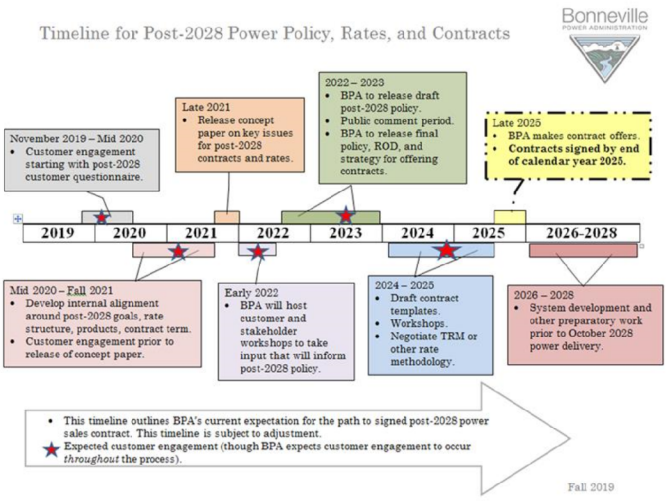
Energy Imbalance Market

- Signed Implementation Agreement
  - September 27, 2019, California Independent System Operator (CAISO)
  - Preliminary Analysis
    - Possible Net EIM revenues ~$42 Million/yr
  - BPA has signed a non-disclosure agreement with all EIM entities
  - Western Energy Imbalance Market (Western EIM)
    - Final decision to join late 2021

Post 2028 – Power Sales Contract

- Conversations beginning January 2020
  - Survey Monkey (January - March)
  - AEs and Customers one-on-one conversations
  - April 2020 – Synthesize the Information
  - May/June 2020 – Use Findings to Aid Regional Conversations
- Contracts
- Products
- Rates
- Policies

Post 2028 – Power Sales Contract



From: Watts,Kirsten (BPA) - PSW-SEATTLE
Sent: Thu Nov 21 13:30:24 2019
To: 'Jason Dunsmoor'
Cc: Humaira Falkenberg
Subject: RE: BPA's Post 2028 Products and Services Questions
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Hello Jason, my pleasure. I really do enjoy visiting Raymond and Long Beach; gives me a break from the city ☺.

I hope you have a great Thanksgiving holiday, too! >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Jason Dunsmoor <jason@pacificpud.org>
Sent: Wednesday, November 20, 2019 2:12 PM
To: Watts,Kirsten (BPA) - PSW-SEATTLE <rkwatts@bpa.gov>
Cc: Humaira Falkenberg <humairaf@pacificpud.org>
Subject: [EXTERNAL] RE: BPA's Post 2028 Products and Services Questions

Hi Kirsten,

Thank you for the heads up on the survey. Especially the questions!

We will take a look at them and let you know if we need a face-to-face meeting. We know how much you like coming to Pac Cnty. □

Hope you have a great Thanksgiving Holiday!

Sincerely,

Jason

From: Watts,Kirsten (BPA) - PSW-SEATTLE < rkwatts@bpa.gov>
Sent: Tuesday, November 19, 2019 11:02 AM
To: Jason Dunsmoor < jason@pacificpud.org>
Cc: Humaira Falkenberg < humairaf@pacificpud.org>
Subject: BPA's Post 2028 Products and Services Questions

Hello Jason. BPA is looking forward to continuing its business relationship with your utility after

the current power sales contract expires. Is that also a goal of Pacific County PUD No. 2? If so, BPA would like to know what products and services would best meet your utility's needs post-2028. To help capture some of that initial information, BPA has prepared a questionnaire that will be released in early January via SurveyMonkey. You will receive a dedicated link to the document once available.

It is our hope that you and your staff will take time to formulate candid, thorough responses that reflect your utility's specific desires. To facilitate that, I have attached the questions for your advanced consideration. I would be happy to meet with you to discuss the questions prior to the survey's official release. Please let me know if that is something you would like to do. Thereafter, we can schedule the in-person discussion.

Thanks >> Kirsten

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell (b) (6) • Fax: 206.220.6803

This email has been scanned for spam and viruses. Click here to report this email as spam.

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Friday, November 22, 2019 1:51 PM
To: 'John DeVore'
Subject: RE: Some thoughts about the BPA Post-2028 Survey

Hi John,

Following up on our discussion after the PCCPA meeting last night, I would like to schedule a meeting at Lakeview to cover the PCM Post-2028 Survey questions with the PCM GMs and other staff. It would be valuable to have the meeting between Thanksgiving and Christmas. Can you please let me know if Lakeview has any particular days that would work best for setting up this meeting during this time period (in the next couple of weeks)?

Thanks,

Paul
(206) 220-6763

From: John DeVore <jdevore@lakeviewlight.com>
Sent: Wednesday, November 20, 2019 9:35 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Subject: [EXTERNAL] RE: Some thoughts about the BPA Post-2028 Survey

Hi Paul: Just got back into the office yesterday (have been away at a combined conference and vacation in CA). I will look over the email you sent last week and get back to you. I am in meetings until 2:00 PM today, so I might not get back to you until tomorrow morning.

Regarding the group meeting idea. I think maybe a meeting with the GM's and their relevant staff would be good. The only issue with bringing in the directors is that the meeting could easily get sidetracked with a "rabbit-trail" question, and I'd like it to be optimally productive.

Let me think about this and I will get back to you. Lakeview would be happy to host the meeting.

Thank you,

John M. DeVore
General Manager
Lakeview Light & Power
253-327-6116 (W) \| (b) [redacted] (C)

From: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Sent: Wednesday, November 20, 2019 9:02 AM
To: John DeVore <jdevore@lakeviewlight.com>
Subject: Some thoughts about the BPA Post-2028 Survey

EXTERNAL EMAIL

Hi John,

I wanted to ask you a question about the BPA Post-2028 survey that I sent out last week. In the next month or so, I will be scheduling meetings with each of the PCM utilities to be able to meet one-on-one with each of them to answer questions and provide any additional information that might be helpful to answering the survey questions.

I wanted to find out if you think it would be valuable to have a combined PCM group meeting that would allow the different GMs, staff and/or Board members to talk about the survey questions together. Looking forward past 2028 is challenging and I was thinking that getting a larger group together might be interesting and produce some new ideas for the utilities to consider. But, I'm not sure. So, I thought I would ask you.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

BONNEVILLE POWER ADMINISTRATION
909 First Ave, Suite 380
Seattle, WA 98104

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Fri Nov 22 15:28:26 2019
To: SCHROETTNIG Matthew (Matthew.Schroettnig@EWEB.ORG); 'CAPPER Megan' (Megan.Capper@EWEB.ORG)
Subject: Post-2028 Customer Questionnaire
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Matt and Megan,

I wanted to check in and provide a brief update on the Post-2028 customer questionnaire/survey.

The survey questions are now final and I wanted to pass those along in advance of any meeting we get scheduled. Please see the first attachment. Associated with this, also attached is a high-level timeline showing our current expectation for the overall process between now and 2028.

As for next steps, I'm still hoping to schedule some time with you to walk through these questions. I'm envisioning a trip down to Eugene in either January or February. Any chance the afternoon of January 15 might work? (Though I just saw the potential for an EIM-TC-BP customer-led workshop that day …) If not, maybe you could send me a couple other dates in either Jan or Feb that could work for you?

Ultimately the responses will be captured in a SurveyMonkey questionnaire that will be live in early January through March. Completing the SurveyMonkey can be done a couple ways. My preference, so as to not risk applying my lens to your responses, is to have you fill it out directly (either before or after we meet). However I'm more than happy to fill it out on your behalf based on notes taken during our meeting. Either works for me. But regardless, I would very much like to go through these with you. We're envisioning this to be a conversation that would hopefully provide fuller responses and more context than simply a written SurveyMonkey response.

Please let me know your thoughts on dates, and don't hesitate to contact me with questions. Thanks as always, and happy Friday!

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Mon Nov 25 11:04:05 2019
To: Aliza Seelig (aliza.seelig@seattle.gov)
Cc: Villamor Gamponia (Villamor.Gamponia@seattle.gov); Saul Villarreal (Saul.Villarreal@seattle.gov); Paul Nissley (Paul.Nissley@seattle.gov)
Subject: BPA/SCL IRP Meeting - contract discussion, follow up
Importance: Normal
Attachments: BPA Post-2028 advance survey questions 11142019.pdf; External timeline BPA Provider of Choice 10102019.docx

Hi Aliza,

As a follow-up to my Nov. 15th meeting with Villamor and Paul, attached are the BPA Post-2028 Survey questions for your information. Here is a brief summary of the survey timeline and steps over the next four months:

- Your review and consideration of the specific survey questions (Nov/Dec 2019)
- One-on-One meeting between your utility and your BPA Power AE (that's me) to clarify associated survey questions (Nov/Dec/Jan)
- The Post-2028 Survey Monkey response by the SCL assigned utility responder (expected mid-January 2020)
- BPA review and summary of utility Post-2028 survey responses (after Feb. 2020)

You don't have to do anything with the survey. I just wanted to make sure that you and your group are able to review the included questions and discuss internally. The survey questions have previously been sent out to Emeka, Joy and Craig Smith.

Thanks,

Paul
(206) 220-6763

-----Original Appointment-----
From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Tuesday, October 29, 2019 7:59 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE; Villamor Gamponia (Villamor.Gamponia@seattle.gov); Saul Villarreal (Saul.Villarreal@seattle.gov); Paul Nissley (Paul.Nissley@seattle.gov); Patton,Kathryn B (BPA) - PSS-SEATTLE
Cc: Luu, Kin; Gillins,Christine A (CONTR) - PSW-SEATTLE; Aliza Seelig (aliza.seelig@seattle.gov)
Subject: BPA/SCL IRP Meeting - contract discussion
When: Friday, November 15, 2019 10:30 AM-12:00 PM (UTC-08:00) Pacific Time (US & Canada).
Where: SMT 3303

Hello,

This meeting will be to open up the communication between Seattle's IRP group and the BPA Seattle office to cover the current Regional Dialogue power contract questions and some preliminary discussion about a future post-2028 power contract.

Please let me know if you have questions.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
[redacted](b) [redacted](cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Thompson,Kim T (BPA) - PS-6
Sent: Tue Nov 26 16:46:30 2019
To: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: TIme flies! Emeka here next week?b Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Hi Paul – I was looking at my next week's calendar, and it looks like Emeka's scheduled for a meeting on 12/5. Could you please confirm he'll be here & coordinate our agenda again? I know Transmission had some recent meetings with SCL, so I'm not sure whether they will have additional content they would like to go through.

For content – one thought - if you'd want, you could walk Emeka through the Post-2028 questionnaire plan and how your are approaching SCL engagement for that.

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration
bpa.gov | P 503-230-3408 | C (b) (6)

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Wednesday, November 27, 2019 7:36 AM
To: Thompson,Kim T (BPA) - PS-6
Subject: RE: TIme flies! Emeka here next week?

Hi Kim,

I have covered the Post-2028 process pretty well with Emeka and Joy, so they are mostly up to speed on that. I've brought in Emeka, EE and long term IRP planning with overviews and copies of the survey questions for their internal discussions.

I will get back to you (hopefully quickly) with an update about the 12/5 meeting.

Paul

From: Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Sent: Tuesday, November 26, 2019 4:47 PM
To: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Subject: TIme flies! Emeka here next week?

Hi Paul – I was looking at my next week's calendar, and it looks like Emeka's scheduled for a meeting on 12/5. Could you please confirm he'll be here & coordinate our agenda again? I know Transmission had some recent meetings with SCL, so I'm not sure whether they will have additional content they would like to go through.

For content – one thought - if you'd want, you could walk Emeka through the Post-2028 questionnaire plan and how your are approaching SCL engagement for that.

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
BONNEVILLE POWER ADMINISTRATION
bpa.gov | P 503-230-3408 | C (b) (6)

16100222-0

From: Thompson,Kim T (BPA) - PS-6
Sent: Wed Nov 27 07:49:16 2019
To: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: RE: TIme flies! Emeka here next week?b Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

I added you to the series. Didn't realize you weren't on the invitation!!

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration
bpa.gov | P 503-230-3408 | C (b) (6)

From: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Sent: Wednesday, November 27, 2019 7:44 AM
To: Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Subject: RE: TIme flies! Emeka here next week?

Hi Kim,

Can you please forward that 12/5 meeting to me? That will be helpful.

Thanks,

Paul
(206) 220-6763

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Wednesday, November 27, 2019 7:36 AM
To: Thompson,Kim T (BPA) - PS-6 < ktthompson@bpa.gov>
Subject: RE: TIme flies! Emeka here next week?

Hi Kim,

I have covered the Post-2028 process pretty well with Emeka and Joy, so they are mostly up to speed on that. I've brought in Emeka, EE and long term IRP planning with overviews and copies of the survey questions for their internal discussions.

I will get back to you (hopefully quickly) with an update about the 12/5 meeting.

Paul

From: Thompson,Kim T (BPA) - PS-6 < ktthompson@bpa.gov>

Sent: Tuesday, November 26, 2019 4:47 PM
To: Munz,Paul G (BPA) - PSW-SEATTLE < pgmunz@bpa.gov>
Subject: TIme flies! Emeka here next week?

Hi Paul – I was looking at my next week's calendar, and it looks like Emeka's scheduled for a meeting on 12/5. Could you please confirm he'll be here & coordinate our agenda again? I know Transmission had some recent meetings with SCL, so I'm not sure whether they will have additional content they would like to go through.

For content – one thought - if you'd want, you could walk Emeka through the Post-2028 questionnaire plan and how your are approaching SCL engagement for that.

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration
bpa.gov | P 503-230-3408 | C (b) (6)

From: Olive,Kelly J (BPA) - PSS-6
Sent: Wed Nov 27 11:11:46 2019
To: Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: Can you review edits to SurveyMonkey intro paragraphs?b Importance: Normal
Attachments: Final Post-2028 survey questions_adjusted intro_ 11_27_19.docx

Not sending to whole team, but wanted to get your thoughts and edits to some changes I made to the intro paragraphs to the Survey.

Abigail will be working to develop the draft SurveyMonkey in the coming weeks, and I realized the intro paragraphs needed to be adjusted a bit from to advance copy we sent to customers.

Please see attached.

Thank you! And Happy Thanksgiving!
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

FINAL CUSTOMER QUESTIONNAIRE ON POST-2028 CONTRACTS, PRODUCTS, RATES
11/27/19

In 2016, Elliot Mainzer and other executives concluded Bonneville's Focus 2028 effort and held Provider of Choice conversations around the region. The Focus 2028 conversations culminated in Bonneville's long-term Strategic Plan released in 2018.

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Bonneville's goal is to be your cost-based, long term power provider of choice beyond 2028. Bonneville would like to hear from you. Your input is important.

The questions below are intended to elicit your feedback regarding the products and services you would like Bonneville to offer post-2028. By gaining an understanding of your needs, we will be better positioned to develop power sales contracts and policy for post-2028. ~~Please~~ We know that your ~~input~~ time is ~~important and~~ valuable, but . ~~P~~please take the time to ~~review these questions in advance of our meeting~~provide narrative answers to the survey questions below as much as possible. ~~The survey~~ Bonneville will seriously and thoughtfully consider the information you provide~~administer is identical to the questions below~~.

We know your time is valuable, but please take the time to provide narrative answers below as much as possible. Bonneville will seriously and thoughtfully consider the information you provide.

Customer Profile Questions

1. Name of the utility [drop-down box, pre-populated (*list PNGC and individual members)]
2. Name of utility member who is participating in/filling out the survey [comment box for one name]
3. Name of AE [drop-down box with AEs' names pre-populated]
4. Who is filling out the SurveyMonkey?
   - ○ AE
   - ○ Utility Member
5. Size of utility [TRL in aMW: 0-5aMW; 6-15; 16-40; 41-100; 101-200; >200aMW]
6. State [drop down box, pre-populated: WA, OR, ID, MT, CA, NV, WY]
7. Current product purchase (drop down box, pre-populated: Load Following, Block, Slice/Block) [only one selection allowed]

1. In terms of your current product purchase from Bonneville, what is working well and what can be improved for your utility? [comment box]

2. In the recent Customer Satisfaction Survey Bonneville sent to preference customers, 90% of respondents said they were "satisfied with [their] current power product(s)". Bonneville interprets this information as customers generally feel that the Regional Dialogue contracts and tiered rates are working well. What is your opinion?

- ○ Works very well
- ○ Works well
- ○ Neutral
- ○ Not working well at all

In one sentence, why did you answer the way you did? [comment box]

3. *Please note that the following three questions all relate to offering the same products and services post-2028, with tiered rates, as are offered under today's Regional Dialogue contracts.

By law, Bonneville cannot have contracts longer than a 20-year term and therefore must offer new contracts. Should Bonneville offer new contracts post-2028 that provide the same products, services, and tiered rate construct as provided under the Regional Dialogue power sales contract?

- ○ Yes, with no changes.
- ○ Yes, but with changes.
- ○ No. We need to develop new policies and contracts.

4. Using Regional Dialogue as your baseline for comparison, how would you change the new contract(s) and/or products? [comment box]

5. Post-2028, if Bonneville did end up offering the same products and services, with tiered rates, as provided under the Regional Dialogue contract (with or without changes), for what term would your utility consider ideal? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Please provide Bonneville additional information about the term and/or off-ramp structure that would be most attractive to your utility if Bonneville were to reoffer similar products, services and rate structure as under Regional Dialogue. [comment box]

6. Do you think your utility can be competitive post-2028 if Bonneville offered the same product offerings, and its tiered rate structure, as Regional Dialogue? Please provide explanations of why or why not.

- ○ Yes
- ○ Yes, with modifications
- ○ No
- ○ Not sure

Additional comments? [comment box]

7. What product offering (Load Following, Slice/Block, Block) is most appealing to your utility post-2028?

- ○ Load Following
- ○ Slice/Block
- ○ Block
- ○ Other

Please provide an explanation of your answer and any other additional comments. [comment box]

8. Given Bonneville's strategic emphasis on competitiveness and cost control, which of the following foundational principles of Regional Dialogue do you think remain valid post-2028 and are important to your utility to carry forward? Check all that apply.

- ○ Lowest Tier 1 Costs and Tier 1 Rates
- ○ Durability/Stability/Contract Enforceability
- ○ Customer/Regional Support and Equity
- ○ Certainty of Obligations for All Partics
- ○ Promote Infrastructure Development Consistent with the Northwest Power Act
- ○ Consistency with Bonneville Stewardship Obligations
- ○ Legality
- ○ Simplicity
- ○ Advancement of National Objectives

Are there other principles that should underlay the post-2028 policy? Please share. [comment box]

9. In general, do you think Bonneville should maintain a structure like today with a total allocation of system and its costs, or attempt to create a new structure that moves away from the current approach?

- ○ Similar structure
- ○ New structure

Please share your ideas for a new structure or approach. [comment box]

10. Should Bonneville offer a Slice product post-2028?

- ○ Yes
- ○ No
- ○ Depends on what, if anything, is offered in its place
- ○ No opinion

Please provide an explanation for your answer. [comment box]

11. <u>Question for current Slice/Block customers only</u>: What do you value about the Slice product? If Bonneville does offer Slice post-2028, what features would you like to see included? [comment box]

12. <u>Question for current Slice/Block customers only</u>: If Bonneville only offered the Load Following or Block product (but no Slice) in the same manner as today, are we at risk of losing you as a customer post-2028?

- ○ Very likely
- ○ Possibly
- ○ Not likely
- ○ Not applicable

Please provide as much detailed information and explanation as possible. [comment box]

13. <u>Question for current Slice/Block customers only</u>: Could the right Block with shaping product make you indifferent to the removal of the Slice product?

- ○ Yes
- ○ No
- ○ Not applicable

Additional comments? [comment box]

14. Do you think Bonneville should retain the tiered rate structure post-2028?

- ○ Yes
- ○ No
- ○ No opinion

How would you simplify or modify the rate structure? [comment box]

15. If Bonneville does NOT re-offer the same products, services and rate structure as under the Regional Dialogue contract (whether with or without changes) what contract term length would be ideal post-2028? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Additional comments? [comment box]

16. For your business, what is the optimal frequency of rate cases? (Please note the maximum is every 5 years.)

- ○ 1
- ○ 2
- ○ 3
- ○ 4
- ○ 5

Additional comments? [comment box]

17. Post-2028, should Bonneville continue to offer a self-funded energy efficiency option?

- ○ Yes
- ○ No
- ○ Maybe, with limitations
- ○ No opinion

If yes, what share of energy efficiency should utilities self-fund? [add sliding percentage bar]

18. Should Bonneville explore changing the current TOCA-based (equity) model for allocating EE funding?

- ○ Yes

- No
- No opinion

If yes, what other allocation methodology(ies) should be explored? [comment box]

19. In the next contract period do you think that secondary sales revenue should be:

- Forecast for the rate period and included as an offset to the priority firm power rate (excluding Slice rate). (Status quo)
- Rebated/credited back to customers at the end of the fiscal year based on actuals.
- No opinion
- Other. [Please explain in the box below.]

Additional comments? [comment box]

20. Should and/or how could Bonneville pursue changes to modify the criteria and/or calculation of the Irrigation Rate Discount benefits?

- Retain at current levels
- Cap
- Reduce
- Eliminate
- No opinion

Additional comments? [comment box]

21. Bonneville has a statutory requirement to provide a Low Density Discount. Should and/or how could Bonneville pursue changes, as allowed, to modify criteria and calculation of the Low Density Discount benefit?

- Retain at current levels
- Cap
- Reduce
- No opinion

Additional comments? [comment box]

22. Are there provisions of the Northwest Power Act that you believe the region should work to change or update?

- Yes
- No
- No opinion

If yes, please provide your ideas. [comment box]

23. Are you satisfied with the Residential Exchange Program Settlement Agreement?

- Yes
- No
- No opinion

Additional comments? [comment box]

24. Should the region consider pursuing another settlement agreement for the Residential Exchange Program?

- Yes
- No
- No opinion

Additional comments? [comment box]

25. Post-2028, should Bonneville consider offering a bundled power and transmission product at a melded (not tiered) rate that recovers both power and transmission costs?

- Yes, bundled product and melded rate
- Yes, bundled product but not necessarily at a melded rate
- No
- No opinion

Additional comments? [comment box]

26. Would your utility be interested in a 100% carbon free product?

- Yes
- No
- Maybe

If yes, what would be a reasonable premium (in dollars)? Additional comments? [comment box]

27. What is your utility's position on nuclear energy (a baseload carbon-free resource)?

- ○ Glad it's in BPA's fuel mix
- ○ Should not be in BPA's fuel mix
- ○ Neutral about it being in BPA's fuel mix

Additional comments? [comment box]

28. Please rank the top three elements/features in order of those that are most critical to your utility's decision to make Bonneville your provider of choice post-2028. [Displayed as three separate drop-down boxes for priority 1, 2, 3. Comment box available to add priority(ies) that aren't listed.]

- ☐ Long term agreements
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- ☐ Access to public benefits (LDD, IRD)
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- ☐ Measured cost control (provide details below)
- ☐ Service to New Large Single Loads
- ☐ Access to carbon-free power
- ☐ More self-funding in EE
- ☐ Restructured EE program
- ☐ Restructure secondary sales revenue
- ☐ EIM/day ahead market

[comment box] List any other priorities/comments

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29. What are your top two concerns as you look beyond 2028? [comment box]

30. Please provide any other product ideas or suggestions regarding: contracts, products, billing, other elements that you would like to see considered as Bonneville moves toward post-2028. [comment box]

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Sent: Wed Nov 27 11:22:38 2019
To: Olive,Kelly J (BPA) - PSS-6
Subject: RE: Can you review edits to SurveyMonkey intro paragraphs?
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final Post-2028 survey questions_adjusted intro_ 11_27_19.docx

Kelly-yo, your edits look good. This surely goes without saying but, be sure to remove the section I deleted so you don't have duplication.

Have a great Thanksgiving.

R. KIRSTEN WATTS
Power Services Customer Account Executive
Bonneville Power Administration • Seattle Office
Desk: 206.220.6762 • Cell: (b) (6) • Fax: 206.220.6803

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
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If yes, what share of energy efficiency should utilities self-fund? [add sliding percentage bar]

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- Yes
- No
- No opinion

Additional comments? [comment box]

24. Should the region consider pursuing another settlement agreement for the Residential Exchange Program?

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Additional comments? [comment box]

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- Yes
- No
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Additional comments? [comment box]

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- ☐ EIM/day ahead market

[comment box] List any other priorities/comments

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From: Wilson,Scott K (BPA) - PSW-6
Sent: Wednesday, November 27, 2019 11:23 AM
To: 'mstratman@nru-nw.com'
Subject: Post-2028 Questionnaire
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; 2012 REP Settlement Agreement_Quick Factsheet.docx

Hi Megan
Here are the documents we talked about this morning. Also from when I left upstairs to when I got back they came up with a way to get the bubble diagram out to Blake. So I guess that was taken care of. It was nice to see you and I hope you have a great Thanksgiving.
--Scott

From: Hobson,Claire A (BPA) - PSW-6
Sent: Wed Nov 27 12:41:40 2019
To: Olive,Kelly J (BPA) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Can you review edits to SurveyMonkey intro paragraphs?b Importance: Normal
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Hi, Kelly: Your refinements to the language in the introduction to the survey look just fine to me. I added a couple of small edits that you are welcome to use (or not) as you see fit. Thanks and I hope your Thanksgiving is lovely! *Claire*

From: Olive,Kelly J (BPA) - PSS-6
Sent: Wednesday, November 27, 2019 11:12 AM
To: Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
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Not sending to whole team, but wanted to get your thoughts and edits to some changes I made to the intro paragraphs to the Survey.

Abigail will be working to develop the draft SurveyMonkey in the coming weeks, and I realized the intro paragraphs needed to be adjusted a bit from to advance copy we sent to customers.

Please see attached.

Thank you! And Happy Thanksgiving!
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

FINAL CUSTOMER QUESTIONNAIRE ON POST-2028 CONTRACTS, PRODUCTS, RATES
11/27/19

In 2016, Elliot Mainzer and other executives concluded Bonneville's Focus 2028 effort and held Provider of Choice conversations around the region. The Focus 2028 conversations culminated in Bonneville's long-term Strategic Plan released in 2018.

At the conclusion of the Provider of Choice conversations in fall of 2016, Bonneville committed to periodically continue regional conversations to understand the challenges customers are facing today and in the future as we strive to remain your provider of choice. Bonneville is fulfilling this commitment with a customer engagement period from ~~this~~ November 2019 through mid-2020.

Bonneville's goal is to be your cost-based, long term power provider of choice beyond 2028. Bonneville would like to hear from you. Your input is important to us.

The questions below are ~~intended~~ to elicit your feedback regarding the products and services you would like Bonneville to offer post-2028. By gaining an understanding of your needs, we will be better positioned to develop power sales contracts and policy for post-2028. ~~Please~~ We know that your ~~input~~ time is ~~important and~~ valuable, but . ~~P~~please take the time to ~~review these questions in advance of our meeting~~provide narrative answers to the survey questions below as much as possible. ~~The survey~~ Bonneville will seriously and thoughtfully consider the information you provide~~administer is identical to the questions below~~.

We know your time is valuable, but please take the time to provide narrative answers below as much as possible. Bonneville will seriously and thoughtfully consider the information you provide.

Customer Profile Questions

1. Name of the utility [drop-down box, pre-populated (*list PNGC and individual members)]
2. Name of utility member who is participating in/filling out the survey [comment box for one name]
3. Name of AE [drop-down box with AEs' names pre-populated]
4. Who is filling out the SurveyMonkey?
   - ○ AE
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5. Size of utility [TRL in aMW: 0-5aMW; 6-15; 16-40; 41-100; 101-200; >200aMW]
6. State [drop down box, pre-populated: WA, OR, ID, MT, CA, NV, WY]
7. Current product purchase (drop down box, pre-populated: Load Following, Block, Slice/Block) [only one selection allowed]

1. In terms of your current product purchase from Bonneville, what is working well and what can be improved for your utility? [comment box]

2. In the recent Customer Satisfaction Survey Bonneville sent to preference customers, 90% of respondents said they were "satisfied with [their] current power product(s)". Bonneville interprets this information as customers generally feel that the Regional Dialogue contracts and tiered rates are working well. What is your opinion?

- ○ Works very well
- ○ Works well
- ○ Neutral
- ○ Not working well at all

In one sentence, why did you answer the way you did? [comment box]

3. *Please note that the following three questions all relate to offering the same products and services post-2028, with tiered rates, as are offered under today's Regional Dialogue contracts.

By law, Bonneville cannot have contracts longer than a 20-year term and therefore must offer new contracts. Should Bonneville offer new contracts post-2028 that provide the same products, services, and tiered rate construct as provided under the Regional Dialogue power sales contract?

- ○ Yes, with no changes.
- ○ Yes, but with changes.
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4. Using Regional Dialogue as your baseline for comparison, how would you change the new contract(s) and/or products? [comment box]

5. Post-2028, if Bonneville did end up offering the same products and services, with tiered rates, as provided under the Regional Dialogue contract (with or without changes), for what term would your utility consider ideal? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Please provide Bonneville additional information about the term and/or off-ramp structure that would be most attractive to your utility if Bonneville were to reoffer similar products, services and rate structure as under Regional Dialogue. [comment box]

6. Do you think your utility can be competitive post-2028 if Bonneville offered the same product offerings, and its tiered rate structure, as Regional Dialogue? Please provide explanations of why or why not.

- ○ Yes
- ○ Yes, with modifications
- ○ No
- ○ Not sure

Additional comments? [comment box]

7. What product offering (Load Following, Slice/Block, Block) is most appealing to your utility post-2028?

- ○ Load Following
- ○ Slice/Block
- ○ Block
- ○ Other

Please provide an explanation of your answer and any other additional comments. [comment box]

8. Given Bonneville's strategic emphasis on competitiveness and cost control, which of the following foundational principles of Regional Dialogue do you think remain valid post-2028 and are important to your utility to carry forward? Check all that apply.

- ○ Lowest Tier 1 Costs and Tier 1 Rates
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- ○ Customer/Regional Support and Equity
- ○ Certainty of Obligations for All Partics
- ○ Promote Infrastructure Development Consistent with the Northwest Power Act
- ○ Consistency with Bonneville Stewardship Obligations
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Are there other principles that should underlay the post-2028 policy? Please share. [comment box]

9. In general, do you think Bonneville should maintain a structure like today with a total allocation of system and its costs, or attempt to create a new structure that moves away from the current approach?

- ○ Similar structure
- ○ New structure

Please share your ideas for a new structure or approach. [comment box]

10. Should Bonneville offer a Slice product post-2028?

- ○ Yes
- ○ No
- ○ Depends on what, if anything, is offered in its place
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11. <u>Question for current Slice/Block customers only</u>: What do you value about the Slice product? If Bonneville does offer Slice post-2028, what features would you like to see included? [comment box]

12. <u>Question for current Slice/Block customers only</u>: If Bonneville only offered the Load Following or Block product (but no Slice) in the same manner as today, are we at risk of losing you as a customer post-2028?

- ○ Very likely
- ○ Possibly
- ○ Not likely
- ○ Not applicable

Please provide as much detailed information and explanation as possible. [comment box]

13. <u>Question for current Slice/Block customers only</u>: Could the right Block with shaping product make you indifferent to the removal of the Slice product?

- ○ Yes
- ○ No
- ○ Not applicable

Additional comments? [comment box]

14. Do you think Bonneville should retain the tiered rate structure post-2028?

- ○ Yes
- ○ No
- ○ No opinion

How would you simplify or modify the rate structure? [comment box]

15. If Bonneville does NOT re-offer the same products, services and rate structure as under the Regional Dialogue contract (whether with or without changes) what contract term length would be ideal post-2028? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Additional comments? [comment box]

16. For your business, what is the optimal frequency of rate cases? (Please note the maximum is every 5 years.)

- ○ 1
- ○ 2
- ○ 3
- ○ 4
- ○ 5

Additional comments? [comment box]

17. Post-2028, should Bonneville continue to offer a self-funded energy efficiency option?

- ○ Yes
- ○ No
- ○ Maybe, with limitations
- ○ No opinion

If yes, what share of energy efficiency should utilities self-fund? [add sliding percentage bar]

18. Should Bonneville explore changing the current TOCA-based (equity) model for allocating EE funding?

- ○ Yes

- No
- No opinion

If yes, what other allocation methodology(ies) should be explored? [comment box]

19. In the next contract period do you think that secondary sales revenue should be:

- Forecast for the rate period and included as an offset to the priority firm power rate (excluding Slice rate). (Status quo)
- Rebated/credited back to customers at the end of the fiscal year based on actuals.
- No opinion
- Other. [Please explain in the box below.]

Additional comments? [comment box]

20. Should and/or how could Bonneville pursue changes to modify the criteria and/or calculation of the Irrigation Rate Discount benefits?

- Retain at current levels
- Cap
- Reduce
- Eliminate
- No opinion

Additional comments? [comment box]

21. Bonneville has a statutory requirement to provide a Low Density Discount. Should and/or how could Bonneville pursue changes, as allowed, to modify criteria and calculation of the Low Density Discount benefit?

- Retain at current levels
- Cap
- Reduce
- No opinion

Additional comments? [comment box]

22. Are there provisions of the Northwest Power Act that you believe the region should work to change or update?

- Yes
- No
- No opinion

If yes, please provide your ideas. [comment box]

23. Are you satisfied with the Residential Exchange Program Settlement Agreement?

- Yes
- No
- No opinion

Additional comments? [comment box]

24. Should the region consider pursuing another settlement agreement for the Residential Exchange Program?

- Yes
- No
- No opinion

Additional comments? [comment box]

25. Post-2028, should Bonneville consider offering a bundled power and transmission product at a melded (not tiered) rate that recovers both power and transmission costs?

- Yes, bundled product and melded rate
- Yes, bundled product but not necessarily at a melded rate
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Additional comments? [comment box]

26. Would your utility be interested in a 100% carbon free product?

- Yes
- No
- Maybe

If yes, what would be a reasonable premium (in dollars)? Additional comments? [comment box]

27. What is your utility's position on nuclear energy (a baseload carbon-free resource)?

- ○ Glad it's in BPA's fuel mix
- ○ Should not be in BPA's fuel mix
- ○ Neutral about it being in BPA's fuel mix

Additional comments? [comment box]

28. Please rank the top three elements/features in order of those that are most critical to your utility's decision to make Bonneville your provider of choice post-2028. [Displayed as three separate drop-down boxes for priority 1, 2, 3. Comment box available to add priority(ies) that aren't listed.]

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- ☐ Access to carbon-free power
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- ☐ Restructured EE program
- ☐ Restructure secondary sales revenue
- ☐ EIM/day ahead market

[comment box] List any other priorities/comments

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29. What are your top two concerns as you look beyond 2028? [comment box]

30. Please provide any other product ideas or suggestions regarding: contracts, products, billing, other elements that you would like to see considered as Bonneville moves toward post-2028. [comment box]

From: Normandeau,Mike (BPA) - PSE-RONAN
Sent: Fri Nov 29 16:02:13 2019
To: 'Hugo Anderson'; 'Jean Matt'; 'Joe Lukas'; 'Mark Grotbo'; 'Mark Hayden'; 'Mark Johnson'; 'Ray Ellis'; 'Rollie Miller'
Subject: Survey Discussion for Monday Afternoon
Importance: High
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Happy Thanksgiving Weekend,

Attaching the customer survey that Power will be releasing in January via survey monkey. The survey period will last about 60 days. This will allow for additional opportunities to discuss the questions and answers before the deadline.

My plan for Monday afternoon is to review the survey with you and answer any questions or concerns. For anyone that doesn't make it, I will be sure to check in with over the phone. I will provide printouts of the survey and proposed schedule for the meeting.

Thank you,

Mike

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Monday, December 02, 2019 8:43 AM
To: Hobson,Claire A (BPA) - PSW-6; Olive,Kelly J (BPA) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Can you review edits to SurveyMonkey intro paragraphs?
Attachments: Final Post-2028 survey questions_adjusted intro_ 11_27_19cahedits.docx

Morning Kelly,

Looks good. I just tried to streamline it a little. Take or leave. Thanks!

Kevin

From: Hobson,Claire A (BPA) - PSW-6
Sent: Wednesday, November 27, 2019 12:42 PM
To: Olive,Kelly J (BPA) - PSS-6; Munz,Paul G (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Can you review edits to SurveyMonkey intro paragraphs?

Hi, Kelly: Your refinements to the language in the introduction to the survey look just fine to me. I added a couple of small edits that you are welcome to use (or not) as you see fit. Thanks and I hope your Thanksgiving is lovely! *Claire*

From: Olive,Kelly J (BPA) - PSS-6
Sent: Wednesday, November 27, 2019 11:12 AM
To: Hobson,Claire A (BPA) - PSW-6; Munz,Paul G (BPA) - PSW-SEATTLE; Watts,Kirsten (BPA) - PSW-SEATTLE; Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
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16100198-0

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16100198-0-0

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Additional comments? [comment box]

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- Yes
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How would you simplify or modify the rate structure? [comment box]

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- Yes
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If yes, what share of energy efficiency should utilities self-fund? [add sliding percentage bar]

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Additional comments? [comment box]

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If yes, please provide your ideas. [comment box]

23. Are you satisfied with the Residential Exchange Program Settlement Agreement?

- Yes
- No
- No opinion

Additional comments? [comment box]

24. Should the region consider pursuing another settlement agreement for the Residential Exchange Program?

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- Yes, bundled product and melded rate
- Yes, bundled product but not necessarily at a melded rate
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Additional comments? [comment box]

26. Would your utility be interested in a 100% carbon free product?

- Yes

- No
- Maybe

If yes, what would be a reasonable premium (in dollars)? Additional comments? [comment box]

27. What is your utility's position on nuclear energy (a baseload carbon-free resource)?

- Glad it's in BPA's fuel mix
- Should not be in BPA's fuel mix
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Additional comments? [comment box]

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[comment box] List any other priorities/comments

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From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Mon Dec 02 15:28:39 2019
To: Melissa Podeszwa (mjpodeszwa@bpa.gov); Richard Hutchinson (rjh@dksassociates.com); ddabson@cityofmilton.net; 'jlee@cityofmilton.net'; Nick Afzali (nafzali@cityofmilton.net)
Cc: Andy Gerde (andy.gerde@evergreen-efficiency.com)
Subject: RE: Milton/BPA Monthly Check-in
Importance: Normal
Attachments: Milton Meeting Agenda 12042019.docx

Hi,

Attached is the BPA/Milton meeting agenda for our Wed, 12/4 meeting.

See you then,

Paul
(206) 220-6763

-----Original Appointment-----
From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Tuesday, August 28, 2012 1:53 PM
To: Munz,Paul G (BPA) - PSW-SEATTLE; Melissa Podeszwa (mjpodeszwa@bpa.gov); Richard Hutchinson (rjh@dksassociates.com); ddabson@cityofmilton.net; jlee@cityofmilton.net; Nick Afzali (nafzali@cityofmilton.net)
Cc: Andy Gerde (andy.gerde@evergreen-efficiency.com); Dustin Sloan
Subject: Milton/BPA Monthly Check-in
When: Wednesday, December 4, 2019 9:00 AM-10:00 AM (UTC-08:00) Pacific Time (US & Canada).
Where: Milton City Hall

Hello,

This new invite updates changes the date for this meeting to Wed, Dec. 4th (9:00 a.m. - 10:00 a.m.). As a reminder, I will send out a meeting agenda before the meeting.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) **(cell)**

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Tue Dec 03 10:18:35 2019
To: Dan Bedbury (DBedbury@clarkpud.com); 'Tom Haymaker' (THaymaker@clarkpud.com)
Subject: Post 2028 Questionnaire
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Good morning Dan and Tom,

As you're likely aware, BPA is kicking off the next phase of the Post-2028 engagement by issuing a " Post-2028 Questionnaire" to preference customers. We're looking to hear from you what is going well with the current power sales arrangement, what could be improved, and what is most important to you as we look toward post-2028 contracts.

The formal questionnaire will be administered through SurveyMonkey and will be available starting in early January. However we wanted to send along an advanced copy of the questions for you to start thinking about. Please see the first attachment.

In addition to the SurveyMonkey questionnaire, I'm also hoping to schedule a meeting with you all in person to walk through the questions. We're envisioning this to be a conversation that would hopefully provide fuller responses and more context than simply a written response. I'll be following up shortly to try and get a date set for a time likely in either January or February. Alternatively, feel free to send me a couple potential meeting dates in that timeframe that could work for you. Tuesdays and Thursdays usually work well for me.

Associated with all this, please also see the second attachment for a high-level timeline showing our current expectation for the overall process between now and 2028.

If you have any questions, please don't hesitate to contact me. Thanks as always.

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Tue Dec 03 10:18:39 2019
To: 'Libby Calnon (libbyc@hrec.coop)'
Subject: Post 2028 Questionnaire
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Good morning Libby,

As you may be aware, BPA is kicking off the next phase of the Post-2028 engagement by issuing a " Post-2028 Questionnaire" to preference customers. We're looking to hear from you what is going well with the current power sales arrangement, what could be improved, and what is most important to you as we look toward post-2028 contracts.

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Kevin

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Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Tue Dec 03 10:18:46 2019
To: jgoodman@skamaniapud.com; rpayne@skamaniapud.com
Subject: Post 2028 Questionnaire
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Good morning John and Randy,

As you may be aware, BPA is kicking off the next phase of the Post-2028 engagement by issuing a " Post-2028 Questionnaire" to preference customers. We're looking to hear from you what is going well with the current power sales arrangement, what could be improved, and what is most important to you as we look toward post-2028 contracts.

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Kevin

Kevin Farleigh
Account Executive
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Portland, OR 97232
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Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Tue Dec 03 10:18:54 2019
To: 'khormann@forestgrove-or.gov' (khormann@forestgrove-or.gov)
Subject: Post 2028 Questionnaire
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Good morning Keith,

As you may be aware, BPA is kicking off the next phase of the Post-2028 engagement by issuing a " Post-2028 Questionnaire" to preference customers. We're looking to hear from you what is going well with the current power sales arrangement, what could be improved, and what is most important to you as we look toward post-2028 contracts.

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Kevin

Kevin Farleigh
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Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell (b) (6) [redacted]
Fax: (503) 230-3242

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Tuesday, December 03, 2019 10:19 AM
To: gzimmerman@cascade-locks.or.us
Subject: Post 2028 Questionnaire
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Good morning Gordon,

As you may be aware, BPA is kicking off the next phase of the Post-2028 engagement by issuing a "Post-2028 Questionnaire" to preference customers. We're looking to hear from you what is going well with the current power sales arrangement, what could be improved, and what is most important to you as we look toward post-2028 contracts.

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If you have any questions, please don't hesitate to contact me. Thanks as always.

Kevin

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Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6)
Fax: (503) 230-3242

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Tue Dec 03 10:19:07 2019
To: 'Tony Schacher (schacher@salemelectric.com)' (schacher@salemelectric.com)
Subject: Post 2028 Questionnaire
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx

Good morning Tony,

As you may be aware, BPA is kicking off the next phase of the Post-2028 engagement by issuing a " Post-2028 Questionnaire" to preference customers. We're looking to hear from you what is going well with the current power sales arrangement, what could be improved, and what is most important to you as we look toward post-2028 contracts.

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Kevin

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Bonneville Power Administration
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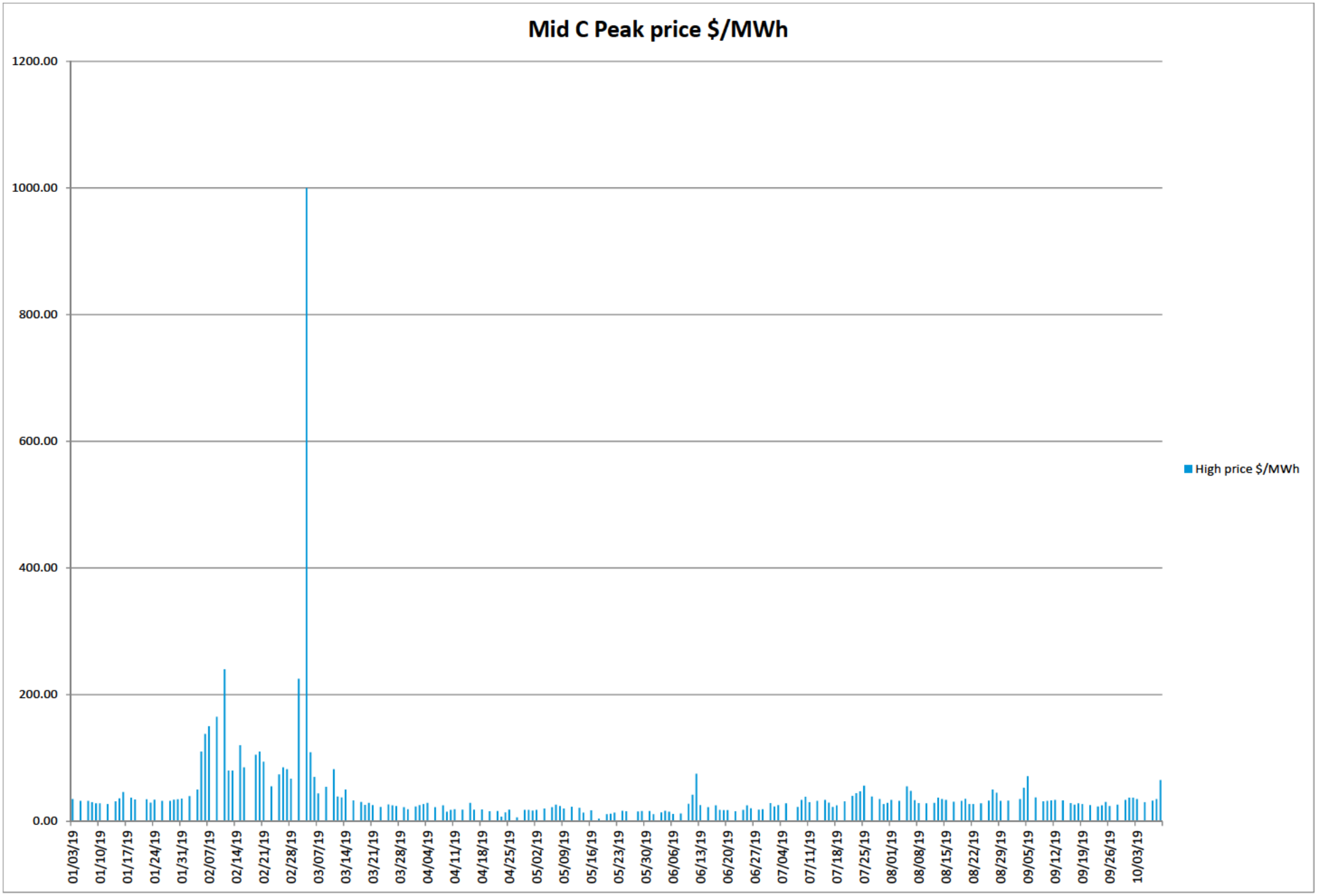
Price hub	Trade date	Delivery start date	Delivery end date	High price $/MWh	Low price $/MWh	Wtd avg price $/MWh	Change	Daily volume MWh	Number of trades	Number of counterparties
Mid C Peak	1/2/2019	01/03/19	01/03/19	35.00	33.00	33.38	-4.58	22,400	56	16
Mid C Peak	1/3/2019	01/04/19	01/05/19	32.25	30.50	31.42	-1.96	36,800	46	16
Mid C Peak	1/4/2019	01/07/19	01/07/19	32.00	26.50	28.42	-3.00	30,400	75	16
Mid C Peak	1/7/2019	01/08/19	01/08/19	30.00	28.75	29.31	0.89	16,800	41	17
Mid C Peak	1/8/2019	01/09/19	01/09/19	28.25	27.00	27.62	-1.69	20,000	50	16
Mid C Peak	1/9/2019	01/10/19	01/10/19	28.00	26.50	27.09	-0.53	18,400	46	18
Mid C Peak	1/10/2019	01/11/19	01/12/19	27.00	25.00	26.11	-0.98	53,600	67	17
Mid C Peak	1/11/2019	01/14/19	01/14/19	31.50	29.00	29.65	3.54	23,600	59	16
Mid C Peak	1/14/2019	01/15/19	01/15/19	36.00	33.00	34.02	4.37	20,000	50	16
Mid C Peak	1/15/2019	01/16/19	01/16/19	46.00	40.00	42.94	8.92	36,800	91	16
Mid C Peak	1/16/2019	01/17/19	01/18/19	37.00	35.00	35.69	-7.25	62,400	78	19
Mid C Peak	1/17/2019	01/19/19	01/19/19	34.25	30.25	31.58	-4.11	35,200	83	18
Mid C Peak	1/18/2019	01/21/19	01/22/19	34.50	33.00	33.47	1.89	46,400	56	14
Mid C Peak	1/22/2019	01/23/19	01/23/19	29.25	28.25	28.71	-4.76	21,200	53	19
Mid C Peak	1/23/2019	01/24/19	01/24/19	34.00	32.00	33.02	4.31	30,400	69	18
Mid C Peak	1/24/2019	01/25/19	01/26/19	32.25	31.00	31.86	-1.16	44,800	56	17
Mid C Peak	1/25/2019	01/28/19	01/28/19	32.00	31.00	31.38	-0.48	20,400	51	19
Mid C Peak	1/28/2019	01/29/19	01/29/19	34.00	33.50	33.79	2.41	14,400	36	14
Mid C Peak	1/29/2019	01/30/19	01/30/19	34.75	34.25	34.47	0.68	15,600	39	19
Mid C Peak	1/30/2019	01/31/19	01/31/19	35.75	34.75	35.15	0.68	19,600	49	19
Mid C Peak	1/31/2019	02/01/19	02/02/19	39.50	35.00	36.53	1.38	42,400	52	19
Mid C Peak	2/1/2019	02/04/19	02/04/19	50.00	44.00	45.40	8.87	34,000	85	21
Mid C Peak	2/4/2019	02/05/19	02/05/19	110.00	77.00	89.97	44.57	40,800	101	22
Mid C Peak	2/5/2019	02/06/19	02/06/19	138.00	110.00	128.44	38.47	32,400	78	20
Mid C Peak	2/6/2019	02/07/19	02/07/19	150.00	115.00	138.32	9.88	54,800	135	24
Mid C Peak	2/7/2019	02/08/19	02/09/19	165.00	136.00	145.34	7.02	61,600	76	22
Mid C Peak	2/8/2019	02/11/19	02/11/19	240.00	170.00	218.65	73.31	36,800	92	18
Mid C Peak	2/11/2019	02/12/19	02/12/19	80.00	74.50	77.50	-141.15	17,600	43	20
Mid C Peak	2/12/2019	02/13/19	02/13/19	80.00	69.00	74.44	-3.06	22,800	56	19
Mid C Peak	2/13/2019	02/14/19	02/15/19	120.00	95.00	110.09	35.65	68,000	83	22
Mid C Peak	2/14/2019	02/16/19	02/16/19	85.00	67.25	74.05	-36.04	25,600	64	21
Mid C Peak	2/15/2019	02/18/19	02/19/19	105.00	94.00	98.90	24.85	60,800	76	19
Mid C Peak	2/19/2019	02/20/19	02/20/19	110.00	96.00	99.19	0.29	21,600	54	20
Mid C Peak	2/20/2019	02/21/19	02/21/19	94.00	84.00	88.14	-11.05	21,600	54	15
Mid C Peak	2/21/2019	02/22/19	02/23/19	55.00	45.00	49.63	-38.51	52,800	66	18
Mid C Peak	2/22/2019	02/25/19	02/25/19	74.00	62.00	68.17	18.54	34,400	84	19
Mid C Peak	2/25/2019	02/26/19	02/26/19	85.00	79.00	82.01	13.84	36,800	92	19
Mid C Peak	2/26/2019	02/27/19	02/27/19	82.00	66.50	74.70	-7.31	23,600	58	20
Mid C Peak	2/27/2019	02/28/19	02/28/19	67.00	62.00	64.44	-10.26	30,400	76	19
Mid C Peak	2/28/2019	03/01/19	03/02/19	225.00	75.00	154.00	89.56	79,200	98	26
Mid C Peak	3/1/2019	03/04/19	03/04/19	1000.00	350.00	890.56	736.56	26,400	66	22
Mid C Peak	3/4/2019	03/05/19	03/05/19	109.00	87.00	93.61	-796.95	20,000	46	17
Mid C Peak	3/5/2019	03/06/19	03/06/19	70.00	52.00	59.11	-34.50	27,600	69	16
Mid C Peak	3/6/2019	03/07/19	03/07/19	44.00	39.50	42.39	-16.72	17,600	44	19
Mid C Peak	3/7/2019	03/08/19	03/09/19	54.50	49.00	52.24	9.85	75,200	91	22
Mid C Peak	3/8/2019	03/11/19	03/11/19	82.00	63.00	71.49	19.25	24,400	60	21
Mid C Peak	3/11/2019	03/12/19	03/12/19	39.00	33.00	36.63	-34.86	39,600	99	20
Mid C Peak	3/12/2019	03/13/19	03/13/19	37.50	36.50	36.98	0.35	16,800	42	19
Mid C Peak	3/13/2019	03/14/19	03/14/19	50.00	41.00	46.86	9.88	26,800	65	19
Mid C Peak	3/14/2019	03/15/19	03/16/19	33.00	30.00	31.55	-15.31	31,200	39	13
Mid C Peak	3/15/2019	03/18/19	03/18/19	30.50	29.00	29.71	-1.84	14,000	34	12
Mid C Peak	3/18/2019	03/19/19	03/19/19	25.75	24.50	25.10	-4.61	16,000	36	17
Mid C Peak	3/19/2019	03/20/19	03/20/19	29.00	25.50	26.78	1.68	18,000	45	16
Mid C Peak	3/20/2019	03/21/19	03/21/19	25.50	23.25	24.18	-2.60	8,800	22	13
Mid C Peak	3/21/2019	03/22/19	03/23/19	22.50	20.00	20.70	-3.48	34,400	42	17
Mid C Peak	3/22/2019	03/25/19	03/25/19	26.50	23.00	25.91	5.21	19,600	45	14
Mid C Peak	3/25/2019	03/26/19	03/26/19	25.00	22.00	24.34	-1.57	23,600	59	15
Mid C Peak	3/26/2019	03/27/19	03/27/19	23.75	22.50	23.43	-0.91	16,400	36	14
Mid C Peak	3/27/2019	03/28/19	03/29/19	22.00	19.50	20.65	-2.78	20,000	24	12
Mid C Peak	3/28/2019	03/30/19	03/30/19	19.00	18.50	18.77	-1.88	23,600	58	17
Mid C Peak	3/29/2019	04/01/19	04/01/19	23.25	21.00	22.52	3.75	20,400	48	18
Mid C Peak	4/1/2019	04/02/19	04/02/19	25.50	21.00	23.89	1.37	24,800	61	20
Mid C Peak	4/2/2019	04/03/19	04/03/19	27.25	23.55	25.49	1.60	21,600	54	15
Mid C Peak	4/3/2019	04/04/19	04/04/19	29.00	27.50	28.20	2.71	24,000	60	16
Mid C Peak	4/4/2019	04/05/19	04/06/19	22.00	20.00	21.11	-7.09	39,200	49	14
Mid C Peak	4/5/2019	04/08/19	04/08/19	25.00	21.50	24.27	3.16	18,800	47	13
Mid C Peak	4/8/2019	04/09/19	04/09/19	15.00	12.00	13.41	-10.86	39,600	95	20
Mid C Peak	4/9/2019	04/10/19	04/10/19	18.00	15.00	16.04	2.63	31,600	76	16
Mid C Peak	4/10/2019	04/11/19	04/11/19	19.00	12.00	18.27	2.23	29,600	72	14
Mid C Peak	4/11/2019	04/12/19	04/13/19	18.25	15.00	16.63	-1.64	64,000	77	15
Mid C Peak	4/12/2019	04/15/19	04/15/19	29.00	22.00	25.33	8.70	30,400	76	20
Mid C Peak	4/15/2019	04/16/19	04/16/19	18.25	15.00	16.86	-8.47	20,000	49	15
Mid C Peak	4/16/2019	04/17/19	04/18/19	18.50	15.25	17.06	0.20	28,800	30	13
Mid C Peak	4/17/2019	04/19/19	04/20/19	15.50	12.00	15.21	-1.85	55,200	63	15
Mid C Peak	4/18/2019	04/22/19	04/22/19	16.00	11.50	13.15	-2.06	39,600	97	19
Mid C Peak	4/22/2019	04/23/19	04/23/19	7.25	4.75	6.23	-6.92	32,400	81	17
Mid C Peak	4/23/2019	04/24/19	04/24/19	14.00	10.50	12.32	6.09	36,400	83	18
Mid C Peak	4/24/2019	04/25/19	04/25/19	18.25	14.25	15.37	3.05	36,800	90	19
Mid C Peak	4/25/2019	04/26/19	04/27/19	6.00	2.50	3.27	-12.10	58,400	73	18
Mid C Peak	4/26/2019	04/29/19	04/29/19	18.00	15.25	16.93	13.66	30,000	74	12

Mid C Peak	4/29/2019	04/30/19	04/30/19	18.00	16.75	17.28	0.35	33,200	81	20
Mid C Peak	4/30/2019	05/01/19	05/01/19	17.00	15.50	16.43	-0.85	28,400	69	20
Mid C Peak	5/1/2019	05/02/19	05/02/19	18.00	15.00	16.32	-0.11	22,800	57	17
Mid C Peak	5/2/2019	05/03/19	05/04/19	20.00	16.00	18.78	2.46	47,200	59	19
Mid C Peak	5/3/2019	05/06/19	05/06/19	22.00	19.00	20.72	1.94	13,200	33	14
Mid C Peak	5/6/2019	05/07/19	05/07/19	26.00	19.00	23.84	3.12	13,200	31	16
Mid C Peak	5/7/2019	05/08/19	05/08/19	24.00	22.00	23.41	-0.43	22,400	56	20
Mid C Peak	5/8/2019	05/09/19	05/09/19	20.00	17.80	18.54	-4.87	20,800	52	22
Mid C Peak	5/9/2019	05/10/19	05/11/19	23.00	19.50	20.32	1.78	47,200	55	18
Mid C Peak	5/10/2019	05/13/19	05/13/19	21.00	10.50	15.87	-4.45	18,800	46	18
Mid C Peak	5/13/2019	05/14/19	05/14/19	13.50	10.00	11.37	-4.50	29,200	68	19
Mid C Peak	5/14/2019	05/15/19	05/16/19	17.25	14.25	15.58	4.21	54,400	66	20
Mid C Peak	5/16/2019	05/17/19	05/18/19	4.00	-1.00	1.15	-14.43	58,400	71	19
Mid C Peak	5/17/2019	05/20/19	05/20/19	11.00	4.75	8.35	7.20	19,200	48	14
Mid C Peak	5/20/2019	05/21/19	05/21/19	12.00	5.00	10.54	2.19	33,600	83	18
Mid C Peak	5/21/2019	05/22/19	05/22/19	13.50	8.00	11.88	1.34	22,800	56	18
Mid C Peak	5/22/2019	05/23/19	05/24/19	16.50	12.00	15.12	3.24	20,000	25	18
Mid C Peak	5/23/2019	05/25/19	05/25/19	15.50	6.50	13.63	-1.49	18,000	45	17
Mid C Peak	5/24/2019	05/28/19	05/28/19	15.25	13.75	14.63	1.00	19,600	49	17
Mid C Peak	5/28/2019	05/29/19	05/29/19	16.00	8.50	13.44	-1.19	24,800	62	16
Mid C Peak	5/29/2019	05/30/19	05/31/19	16.00	12.00	13.86	0.42	48,800	61	15
Mid C Peak	5/30/2019	06/01/19	06/01/19	11.00	8.00	10.09	-3.77	32,000	78	19
Mid C Peak	5/31/2019	06/03/19	06/03/19	14.00	7.00	8.96	-1.13	23,600	59	19
Mid C Peak	6/3/2019	06/04/19	06/04/19	16.50	14.00	15.58	6.62	22,000	55	13
Mid C Peak	6/4/2019	06/05/19	06/05/19	15.00	10.00	11.78	-3.80	38,000	94	21
Mid C Peak	6/5/2019	06/06/19	06/06/19	11.60	10.00	11.05	-0.73	28,800	71	19
Mid C Peak	6/6/2019	06/07/19	06/08/19	12.25	11.00	11.80	0.75	46,400	56	18
Mid C Peak	6/7/2019	06/10/19	06/10/19	27.50	23.00	25.42	13.62	28,000	66	19
Mid C Peak	6/10/2019	06/11/19	06/11/19	42.00	36.50	39.37	13.95	25,200	62	19
Mid C Peak	6/11/2019	06/12/19	06/12/19	75.00	58.50	66.27	26.90	28,400	70	16
Mid C Peak	6/12/2019	06/13/19	06/13/19	25.50	23.00	24.19	-42.08	17,200	43	18
Mid C Peak	6/13/2019	06/14/19	06/15/19	22.25	20.00	20.93	-3.26	35,200	43	12
Mid C Peak	6/14/2019	06/17/19	06/17/19	25.00	19.00	23.68	2.75	15,600	37	15
Mid C Peak	6/17/2019	06/18/19	06/18/19	18.00	16.00	16.69	-6.99	17,600	42	15
Mid C Peak	6/18/2019	06/19/19	06/19/19	17.50	14.00	16.47	-0.22	24,400	60	15
Mid C Peak	6/19/2019	06/20/19	06/20/19	17.50	15.00	16.18	-0.29	20,000	47	15
Mid C Peak	6/20/2019	06/21/19	06/22/19	15.75	13.75	14.48	-1.70	48,800	61	16
Mid C Peak	6/21/2019	06/24/19	06/24/19	18.00	15.00	15.91	1.43	24,800	61	18
Mid C Peak	6/24/2019	06/25/19	06/25/19	25.00	23.00	24.26	8.35	19,600	49	19
Mid C Peak	6/25/2019	06/26/19	06/26/19	20.50	19.00	19.98	-4.28	13,200	31	14
Mid C Peak	6/26/2019	06/27/19	06/28/19	18.25	16.00	17.09	-2.89	37,600	46	16
Mid C Peak	6/27/2019	06/29/19	06/29/19	19.00	18.25	18.62	1.53	18,000	45	16
Mid C Peak	6/28/2019	07/01/19	07/01/19	28.50	21.00	26.92	8.30	41,600	103	18
Mid C Peak	7/1/2019	07/02/19	07/02/19	23.25	21.00	22.58	-4.34	26,400	65	18
Mid C Peak	7/2/2019	07/03/19	07/03/19	25.25	21.00	23.73	1.15	33,200	83	23
Mid C Peak	7/3/2019	07/05/19	07/05/19	28.00	24.50	25.65	1.92	25,600	52	16
Mid C Peak	7/5/2019	07/06/19	07/08/19	22.50	21.75	22.13	-3.52	33,600	42	12
Mid C Peak	7/8/2019	07/09/19	07/09/19	33.75	28.00	32.36	10.23	24,400	60	19
Mid C Peak	7/9/2019	07/10/19	07/10/19	38.50	33.75	35.93	3.57	24,000	60	17
Mid C Peak	7/10/2019	07/11/19	07/11/19	30.00	27.50	28.98	-6.95	21,600	54	17
Mid C Peak	7/11/2019	07/12/19	07/13/19	32.00	29.50	30.01	1.03	32,000	40	15
Mid C Peak	7/12/2019	07/15/19	07/15/19	33.75	32.00	33.03	3.02	14,800	36	16
Mid C Peak	7/15/2019	07/16/19	07/16/19	29.50	27.00	28.06	-4.97	20,000	49	15
Mid C Peak	7/16/2019	07/17/19	07/17/19	22.50	21.00	21.60	-6.46	20,800	49	17
Mid C Peak	7/17/2019	07/18/19	07/18/19	25.00	22.50	24.12	2.52	22,000	55	18
Mid C Peak	7/18/2019	07/19/19	07/20/19	31.25	29.00	30.26	6.14	43,200	50	15
Mid C Peak	7/19/2019	07/22/19	07/22/19	40.00	35.50	37.17	6.91	20,400	51	17
Mid C Peak	7/22/2019	07/23/19	07/23/19	44.25	35.00	39.75	2.58	16,800	42	14
Mid C Peak	7/23/2019	07/24/19	07/24/19	47.25	44.50	46.31	6.56	22,800	55	18
Mid C Peak	7/24/2019	07/25/19	07/25/19	56.00	44.50	46.47	0.16	15,200	38	15
Mid C Peak	7/25/2019	07/26/19	07/27/19	39.00	31.50	33.30	-13.17	36,800	46	16
Mid C Peak	7/26/2019	07/29/19	07/29/19	35.00	32.00	33.02	-0.28	17,600	41	16
Mid C Peak	7/29/2019	07/30/19	07/30/19	27.00	25.00	26.04	-6.98	24,400	61	17
Mid C Peak	7/30/2019	07/31/19	07/31/19	29.00	28.00	28.52	2.48	12,400	31	15
Mid C Peak	7/31/2019	08/01/19	08/01/19	33.75	32.00	33.43	4.91	16,800	41	16
Mid C Peak	8/1/2019	08/02/19	08/03/19	32.00	30.00	30.78	-2.65	33,600	39	15
Mid C Peak	8/2/2019	08/05/19	08/05/19	55.00	45.00	47.88	17.10	25,200	63	20
Mid C Peak	8/5/2019	08/06/19	08/06/19	48.00	42.50	43.94	-3.94	24,800	62	17
Mid C Peak	8/6/2019	08/07/19	08/07/19	33.25	31.00	32.04	-11.90	15,200	38	14
Mid C Peak	8/7/2019	08/08/19	08/08/19	28.75	25.00	27.19	-4.85	16,000	40	14
Mid C Peak	8/8/2019	08/09/19	08/10/19	28.00	25.00	26.88	-0.31	31,200	38	12
Mid C Peak	8/9/2019	08/12/19	08/12/19	29.00	27.00	27.93	1.05	10,800	27	11
Mid C Peak	8/12/2019	08/13/19	08/13/19	37.00	34.50	35.88	7.95	15,600	38	17
Mid C Peak	8/13/2019	08/14/19	08/14/19	35.00	34.00	34.54	-1.34	10,400	25	14
Mid C Peak	8/14/2019	08/15/19	08/15/19	33.50	30.00	31.80	-2.74	15,600	39	16
Mid C Peak	8/15/2019	08/16/19	08/17/19	30.75	27.00	28.58	-3.22	38,400	48	14
Mid C Peak	8/16/2019	08/19/19	08/19/19	32.00	28.00	30.25	1.67	18,000	44	16
Mid C Peak	8/19/2019	08/20/19	08/20/19	35.50	33.50	34.32	4.07	14,800	36	17
Mid C Peak	8/20/2019	08/21/19	08/21/19	27.00	25.50	26.07	-8.25	25,200	61	18
Mid C Peak	8/21/2019	08/22/19	08/22/19	27.00	25.25	25.94	-0.13	20,400	45	16
Mid C Peak	8/22/2019	08/23/19	08/24/19	28.00	26.00	27.08	1.14	33,600	42	15
Mid C Peak	8/23/2019	08/26/19	08/26/19	32.50	30.00	31.28	4.20	18,000	44	16
Mid C Peak	8/26/2019	08/27/19	08/27/19	50.00	41.50	45.20	13.92	18,800	47	15

Mid C Peak	8/27/2019	08/28/19	08/28/19	45.00	39.50	42.24	-2.96	17,600	43	14
Mid C Peak	8/28/2019	08/29/19	08/29/19	32.00	29.75	31.09	-11.15	15,200	38	17
Mid C Peak	8/29/2019	08/30/19	08/31/19	32.50	25.00	28.12	-2.97	36,000	45	17
Mid C Peak	8/30/2019	09/03/19	09/03/19	35.00	32.50	34.26	6.14	23,200	58	14
Mid C Peak	9/3/2019	09/04/19	09/04/19	53.00	44.00	47.97	13.71	22,400	56	18
Mid C Peak	9/4/2019	09/05/19	09/05/19	71.00	64.00	68.04	20.07	16,800	42	16
Mid C Peak	9/5/2019	09/06/19	09/07/19	37.50	35.00	35.99	-32.05	31,200	39	13
Mid C Peak	9/6/2019	09/09/19	09/09/19	31.50	26.50	28.50	-7.49	16,800	42	15
Mid C Peak	9/9/2019	09/10/19	09/10/19	32.00	29.00	29.69	1.19	23,200	58	19
Mid C Peak	9/10/2019	09/11/19	09/11/19	32.75	30.00	31.58	1.89	17,600	44	14
Mid C Peak	9/11/2019	09/12/19	09/12/19	33.75	31.00	33.00	1.42	16,800	42	17
Mid C Peak	9/12/2019	09/13/19	09/14/19	32.75	30.00	31.78	-1.22	32,800	39	15
Mid C Peak	9/13/2019	09/16/19	09/16/19	28.75	28.00	28.50	-3.28	21,200	49	15
Mid C Peak	9/16/2019	09/17/19	09/17/19	26.00	25.00	25.73	-2.77	25,600	64	16
Mid C Peak	9/17/2019	09/18/19	09/18/19	28.00	26.50	27.44	1.71	17,200	43	16
Mid C Peak	9/18/2019	09/19/19	09/19/19	27.00	25.00	26.45	-0.99	24,000	60	21
Mid C Peak	9/19/2019	09/20/19	09/21/19	25.50	23.85	24.40	-2.05	44,800	56	15
Mid C Peak	9/20/2019	09/23/19	09/23/19	23.25	21.25	21.89	-2.51	22,400	54	16
Mid C Peak	9/23/2019	09/24/19	09/24/19	25.00	23.00	23.71	1.82	16,000	38	14
Mid C Peak	9/24/2019	09/25/19	09/25/19	30.50	28.50	29.98	6.27	22,400	56	17
Mid C Peak	9/25/2019	09/26/19	09/26/19	24.00	21.50	22.03	-7.95	30,400	76	17
Mid C Peak	9/26/2019	09/27/19	09/28/19	26.25	23.50	25.24	3.21	40,000	49	19
Mid C Peak	9/27/2019	09/30/19	09/30/19	33.75	29.00	31.29	6.05	22,800	57	16
Mid C Peak	9/30/2019	10/01/19	10/01/19	37.25	35.25	36.55	5.26	32,400	81	20
Mid C Peak	10/1/2019	10/02/19	10/02/19	37.00	34.75	36.48	-0.07	27,600	69	17
Mid C Peak	10/2/2019	10/03/19	10/03/19	35.00	29.00	31.59	-4.89	23,600	59	17
Mid C Peak	10/3/2019	10/04/19	10/05/19	30.00	28.00	29.04	-2.55	40,000	50	15
Mid C Peak	10/4/2019	10/07/19	10/07/19	32.50	29.50	30.90	1.86	29,600	71	16
Mid C Peak	10/7/2019	10/08/19	10/08/19	35.00	26.50	27.32	-3.58	28,800	70	18
Mid C Peak	10/8/2019	10/09/19	10/09/19	65.00	37.00	45.79	18.47	23,600	59	17


Mid C Peak price $/MWh
1200.00
1000.00
800.00
600.00
400.00
200.00
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01/03/19
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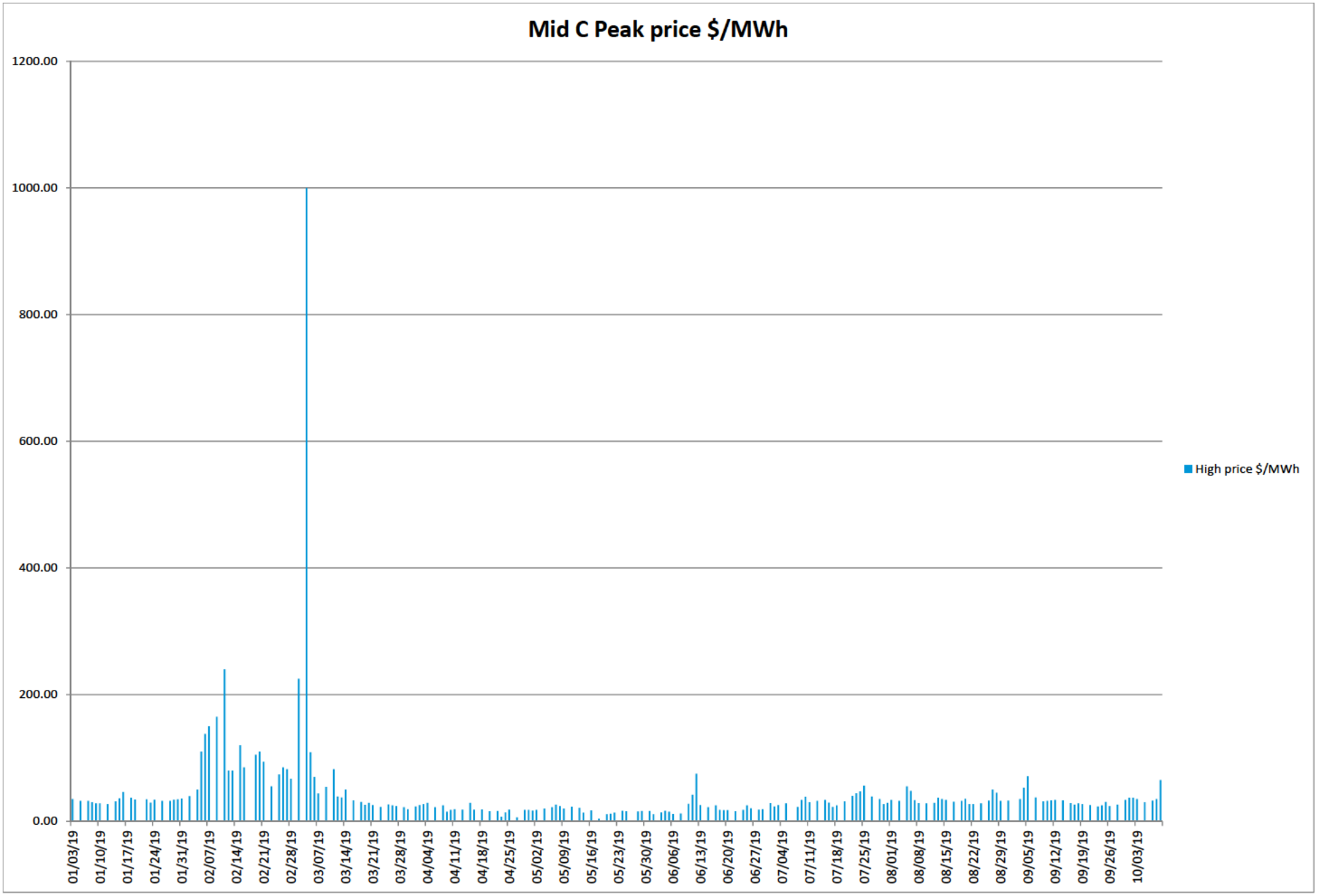
High price $/MWh

Price hub	Trade date	Delivery start date	Delivery end date	High price $/MWh	Low price $/MWh	Wtd avg price $/MWh	Change	Daily volume MWh	Number of trades	Number of counterparties
Mid C Peak	1/2/2019	01/03/19	01/03/19	35.00	33.00	33.38	-4.58	22,400	56	16
Mid C Peak	1/3/2019	01/04/19	01/05/19	32.25	30.50	31.42	-1.96	36,800	46	16
Mid C Peak	1/4/2019	01/07/19	01/07/19	32.00	26.50	28.42	-3.00	30,400	75	16
Mid C Peak	1/7/2019	01/08/19	01/08/19	30.00	28.75	29.31	0.89	16,800	41	17
Mid C Peak	1/8/2019	01/09/19	01/09/19	28.25	27.00	27.62	-1.69	20,000	50	16
Mid C Peak	1/9/2019	01/10/19	01/10/19	28.00	26.50	27.09	-0.53	18,400	46	18
Mid C Peak	1/10/2019	01/11/19	01/12/19	27.00	25.00	26.11	-0.98	53,600	67	17
Mid C Peak	1/11/2019	01/14/19	01/14/19	31.50	29.00	29.65	3.54	23,600	59	16
Mid C Peak	1/14/2019	01/15/19	01/15/19	36.00	33.00	34.02	4.37	20,000	50	16
Mid C Peak	1/15/2019	01/16/19	01/16/19	46.00	40.00	42.94	8.92	36,800	91	16
Mid C Peak	1/16/2019	01/17/19	01/18/19	37.00	35.00	35.69	-7.25	62,400	78	19
Mid C Peak	1/17/2019	01/19/19	01/19/19	34.25	30.25	31.58	-4.11	35,200	83	18
Mid C Peak	1/18/2019	01/21/19	01/22/19	34.50	33.00	33.47	1.89	46,400	56	14
Mid C Peak	1/22/2019	01/23/19	01/23/19	29.25	28.25	28.71	-4.76	21,200	53	19
Mid C Peak	1/23/2019	01/24/19	01/24/19	34.00	32.00	33.02	4.31	30,400	69	18
Mid C Peak	1/24/2019	01/25/19	01/26/19	32.25	31.00	31.86	-1.16	44,800	56	17
Mid C Peak	1/25/2019	01/28/19	01/28/19	32.00	31.00	31.38	-0.48	20,400	51	19
Mid C Peak	1/28/2019	01/29/19	01/29/19	34.00	33.50	33.79	2.41	14,400	36	14
Mid C Peak	1/29/2019	01/30/19	01/30/19	34.75	34.25	34.47	0.68	15,600	39	19
Mid C Peak	1/30/2019	01/31/19	01/31/19	35.75	34.75	35.15	0.68	19,600	49	19
Mid C Peak	1/31/2019	02/01/19	02/02/19	39.50	35.00	36.53	1.38	42,400	52	19
Mid C Peak	2/1/2019	02/04/19	02/04/19	50.00	44.00	45.40	8.87	34,000	85	21
Mid C Peak	2/4/2019	02/05/19	02/05/19	110.00	77.00	89.97	44.57	40,800	101	22
Mid C Peak	2/5/2019	02/06/19	02/06/19	138.00	110.00	128.44	38.47	32,400	78	20
Mid C Peak	2/6/2019	02/07/19	02/07/19	150.00	115.00	138.32	9.88	54,800	135	24
Mid C Peak	2/7/2019	02/08/19	02/09/19	165.00	136.00	145.34	7.02	61,600	76	22
Mid C Peak	2/8/2019	02/11/19	02/11/19	240.00	170.00	218.65	73.31	36,800	92	18
Mid C Peak	2/11/2019	02/12/19	02/12/19	80.00	74.50	77.50	-141.15	17,600	43	20
Mid C Peak	2/12/2019	02/13/19	02/13/19	80.00	69.00	74.44	-3.06	22,800	56	19
Mid C Peak	2/13/2019	02/14/19	02/15/19	120.00	95.00	110.09	35.65	68,000	83	22
Mid C Peak	2/14/2019	02/16/19	02/16/19	85.00	67.25	74.05	-36.04	25,600	64	21
Mid C Peak	2/15/2019	02/18/19	02/19/19	105.00	94.00	98.90	24.85	60,800	76	19
Mid C Peak	2/19/2019	02/20/19	02/20/19	110.00	96.00	99.19	0.29	21,600	54	20
Mid C Peak	2/20/2019	02/21/19	02/21/19	94.00	84.00	88.14	-11.05	21,600	54	15
Mid C Peak	2/21/2019	02/22/19	02/23/19	55.00	45.00	49.63	-38.51	52,800	66	18
Mid C Peak	2/22/2019	02/25/19	02/25/19	74.00	62.00	68.17	18.54	34,400	84	19
Mid C Peak	2/25/2019	02/26/19	02/26/19	85.00	79.00	82.01	13.84	36,800	92	19
Mid C Peak	2/26/2019	02/27/19	02/27/19	82.00	66.50	74.70	-7.31	23,600	58	20
Mid C Peak	2/27/2019	02/28/19	02/28/19	67.00	62.00	64.44	-10.26	30,400	76	19
Mid C Peak	2/28/2019	03/01/19	03/02/19	225.00	75.00	154.00	89.56	79,200	98	26
Mid C Peak	3/1/2019	03/04/19	03/04/19	1000.00	350.00	890.56	736.56	26,400	66	22
Mid C Peak	3/4/2019	03/05/19	03/05/19	109.00	87.00	93.61	-796.95	20,000	46	17
Mid C Peak	3/5/2019	03/06/19	03/06/19	70.00	52.00	59.11	-34.50	27,600	69	16
Mid C Peak	3/6/2019	03/07/19	03/07/19	44.00	39.50	42.39	-16.72	17,600	44	19
Mid C Peak	3/7/2019	03/08/19	03/09/19	54.50	49.00	52.24	9.85	75,200	91	22
Mid C Peak	3/8/2019	03/11/19	03/11/19	82.00	63.00	71.49	19.25	24,400	60	21
Mid C Peak	3/11/2019	03/12/19	03/12/19	39.00	33.00	36.63	-34.86	39,600	99	20
Mid C Peak	3/12/2019	03/13/19	03/13/19	37.50	36.50	36.98	0.35	16,800	42	19
Mid C Peak	3/13/2019	03/14/19	03/14/19	50.00	41.00	46.86	9.88	26,800	65	19
Mid C Peak	3/14/2019	03/15/19	03/16/19	33.00	30.00	31.55	-15.31	31,200	39	13
Mid C Peak	3/15/2019	03/18/19	03/18/19	30.50	29.00	29.71	-1.84	14,000	34	12
Mid C Peak	3/18/2019	03/19/19	03/19/19	25.75	24.50	25.10	-4.61	16,000	36	17
Mid C Peak	3/19/2019	03/20/19	03/20/19	29.00	25.50	26.78	1.68	18,000	45	16
Mid C Peak	3/20/2019	03/21/19	03/21/19	25.50	23.25	24.18	-2.60	8,800	22	13
Mid C Peak	3/21/2019	03/22/19	03/23/19	22.50	20.00	20.70	-3.48	34,400	42	17
Mid C Peak	3/22/2019	03/25/19	03/25/19	26.50	23.00	25.91	5.21	19,600	45	14
Mid C Peak	3/25/2019	03/26/19	03/26/19	25.00	22.00	24.34	-1.57	23,600	59	15
Mid C Peak	3/26/2019	03/27/19	03/27/19	23.75	22.50	23.43	-0.91	16,400	36	14
Mid C Peak	3/27/2019	03/28/19	03/29/19	22.00	19.50	20.65	-2.78	20,000	24	12
Mid C Peak	3/28/2019	03/30/19	03/30/19	19.00	18.50	18.77	-1.88	23,600	58	17
Mid C Peak	3/29/2019	04/01/19	04/01/19	23.25	21.00	22.52	3.75	20,400	48	18
Mid C Peak	4/1/2019	04/02/19	04/02/19	25.50	21.00	23.89	1.37	24,800	61	20
Mid C Peak	4/2/2019	04/03/19	04/03/19	27.25	23.55	25.49	1.60	21,600	54	15
Mid C Peak	4/3/2019	04/04/19	04/04/19	29.00	27.50	28.20	2.71	24,000	60	16
Mid C Peak	4/4/2019	04/05/19	04/06/19	22.00	20.00	21.11	-7.09	39,200	49	14
Mid C Peak	4/5/2019	04/08/19	04/08/19	25.00	21.50	24.27	3.16	18,800	47	13
Mid C Peak	4/8/2019	04/09/19	04/09/19	15.00	12.00	13.41	-10.86	39,600	95	20
Mid C Peak	4/9/2019	04/10/19	04/10/19	18.00	15.00	16.04	2.63	31,600	76	16
Mid C Peak	4/10/2019	04/11/19	04/11/19	19.00	12.00	18.27	2.23	29,600	72	14
Mid C Peak	4/11/2019	04/12/19	04/13/19	18.25	15.00	16.63	-1.64	64,000	77	15
Mid C Peak	4/12/2019	04/15/19	04/15/19	29.00	22.00	25.33	8.70	30,400	76	20
Mid C Peak	4/15/2019	04/16/19	04/16/19	18.25	15.00	16.86	-8.47	20,000	49	15
Mid C Peak	4/16/2019	04/17/19	04/18/19	18.50	15.25	17.06	0.20	28,800	30	13
Mid C Peak	4/17/2019	04/19/19	04/20/19	15.50	12.00	15.21	-1.85	55,200	63	15
Mid C Peak	4/18/2019	04/22/19	04/22/19	16.00	11.50	13.15	-2.06	39,600	97	19
Mid C Peak	4/22/2019	04/23/19	04/23/19	7.25	4.75	6.23	-6.92	32,400	81	17
Mid C Peak	4/23/2019	04/24/19	04/24/19	14.00	10.50	12.32	6.09	36,400	83	18
Mid C Peak	4/24/2019	04/25/19	04/25/19	18.25	14.25	15.37	3.05	36,800	90	19
Mid C Peak	4/25/2019	04/26/19	04/27/19	6.00	2.50	3.27	-12.10	58,400	73	18
Mid C Peak	4/26/2019	04/29/19	04/29/19	18.00	15.25	16.93	13.66	30,000	74	12

Mid C Peak	4/29/2019	04/30/19	04/30/19	18.00	16.75	17.28	0.35	33,200	81	20
Mid C Peak	4/30/2019	05/01/19	05/01/19	17.00	15.50	16.43	-0.85	28,400	69	20
Mid C Peak	5/1/2019	05/02/19	05/02/19	18.00	15.00	16.32	-0.11	22,800	57	17
Mid C Peak	5/2/2019	05/03/19	05/04/19	20.00	16.00	18.78	2.46	47,200	59	19
Mid C Peak	5/3/2019	05/06/19	05/06/19	22.00	19.00	20.72	1.94	13,200	33	14
Mid C Peak	5/6/2019	05/07/19	05/07/19	26.00	19.00	23.84	3.12	13,200	31	16
Mid C Peak	5/7/2019	05/08/19	05/08/19	24.00	22.00	23.41	-0.43	22,400	56	20
Mid C Peak	5/8/2019	05/09/19	05/09/19	20.00	17.80	18.54	-4.87	20,800	52	22
Mid C Peak	5/9/2019	05/10/19	05/11/19	23.00	19.50	20.32	1.78	47,200	55	18
Mid C Peak	5/10/2019	05/13/19	05/13/19	21.00	10.50	15.87	-4.45	18,800	46	18
Mid C Peak	5/13/2019	05/14/19	05/14/19	13.50	10.00	11.37	-4.50	29,200	68	19
Mid C Peak	5/14/2019	05/15/19	05/16/19	17.25	14.25	15.58	4.21	54,400	66	20
Mid C Peak	5/16/2019	05/17/19	05/18/19	4.00	-1.00	1.15	-14.43	58,400	71	19
Mid C Peak	5/17/2019	05/20/19	05/20/19	11.00	4.75	8.35	7.20	19,200	48	14
Mid C Peak	5/20/2019	05/21/19	05/21/19	12.00	5.00	10.54	2.19	33,600	83	18
Mid C Peak	5/21/2019	05/22/19	05/22/19	13.50	8.00	11.88	1.34	22,800	56	18
Mid C Peak	5/22/2019	05/23/19	05/24/19	16.50	12.00	15.12	3.24	20,000	25	18
Mid C Peak	5/23/2019	05/25/19	05/25/19	15.50	6.50	13.63	-1.49	18,000	45	17
Mid C Peak	5/24/2019	05/28/19	05/28/19	15.25	13.75	14.63	1.00	19,600	49	17
Mid C Peak	5/28/2019	05/29/19	05/29/19	16.00	8.50	13.44	-1.19	24,800	62	16
Mid C Peak	5/29/2019	05/30/19	05/31/19	16.00	12.00	13.86	0.42	48,800	61	15
Mid C Peak	5/30/2019	06/01/19	06/01/19	11.00	8.00	10.09	-3.77	32,000	78	19
Mid C Peak	5/31/2019	06/03/19	06/03/19	14.00	7.00	8.96	-1.13	23,600	59	19
Mid C Peak	6/3/2019	06/04/19	06/04/19	16.50	14.00	15.58	6.62	22,000	55	13
Mid C Peak	6/4/2019	06/05/19	06/05/19	15.00	10.00	11.78	-3.80	38,000	94	21
Mid C Peak	6/5/2019	06/06/19	06/06/19	11.60	10.00	11.05	-0.73	28,800	71	19
Mid C Peak	6/6/2019	06/07/19	06/08/19	12.25	11.00	11.80	0.75	46,400	56	18
Mid C Peak	6/7/2019	06/10/19	06/10/19	27.50	23.00	25.42	13.62	28,000	66	19
Mid C Peak	6/10/2019	06/11/19	06/11/19	42.00	36.50	39.37	13.95	25,200	62	19
Mid C Peak	6/11/2019	06/12/19	06/12/19	75.00	58.50	66.27	26.90	28,400	70	16
Mid C Peak	6/12/2019	06/13/19	06/13/19	25.50	23.00	24.19	-42.08	17,200	43	18
Mid C Peak	6/13/2019	06/14/19	06/15/19	22.25	20.00	20.93	-3.26	35,200	43	12
Mid C Peak	6/14/2019	06/17/19	06/17/19	25.00	19.00	23.68	2.75	15,600	37	15
Mid C Peak	6/17/2019	06/18/19	06/18/19	18.00	16.00	16.69	-6.99	17,600	42	15
Mid C Peak	6/18/2019	06/19/19	06/19/19	17.50	14.00	16.47	-0.22	24,400	60	15
Mid C Peak	6/19/2019	06/20/19	06/20/19	17.50	15.00	16.18	-0.29	20,000	47	15
Mid C Peak	6/20/2019	06/21/19	06/22/19	15.75	13.75	14.48	-1.70	48,800	61	16
Mid C Peak	6/21/2019	06/24/19	06/24/19	18.00	15.00	15.91	1.43	24,800	61	18
Mid C Peak	6/24/2019	06/25/19	06/25/19	25.00	23.00	24.26	8.35	19,600	49	19
Mid C Peak	6/25/2019	06/26/19	06/26/19	20.50	19.00	19.98	-4.28	13,200	31	14
Mid C Peak	6/26/2019	06/27/19	06/28/19	18.25	16.00	17.09	-2.89	37,600	46	16
Mid C Peak	6/27/2019	06/29/19	06/29/19	19.00	18.25	18.62	1.53	18,000	45	16
Mid C Peak	6/28/2019	07/01/19	07/01/19	28.50	21.00	26.92	8.30	41,600	103	18
Mid C Peak	7/1/2019	07/02/19	07/02/19	23.25	21.00	22.58	-4.34	26,400	65	18
Mid C Peak	7/2/2019	07/03/19	07/03/19	25.25	21.00	23.73	1.15	33,200	83	23
Mid C Peak	7/3/2019	07/05/19	07/05/19	28.00	24.50	25.65	1.92	25,600	52	16
Mid C Peak	7/5/2019	07/06/19	07/08/19	22.50	21.75	22.13	-3.52	33,600	42	12
Mid C Peak	7/8/2019	07/09/19	07/09/19	33.75	28.00	32.36	10.23	24,400	60	19
Mid C Peak	7/9/2019	07/10/19	07/10/19	38.50	33.75	35.93	3.57	24,000	60	17
Mid C Peak	7/10/2019	07/11/19	07/11/19	30.00	27.50	28.98	-6.95	21,600	54	17
Mid C Peak	7/11/2019	07/12/19	07/13/19	32.00	29.50	30.01	1.03	32,000	40	15
Mid C Peak	7/12/2019	07/15/19	07/15/19	33.75	32.00	33.03	3.02	14,800	36	16
Mid C Peak	7/15/2019	07/16/19	07/16/19	29.50	27.00	28.06	-4.97	20,000	49	15
Mid C Peak	7/16/2019	07/17/19	07/17/19	22.50	21.00	21.60	-6.46	20,800	49	17
Mid C Peak	7/17/2019	07/18/19	07/18/19	25.00	22.50	24.12	2.52	22,000	55	18
Mid C Peak	7/18/2019	07/19/19	07/20/19	31.25	29.00	30.26	6.14	43,200	50	15
Mid C Peak	7/19/2019	07/22/19	07/22/19	40.00	35.50	37.17	6.91	20,400	51	17
Mid C Peak	7/22/2019	07/23/19	07/23/19	44.25	35.00	39.75	2.58	16,800	42	14
Mid C Peak	7/23/2019	07/24/19	07/24/19	47.25	44.50	46.31	6.56	22,800	55	18
Mid C Peak	7/24/2019	07/25/19	07/25/19	56.00	44.50	46.47	0.16	15,200	38	15
Mid C Peak	7/25/2019	07/26/19	07/27/19	39.00	31.50	33.30	-13.17	36,800	46	16
Mid C Peak	7/26/2019	07/29/19	07/29/19	35.00	32.00	33.02	-0.28	17,600	41	16
Mid C Peak	7/29/2019	07/30/19	07/30/19	27.00	25.00	26.04	-6.98	24,400	61	17
Mid C Peak	7/30/2019	07/31/19	07/31/19	29.00	28.00	28.52	2.48	12,400	31	15
Mid C Peak	7/31/2019	08/01/19	08/01/19	33.75	32.00	33.43	4.91	16,800	41	16
Mid C Peak	8/1/2019	08/02/19	08/03/19	32.00	30.00	30.78	-2.65	33,600	39	15
Mid C Peak	8/2/2019	08/05/19	08/05/19	55.00	45.00	47.88	17.10	25,200	63	20
Mid C Peak	8/5/2019	08/06/19	08/06/19	48.00	42.50	43.94	-3.94	24,800	62	17
Mid C Peak	8/6/2019	08/07/19	08/07/19	33.25	31.00	32.04	-11.90	15,200	38	14
Mid C Peak	8/7/2019	08/08/19	08/08/19	28.75	25.00	27.19	-4.85	16,000	40	14
Mid C Peak	8/8/2019	08/09/19	08/10/19	28.00	25.00	26.88	-0.31	31,200	38	12
Mid C Peak	8/9/2019	08/12/19	08/12/19	29.00	27.00	27.93	1.05	10,800	27	11
Mid C Peak	8/12/2019	08/13/19	08/13/19	37.00	34.50	35.88	7.95	15,600	38	17
Mid C Peak	8/13/2019	08/14/19	08/14/19	35.00	34.00	34.54	-1.34	10,400	25	14
Mid C Peak	8/14/2019	08/15/19	08/15/19	33.50	30.00	31.80	-2.74	15,600	39	16
Mid C Peak	8/15/2019	08/16/19	08/17/19	30.75	27.00	28.58	-3.22	38,400	48	14
Mid C Peak	8/16/2019	08/19/19	08/19/19	32.00	28.00	30.25	1.67	18,000	44	16
Mid C Peak	8/19/2019	08/20/19	08/20/19	35.50	33.50	34.32	4.07	14,800	36	17
Mid C Peak	8/20/2019	08/21/19	08/21/19	27.00	25.50	26.07	-8.25	25,200	61	18
Mid C Peak	8/21/2019	08/22/19	08/22/19	27.00	25.25	25.94	-0.13	20,400	45	16
Mid C Peak	8/22/2019	08/23/19	08/24/19	28.00	26.00	27.08	1.14	33,600	42	15
Mid C Peak	8/23/2019	08/26/19	08/26/19	32.50	30.00	31.28	4.20	18,000	44	16
Mid C Peak	8/26/2019	08/27/19	08/27/19	50.00	41.50	45.20	13.92	18,800	47	15

Mid C Peak	8/27/2019	08/28/19	08/28/19	45.00	39.50	42.24	-2.96	17,600	43	14
Mid C Peak	8/28/2019	08/29/19	08/29/19	32.00	29.75	31.09	-11.15	15,200	38	17
Mid C Peak	8/29/2019	08/30/19	08/31/19	32.50	25.00	28.12	-2.97	36,000	45	17
Mid C Peak	8/30/2019	09/03/19	09/03/19	35.00	32.50	34.26	6.14	23,200	58	14
Mid C Peak	9/3/2019	09/04/19	09/04/19	53.00	44.00	47.97	13.71	22,400	56	18
Mid C Peak	9/4/2019	09/05/19	09/05/19	71.00	64.00	68.04	20.07	16,800	42	16
Mid C Peak	9/5/2019	09/06/19	09/07/19	37.50	35.00	35.99	-32.05	31,200	39	13
Mid C Peak	9/6/2019	09/09/19	09/09/19	31.50	26.50	28.50	-7.49	16,800	42	15
Mid C Peak	9/9/2019	09/10/19	09/10/19	32.00	29.00	29.69	1.19	23,200	58	19
Mid C Peak	9/10/2019	09/11/19	09/11/19	32.75	30.00	31.58	1.89	17,600	44	14
Mid C Peak	9/11/2019	09/12/19	09/12/19	33.75	31.00	33.00	1.42	16,800	42	17
Mid C Peak	9/12/2019	09/13/19	09/14/19	32.75	30.00	31.78	-1.22	32,800	39	15
Mid C Peak	9/13/2019	09/16/19	09/16/19	28.75	28.00	28.50	-3.28	21,200	49	15
Mid C Peak	9/16/2019	09/17/19	09/17/19	26.00	25.00	25.73	-2.77	25,600	64	16
Mid C Peak	9/17/2019	09/18/19	09/18/19	28.00	26.50	27.44	1.71	17,200	43	16
Mid C Peak	9/18/2019	09/19/19	09/19/19	27.00	25.00	26.45	-0.99	24,000	60	21
Mid C Peak	9/19/2019	09/20/19	09/21/19	25.50	23.85	24.40	-2.05	44,800	56	15
Mid C Peak	9/20/2019	09/23/19	09/23/19	23.25	21.25	21.89	-2.51	22,400	54	16
Mid C Peak	9/23/2019	09/24/19	09/24/19	25.00	23.00	23.71	1.82	16,000	38	14
Mid C Peak	9/24/2019	09/25/19	09/25/19	30.50	28.50	29.98	6.27	22,400	56	17
Mid C Peak	9/25/2019	09/26/19	09/26/19	24.00	21.50	22.03	-7.95	30,400	76	17
Mid C Peak	9/26/2019	09/27/19	09/28/19	26.25	23.50	25.24	3.21	40,000	49	19
Mid C Peak	9/27/2019	09/30/19	09/30/19	33.75	29.00	31.29	6.05	22,800	57	16
Mid C Peak	9/30/2019	10/01/19	10/01/19	37.25	35.25	36.55	5.26	32,400	81	20
Mid C Peak	10/1/2019	10/02/19	10/02/19	37.00	34.75	36.48	-0.07	27,600	69	17
Mid C Peak	10/2/2019	10/03/19	10/03/19	35.00	29.00	31.59	-4.89	23,600	59	17
Mid C Peak	10/3/2019	10/04/19	10/05/19	30.00	28.00	29.04	-2.55	40,000	50	15
Mid C Peak	10/4/2019	10/07/19	10/07/19	32.50	29.50	30.90	1.86	29,600	71	16
Mid C Peak	10/7/2019	10/08/19	10/08/19	35.00	26.50	27.32	-3.58	28,800	70	18
Mid C Peak	10/8/2019	10/09/19	10/09/19	65.00	37.00	45.79	18.47	23,600	59	17


Mid C Peak price $/MWh
1200.00
1000.00
800.00
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01/03/19
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01/17/19
01/24/19
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08/15/19
08/22/19
08/29/19
09/05/19
09/12/19
09/19/19
09/26/19
10/03/19
High price $/MWh

From: Rhoads,Abigail M (BPA) - DKE-7
Sent: Wed Dec 04 08:25:13 2019
To: Farleigh,Kevin S (BPA) - PSW-6; Olive,Kelly J (BPA) - PSS-6
Cc: Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Post-2028 survey Q's; Customer list; AE list
Importance: Normal

Fixed!

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Wednesday, December 04, 2019 8:22 AM
To: Rhoads,Abigail M (BPA) - DKE-7; Olive,Kelly J (BPA) - PSS-6
Cc: Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: Post-2028 survey Q's; Customer list; AE list

Wow! Looks great to me. Only suggestion I have is with #5 to spell out "Total Retail Load" (instead of TRL).

From: Rhoads,Abigail M (BPA) - DKE-7
Sent: Tuesday, December 03, 2019 2:50 PM
To: Olive,Kelly J (BPA) - PSS-6
Cc: Mohamoud,Farah A (BPA) - PSS-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: Post-2028 survey Q's; Customer list; AE list

Hey Guys,

Here's a draft of the survey. Feel free to email me questions or edits before we meet next week.

https://www.surveymonkey.com/r/7WVDZBX

From: Rhoads,Abigail M (BPA) - DKE-7
Sent: Wednesday, November 27, 2019 11:10 AM
To: Olive,Kelly J (BPA) - PSS-6
Cc: Mohamoud,Farah A (BPA) - PSS-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: Post-2028 survey Q's; Customer list; AE list

Yep, I can do this! I'll make sure you have a draft of the survey to review before our first meeting.

From: Olive,Kelly J (BPA) - PSS-6
Sent: Wednesday, November 27, 2019 11:07 AM
To: Rhoads,Abigail M (BPA) - DKE-7
Cc: Mohamoud,Farah A (BPA) - PSS-6; Farleigh,Kevin S (BPA) - PSW-6
Subject: Post-2028 survey Q's; Customer list; AE list

Hi Abigail,

I've set up a few meetings for us in December. Attached are the Post-2028 final survey questions, as well as the list of customers and the AEs list for the drop-down boxes.

Do you think you have what you need to start building the draft survey? The first meeting is set for December 10th, then the second meeting is a week later on Dec. 17th. Is that enough time…?

Thank you, and please let me know if you need anything else or if I need to adjust timing.

Best, and Happy Thanksgiving!
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Thompson,Kim T (BPA) - PS-6
Sent: Wed Dec 04 11:57:39 2019
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Wilson,Scott K (BPA) - PSW-6
Subject: RE: Following up on customer sat survey
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

That is perfectly reasonable (talking together instead of PS managers). Yes, let's cover this on the 13th.

Scott – would you be willing/able to join that 13th discussion? That will minimize any crossed-wires and need for hand-offs. If so, I can forward that occurrence to you.

I am a fan of the individual approach you outline. I will be interested in your thoughts on any common communications or general themes we may want to share with customers (maybe as part of the Post-2028 conversation coming up)?

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration
bpa.gov | P 503-230-3408 | C (b) (6)

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>
Sent: Wednesday, December 4, 2019 10:30 AM
To: Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>
Subject: RE: Following up on customer sat survey

Good morning,
Scott and I will be meeting with the AEs next Thursday and this is one of our agenda topics. AEs have been looking at their individual customer survey results and comments and, per their FY 20 performance plan, are tasked with identifying 3 areas by the end of Q2 to focus on to increase customer satisfaction based on the survey. By the end of the FY, the approach is for the AE to have implemented a plan to improve at least two of the areas. For customers that did not participate in the survey we are seeking feedback from AEs on the best method to get customer input and opportunities to improve customer satisfaction for that set of customers.

That said, my preference is to share the conversation with AEs between the Hub Managers and you, rather than at the PS manager meeting.

We could use our 1:1 time on the 13th to go over our plan. Does this sound like a reasonable approach to you?

Please let me know and I'll ask JoAnn to include Scott in that meeting.

Thanks,
Nancy

From: Thompson,Kim T (BPA) - PS-6
Sent: Wednesday, December 04, 2019 7:40 AM
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Wilson,Scott K (BPA) - PSW-6
Subject: Following up on customer sat survey

Hi Nancy and Scott – I am interested in how we plan to circle back to customers on the customer satisfaction survey. I believe we envision AE's engaging their customers on an as-appropriate basis based on specific feedback.

Please let me know what you envision and have worked through. Could this be a PS manager's meeting topic or better tackled 1:1 or in a separate meeting?

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration

bpa.gov | P 503-230-3408 | C (b) (6)

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Wed Dec 04 14:47:24 2019
Required: Jarrod Lee - City of Milton (jlee@cityofmilton.net); Nick Afzali (nafzali@cityofmilton.net)
Subject: Post-2028 BPA Survey Question Discussion
Location: Milton, WA
Start time: Mon Dec 16 09:30:00 2019
End time: Mon Dec 16 11:00:00 2019
Importance: Normal

Hi Nick and Jarrod,

I scheduled the meeting to start at 9:30 a.m. because I now have a 1:00 p.m. meeting that day that I need to cover from my Seattle office. I hope that works for both of you.

If you want Patrick to join the meeting, please forward this invite to him.

Paul
(206) 220-6763

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Dec 05 07:51:42 2019
To: Derise Warner (dwarner@lakeviewlight.com)
Bcc: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: Potential Dates for PCM BPA Post-2028 Survey Meeting
Importance: Normal

Hi Derise,

Thank you for helping me with this. Here are three dates to start with:

1)	Mon, Dec. 9	10:00 - 12:00
2)	Tues, Dec. 17	10:00 - 12:00
3)	Wed, Dec. 18	after 1:00 p.m.

I know that the 9th is really soon, but we could see how the PCMs respond to the available dates and make the best decision based upon what we hear from them.

Paul
(206) 220-6763

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Friday, November 22, 2019 1:51 PM
To: 'John DeVore' <jdevore@lakeviewlight.com>
Subject: RE: Some thoughts about the BPA Post-2028 Survey

Hi John,

Following up on our discussion after the PCCPA meeting last night, I would like to schedule a meeting at Lakeview to cover the PCM Post-2028 Survey questions with the PCM GMs and other staff. It would be valuable to have the meeting between Thanksgiving and Christmas. Can you please let me know if Lakeview has any particular days that would work best for setting up this meeting during this time period (in the next couple of weeks)?

Thanks,

Paul
(206) 220-6763

From: John DeVore < jdevore@lakeviewlight.com>
Sent: Wednesday, November 20, 2019 9:35 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE < pgmunz@bpa.gov>
Subject: [EXTERNAL] RE: Some thoughts about the BPA Post-2028 Survey

Hi Paul: Just got back into the office yesterday (have been away at a combined conference and

vacation in CA). I will look over the email you sent last week and get back to you. I am in meetings until 2:00 PM today, so I might not get back to you until tomorrow morning.

Regarding the group meeting idea. I think maybe a meeting with the GM's and their relevant staff would be good. The only issue with bringing in the directors is that the meeting could easily get sidetracked with a "rabbit-trail" question, and I'd like it to be optimally productive.

Let me think about this and I will get back to you. Lakeview would be happy to host the meeting.

Thank you,

John M. DeVore
General Manager
Lakeview Light & Power
253-327-6116 (W) | (b) (6) [redacted] ***(C)***

From: Munz,Paul G (BPA) - PSW-SEATTLE < pgmunz@bpa.gov>
Sent: Wednesday, November 20, 2019 9:02 AM
To: John DeVore < jdevore@lakeviewlight.com>
Subject: Some thoughts about the BPA Post-2028 Survey

** ***EXTERNAL EMAIL*****
Hi John,

I wanted to ask you a question about the BPA Post-2028 survey that I sent out last week. In the next month or so, I will be scheduling meetings with each of the PCM utilities to be able to meet one-on-one with each of them to answer questions and provide any additional information that might be helpful to answering the survey questions.

I wanted to find out if you think it would be valuable to have a combined PCM group meeting that would allow the different GMs, staff and/or Board members to talk about the survey questions together. Looking forward past 2028 is challenging and I was thinking that getting a larger group together might be interesting and produce some new ideas for the utilities to consider. But, I'm not sure. So, I thought I would ask you.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)

[redacted] (b) [redacted] (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Dec 05 09:52:24 2019
To: 'Dan Sharpe (aldermutuallight@centurytel.net)'; 'Sharon Silver (sharons@penlight.org)'; 'Terry Huber (Terry.Huber@ci.steilacoom.wa.us)'; Mark Burlingame (mark.burlingame@ci.steilacoom.wa.us); Kenneth Klotz (ken@ohop.coop); Bryan Bertacchi (bryan@elmhurstmutual.org); Susan Cutrell; Nick Afzali (nafzali@cityofmilton.net); Abby Gribi (townadmin@eatonville-wa.gov); John DeVore (jdevore@lakeviewlight.com); Derise Warner (dwarner@lakeviewlight.com)
Subject: December PCM Meeting to cover BPA Post-2028 Survey Questions?b Importance: Normal
Attachments: BPA Post-2028 advance survey questions 11142019.pdf; External timeline BPA Provider of Choice 10102019.docx

Hello,

A couple of weeks ago I sent you a message about BPA's Post-2028 Contract Survey process, along with the BPA questions that will be included in the on-line survey that customers will receive in mid-January. In December and January, I expect to schedule meetings with each of the PCM utilities to meet one-on-one to answer questions and provide any additional information that might help you answer the survey questions.

As a first step to prepare your utility response to the survey questions in mid-January, I think it would be valuable to have a combined PCM group meeting that would allow the different GMs/Administrators/Directors and staff to talk about the survey questions together. Looking forward past 2028 is challenging and getting a larger group together to discuss the questions might be helpful and offer some new ideas for utilities to consider.

Lakeview Light & Power has offered to host a meeting to cover the Post-2028 Survey questions with the PCMs. It would be valuable to have you participate if you are available. There are three dates that are available for the Lakeview meeting:

1)	Mon, Dec. 9	10:00 - 12:00
2)	Tues, Dec. 17	10:00 - 12:00
3)	Wed, Dec. 18	after 1:00 p.m.

Please let me know your best choice for the meeting date and also provide a second choice if possible. I know that the 9th is really soon, so I will see how the all of you respond to the available dates and make the best decision for the meeting date based on what I hear.

Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: John DeVore <jdevore@lakeviewlight.com>
Sent: Thursday, December 05, 2019 10:08 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: [EXTERNAL] RE: December PCM Meeting to cover BPA Post-2028 Survey Questions?

Hi Paul: I tried calling your office and cell phones but it went straight to voice mail. I wanted to first of all apologize for failing to call you back on dates (but was glad to hear that Derise was able to provide you with a couple of options). On Dec 9-10 there is a WRECA meeting in SeaTac. Dec 9th is just an optional meeting on the life of a bill. Dec 10 is when we have our quarterly meeting.

I am not going to the Dec 9th portion of the meeting, so that date works for me. However, I just wanted to give you a heads up that if you didn't see response for that day from the cooperatives, that this may be the case why.

Thank you,

John M. DeVore
General Manager
Lakeview Light & Power
253-327-6116 (W) | [redacted](C)

From: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Sent: Thursday, December 5, 2019 9:52 AM
To: Dan Sharpe (aldermutuallight@centurytel.net) <aldermutuallight@centurytel.net>; Sharon Silver (sharons@penlight.org) <sharons@penlight.org>; Terry Huber (Terry.Huber@ci.steilacoom.wa.us) <Terry.Huber@ci.steilacoom.wa.us>; Mark Burlingame (mark.burlingame@ci.steilacoom.wa.us) <mark.burlingame@ci.steilacoom.wa.us>; Kenneth Klotz (ken@ohop.coop) <ken@ohop.coop>; Bryan Bertacchi (bryan@elmhurstmutual.org) <bryan@elmhurstmutual.org>; Susan Cutrell <cutrell@plw.coop>; Nick Afzali (nafzali@cityofmilton.net) <nafzali@cityofmilton.net>; Abby Gribi (townadmin@eatonville-wa.gov) <townadmin@eatonville-wa.gov>; John DeVore <jdevore@lakeviewlight.com>; Derise Warner <dwarner@lakeviewlight.com>
Subject: December PCM Meeting to cover BPA Post-2028 Survey Questions?

EXTERNAL EMAIL

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2028 is challenging and getting a larger group together to discuss the questions might be helpful and offer some new ideas for utilities to consider.

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Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

BONNEVILLE POWER ADMINISTRATION
909 First Ave, Suite 380
Seattle, WA 98104

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thursday, December 05, 2019 10:59 AM
To: 'Sharon Silver'
Subject: RE: December PCM Meeting to cover BPA Post-2028 Survey Questions?

Thanks. We are going to have our one-on-one on Dec. 18th, so we can cover some of the items brought up by the other PCMs if we do the meeting on the 9th.

Paul

From: Sharon Silver <SharonS@penlight.org>
Sent: Thursday, December 5, 2019 10:54 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Subject: [EXTERNAL] RE: December PCM Meeting to cover BPA Post-2028 Survey Questions?

Hi Paul, I'm ooo 12/9, available 12/17 after 11 and 12/18 10-1. Looks like other folks can make 12/9 -

---

From: Munz,Paul G (BPA) - PSW-SEATTLE [mailto:pgmunz@bpa.gov]
Sent: Thursday, December 05, 2019 9:52 AM
To: Dan Sharpe (aldermutuallight@centurytel.net); Sharon Silver; Terry Huber (Terry.Huber@ci.steilacoom.wa.us); Mark Burlingame (mark.burlingame@ci.steilacoom.wa.us); Kenneth Klotz (ken@ohop.coop); Bryan Bertacchi (bryan@elmhurstmutual.org); Susan Cutrell; Nick Afzali (nafzali@cityofmilton.net); Abby Gribi (townadmin@eatonville-wa.gov); John DeVore (jdevore@lakeviewlight.com); Derise Warner (dwarner@lakeviewlight.com)
Subject: December PCM Meeting to cover BPA Post-2028 Survey Questions?

Hello,

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Thanks,

Paul

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
([redacted](b)[redacted]) (cell)

BONNEVILLE POWER ADMINISTRATION
909 First Ave, Suite 380
Seattle, WA 98104

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Thu Dec 05 11:34:28 2019
Required: 'Dan Sharpe (aldermutuallight@centurytel.net)'; 'Sharon Silver (sharons@penlight.org)'; 'Terry Huber (Terry.Huber@ci.steilacoom.wa.us)'; Mark Burlingame (mark.burlingame@ci.steilacoom.wa.us); Kenneth Klotz (ken@ohop.coop); Bryan Bertacchi (bryan@elmhurstmutual.org); Susan Cutrell; Nick Afzali (nafzali@cityofmilton.net); Abby Gribi (townadmin@eatonville-wa.gov); John DeVore (jdevore@lakeviewlight.com); Derise Warner (dwarner@lakeviewlight.com)
Subject: December PCM Meeting to cover BPA Post-2028 Survey Questions
Location: Lakeview Power & Light, 11509 Bridgeport Way SW
Start time: Mon Dec 09 10:00:00 2019
End time: Mon Dec 09 12:00:00 2019
Importance: Normal
Attachments: BPA Post-2028 advance survey questions 11142019.pdf

FYI, the survey questions are attached for your review.

Paul Munz
Account Executive, Power Services
(206) 220-6763 (office)
(b) (6) (cell)

Bonneville Power Administration
909 First Ave, Suite 380
Seattle, WA 98104

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Fri Dec 06 10:35:48 2019
To: Mohamoud,Farah A (BPA) - PSS-6; Olive,Kelly J (BPA) - PSS-6
Subject: RE: [External] - Post 2028 Questionnaire
Importance: Normal

Yep, I can print no problem…

From: Mohamoud,Farah A (BPA) - PSS-6
Sent: Friday, December 06, 2019 10:17 AM
To: Farleigh,Kevin S (BPA) - PSW-6; Olive,Kelly J (BPA) - PSS-6
Subject: RE: [External] - Post 2028 Questionnaire

I wonder why they are not able to print. It's in word document. Did you try to print it and see if you can? I'm teleworking so I cannot confirm but I was able to send it to the printer.
From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Friday, December 06, 2019 10:02 AM
To: Olive,Kelly J (BPA) - PSS-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: FW: [External] - Post 2028 Questionnaire

Good morning!

You hear of any other experiences like this? Any ideas?

Kevin

From: Dan Bedbury [mailto:DBedbury@clarkpud.com]
Sent: Tuesday, December 03, 2019 1:54 PM
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: [External] - Post 2028 Questionnaire

Can't print your survey word doc. I sent it internally and others can't print it either? Any ideas?

From: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Sent: Tuesday, December 3, 2019 10:19 AM
To: Dan Bedbury <DBedbury@clarkpud.com>; Tom Haymaker <THaymaker@clarkpud.com>
Subject: [External] - Post 2028 Questionnaire

Good morning Dan and Tom,

As you're likely aware, BPA is kicking off the next phase of the Post-2028 engagement by issuing a " Post-2028 Questionnaire" to preference customers. We're looking to hear from you what is going well with the current power sales arrangement, what could be improved, and what is most important to you as we look toward post-2028 contracts.

The formal questionnaire will be administered through SurveyMonkey and will be available starting in early January. However we wanted to send along an advanced copy of the questions for you to start

thinking about. Please see the first attachment.

In addition to the SurveyMonkey questionnaire, I'm also hoping to schedule a meeting with you all in person to walk through the questions. We're envisioning this to be a conversation that would hopefully provide fuller responses and more context than simply a written response. I'll be following up shortly to try and get a date set for a time likely in either January or February. Alternatively, feel free to send me a couple potential meeting dates in that timeframe that could work for you. Tuesdays and Thursdays usually work well for me.

Associated with all this, please also see the second attachment for a high-level timeline showing our current expectation for the overall process between now and 2028.

If you have any questions, please don't hesitate to contact me. Thanks as always.

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

From: Dan Bedbury
Sent: Fri Dec 06 14:12:08 2019
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: Re: [External] - Post 2028 Questionnaire
Importance: Normal

No problem thanks for letting me know. Actually right clicked it and I saved it as a different name to my C Dr. and then it open just fine I just couldn't print it like I normally do an attachment. We have seven or eight layers of firewall which is great don't want to get hacked but it makes things burp once in a while. Look forward to walking through the survey and doing the work. Have a great weekend

This message was sent from my iPhone. I use vocal texting. Please excuse any misinterpreted words.

On Dec 6, 2019, at 2:08 PM, Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov> wrote:

Hi Dan,

I saved this in pdf format. Any luck printing this?

And as a side note, my apologies for just now getting back to you on this. Turns out all emails sent to me from Clark are being quarantined and delayed. I just received your note here from Tuesday. Our IT folks tell me it was an Outlook system update (done 11/21) on your end that's resulting in all your emails now being flagged as problematic and thus kicked into quarantine. They tell me they're working on a solution. In the meantime, if you have a time critical item, best to call me. Not sure I'd get your email in a timely manner.

Kevin

From: Dan Bedbury [mailto:DBedbury@clarkpud.com]
Sent: Tuesday, December 03, 2019 1:54 PM
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: [External] - Post 2028 Questionnaire

Can't print your survey word doc. I sent it internally and others can't print it either? Any ideas?

From: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
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To: Dan Bedbury <DBedbury@clarkpud.com>; Tom Haymaker <THaymaker@clarkpud.com>
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If you have any questions, please don't hesitate to contact me. Thanks as always.

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: (503) 230-4055
Cell: (b) (6) [redacted]
Fax: (503) 230-3242

<Customers' Post-2028 advance survey questions 11_08_19pdf.pdf>

From: Susan Cutrell
Sent: Mon Dec 09 13:42:06 2019
Required: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: [EXTERNAL] Accepted: BPA Post-2028 Survey Discussion Follow-up
Location: Parkland, WA
Start time: Thu Dec 19 09:30:00 2019
End time: Thu Dec 19 11:00:00 2019
Importance: Normal

Microsoft Exchange Server;converted from html;
Hi Paul,
My game plan during these 90 minutes is to go thru each questions with you, define each answer and select the most appropriate answer for PL&W. I want to write notes on each line item for which my board may ask.
Thank you
Susan

From: Margaret M. Anderson
Sent: Mon Dec 09 16:00:44 2019
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: RE: [External] - RE: Post 2028 Questionnaire
Importance: Normal

Hi Kevin,

Okay let's do January 13, 9:00 a.m. – 10:30 a.m. we will meet at our Electric Center 1200 Fort Vancouver Way, Vancouver WA. Let the receptionist know you are here for a meeting with Lena and team and I will come down and get you.

If something changes on your end let me know, otherwise have a great holiday season and we will see you in the new year.

Margaret Anderson, PHR, SHRM-CP
Assistant to CEO/General Manager
Clark Public Utilities

From: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Sent: Monday, December 9, 2019 3:53 PM
To: Margaret Anderson <manderson@clarkpud.com>
Subject: [External] - RE: Post 2028 Questionnaire

Hi Margaret,

January 13th 9-11 would work best. January 29th in the morning would also work (secondary choice). Jan 24 does not work.

An hour and a half would be ideal, if we can get it. If not, an hour is better than nothing!

Thank you for the help.

Kevin
503-230-4055

From: Margaret M. Anderson [mailto:manderson@clarkpud.com]
Sent: Monday, December 09, 2019 9:05 AM
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: Post 2028 Questionnaire

Good Morning,

Dan Bedbury asked me to reach out on behalf of Clark Public Utilities and the Post 2028 Questionnaire, he indicated you would like to meet with Clark prior to us fill out the survey. Here are a few dates in January that we have available:

January 13th 9-11 or 2:30-4:30
January 24th 9-11
January 29th anytime between 10-4

Let me know if any of those dates work and how long you think the meeting should last.

Thank you,

Margaret Anderson, PHR, SHRM-CP
Assistant to CEO/General Manager
Clark Public Utilities

From: CAPPER Megan
Sent: Tue Dec 10 14:52:04 2019
To: Thompson,Kim T (BPA) - PS-6
Cc: SCHROETTNIG Matthew
Subject: Kevin Farleigh
Importance: Normal
Attachments: image002.jpg

Kim – I hope you are enjoying your new position. We are excited for you to be in that role!

I know we recently provided feedback in our customer survey; however, I wanted to reiterate how fortunate we feel to work with Kevin Farleigh as our Account Executive. He works hard to understand our positions and needs, provide advice on how best to work within BPA and we know he is doing his best to advocate for us internally. This past year he has helped us navigate the unknowns around the Energy Imbalance Market and the BP-20 rate case. He has kept us well informed around BPA's thinking of the post 2028 contracts and helped us with the contractual elements to sell our wind resource.
We are very thankful for his help and appreciate the great relationship we have developed.

Enjoy your holiday, Megan

Megan T. Capper
Power Planning and Mid-Term Trading Supervisor
Eugene Water & Electric Board
541.912.8944

From: Wilson,Scott K (BPA) - PSW-6
Sent: Wed Dec 11 08:57:50 2019
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: FW: Kevin Farleigh
Importance: Normal
Attachments: image001.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; image007.jpg; image008.jpg

You should see this.
From: Thompson,Kim T (BPA) - PS-6
Sent: Tuesday, December 10, 2019 4:34 PM
To: Wilson,Scott K (BPA) - PSW-6
Subject: FW: Kevin Farleigh

Sharing a great customer note ☺

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration
bpa.gov | P 503-230-3408 | C [redacted]

From: Thompson,Kim T (BPA) - PS-6
Sent: Tuesday, December 10, 2019 4:33 PM
To: 'CAPPER Megan' <Megan.Capper@EWEB.ORG>
Cc: SCHROETTNIG Matthew <Matthew.Schroettnig@EWEB.ORG>
Subject: RE: Kevin Farleigh

Hi Megan – Thank you for your well wishes. I am also excited to be in this role! I love the energy efficiency work that brought me to BPA – AND - I believe nothing is as important to BPA as our long-term relationships with our public power customers.

My timing coming in to the requirements marketing organization coincided really nicely with the customer satisfaction survey. It was gratifying to read the verbatim inputs. Both the positive and constructive help us get better. Kevin received some great by-name recognition in the survey responses (some from you ☺)– and I deeply appreciate your follow up to make sure I recognize his talent and value (and I do). Thank you for this! What a feel-good note.

By the way – I understand we're coordinating a time for Elliot to have a good EWEB immersion day. I've asked Kevin to partner on the agenda for the day. I believe you've already connected with him. Kevin and Ben Hannigan will remain tied out on scheduling and logistics for Elliot and coordination on BPA's attendees.

Thanks again for the outreach. Hopefully, our paths will cross before too long.

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration
bpa.gov | P 503-230-3408 | C (b) (6)

From: CAPPER Megan < Megan.Capper@EWEB.ORG>
Sent: Tuesday, December 10, 2019 2:52 PM
To: Thompson,Kim T (BPA) - PS-6 < ktthompson@bpa.gov>
Cc: SCHROETTNIG Matthew < Matthew.Schroettnig@EWEB.ORG>
Subject: Kevin Farleigh

Kim – I hope you are enjoying your new position. We are excited for you to be in that role!

I know we recently provided feedback in our customer survey; however, I wanted to reiterate how fortunate we feel to work with Kevin Farleigh as our Account Executive. He works hard to understand our positions and needs, provide advice on how best to work within BPA and we know he is doing his best to advocate for us internally. This past year he has helped us navigate the unknowns around the Energy Imbalance Market and the BP-20 rate case. He has kept us well informed around BPA's thinking of the post 2028 contracts and helped us with the contractual elements to sell our wind resource.
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Enjoy your holiday, Megan

Megan T. Capper
Power Planning and Mid-Term Trading Supervisor
Eugene Water & Electric Board
541.912.8944

EWEB

From: Rimmer,William T (BPA) - PSE-MEAD-GOB
Sent: Thursday, December 12, 2019 7:53 AM
To: Sonoda,Cherie D (BPA) - PGAC-RICHLAND
Subject: RE: EN Board meeting and Power A/E attendance

I'm so sorry I didn't get this sent before I left for Portland!

I think my top bullets would be:

- Unfortunately because the Columbia River Treaty negotiations are being led by the State Department, we really don't have any insight beyond the public statements.
- Similarly (but to a lesser degree), the Columbia River System Operations (CRSO) Environmental Impact Study (EIS) is in full swing as the lead agencies coalesce around a preferred alternative. The three lead agencies are in alignment on how to model the different scenarios and BPA leadership is actively engaged in outreach.
- Post 2028 Contract Discussions are beginning. ENW should receive a survey late January to provide their thoughts on what BPA should offer and how they should approach negotiations. This will be followed by a listening tour by BPA leadership in the spring.

Hope there's still time for these notes to be helpful.

With apologies,
William

From: Sonoda,Cherie D (BPA) - PGAC-RICHLAND
Sent: Monday, December 09, 2019 6:48 AM
To: Rimmer,William T (BPA) - PSE-MEAD-GOB
Subject: RE: EN Board meeting and Power A/E attendance

That would be great! I don't have any specific topics. I always get asked about how the treaty is going, but can never really give much progress so if there is anything interesting that can be said at a public meeting regarding that, it would be good to know. I guess, just whatever is going on that would be important for our customers to know. I get 5 min to speak so just some bulleted items.

Safe travels to PDX!

Warm Regards,
Cherie

From: Rimmer,William T (BPA) - PSE-MEAD-GOB
Sent: Friday, December 06, 2019 3:09 PM
To: Sonoda,Cherie D (BPA) - PGAC-RICHLAND
Subject: RE: EN Board meeting and Power A/E attendance

Cherie,

Unfortunately, I won't be able to attend the December meeting; I will be in Portland for the AE/CAT.

Happy to help put together some talking points. I will send you some thoughts on Monday: Please let me know if there are any specific topics you think will interest them.

All the Best,
Wm

From: Sonoda,Cherie D (BPA) - PGAC-RICHLAND
Sent: Tuesday, December 03, 2019 11:46 AM
To: Rimmer,William T (BPA) - PSE-MEAD-GOB; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: RE: EN Board meeting and Power A/E attendance

Hi William,

EN's next board meeting is December 11-12. I was wondering if you were available to attend? If not, do you think that you could provide a few talking points on what's going on that they may be interested in and I can go over those?

Hope you had a great Holiday!

Best Regards,
Cherie

From: Rimmer,William T (BPA) - PSE-MEAD-GOB
Sent: Friday, September 27, 2019 2:41 PM
To: Sonoda,Cherie D (BPA) - PGAC-RICHLAND; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: RE: EN Board meeting and Power A/E attendance

Cherie,

Thanks for the schedule. I can certainly commit to being at 30 October board meeting and look forward to attending. I'll reach out closer to the date to coordinate details.

Going forward it looks like several of their board meetings align nicely with Benton and Franklin PUD board meetings which I attend every other month (even months) so I should be able to figure a good plan for when I can attend. It won't be every month since I live in Spokane, but it would be several times a year.

(b) (6)

All the Best,
William

From: Sonoda,Cherie D (BPA) - PGAC-RICHLAND
Sent: Wednesday, September 25, 2019 2:33 PM
To: Rimmer,William T (BPA) - PSE-MEAD-GOB; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: RE: EN Board meeting and Power A/E attendance

Attached is their CY2019 schedule; 2020 hasn't been approved yet.

From: Rimmer,William T (BPA) - PSE-MEAD-GOB
Sent: Wednesday, September 25, 2019 11:48 AM

To: Sonoda,Cherie D (BPA) - PGAC-RICHLAND; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Subject: RE: EN Board meeting and Power A/E attendance

Certainly interest in attending. What is the periodicity of the board meetings? Monthly? Quarterly? And is it a variable schedule or something more predictable like the last Wednesday of every month?

Thanks,
Wm

From: Sonoda,Cherie D (BPA) - PGAC-RICHLAND
Sent: Wednesday, September 25, 2019 11:39 AM
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB; Rimmer,William T (BPA) - PSE-MEAD-GOB
Subject: EN Board meeting and Power A/E attendance

Hi William,

I have received some feedback from EN that they were interested in having the Power A/E in attendance at their board meetings. Prior to his retirement, Larry Felton, would attend and give a brief (2-5 min) overview of items that are communicated to the region. At every meeting, I give a brief update on the FCRPS – weather/hydro ops/etc., but have limited knowledge on topics outside of my area of expertise.

Would there be any availability and interest in having EN's A/E at their Tri-Cities board meetings as we had in the past? The next one is scheduled for October 30th and are having a special members forum on October 31st that we are more than welcome to attend.

Best Regards,
Cherie Sonoda
PGAC/Richland
509-372-5164

From: Bleifuss,Lindsay A (BPA) - PSW-6
Sent: Monday, December 16, 2019 4:00 PM
To: Kyle Roadman; Johnson,G Douglas (TFE)(BPA) - TSE-TPP-2; Ralston,Mark D (BPA) - PEJB-6
Cc: Scott Coe; Rob Currier; Doug Barab
Subject: RE: Meeting Agenda for 12-17-19
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx

Thanks Kyle. I've attached the official Post-2028 survey that I will be going over with Emerald sometime in January or February. We can use it for our conversation tomorrow.

Thanks!
Lindsay

From: Kyle Roadman [mailto:Kyle@epud.org]
Sent: Monday, December 16, 2019 3:51 PM
To: Bleifuss,Lindsay A (BPA) - PSW-6; Johnson,G Douglas (TFE)(BPA) - TSE-TPP-2; Ralston,Mark D (BPA) - PEJB-6
Cc: Scott Coe; Rob Currier; Doug Barab
Subject: [EXTERNAL] Meeting Agenda for 12-17-19

Hi All,

Attached is a draft agenda for our get together tomorrow at EPUD. We'll plan to gather after the holiday party, sometime around 2:00. If you have any questions or want to add/change topics just let me know.

We'll have some data to share about our use of the Slice product and thoughts on what we'd like to see out of a post-2028 product. Hope this is useful.

Thanks!

Kyle

Kyle Roadman | Power Resources Manager | Emerald People's Utility District | 541-744-7455

33733 Seavey Loop Road
Eugene, OR 97405-9614
541-746-1583 • www.epud.org

From: Nick Afzali
Sent: Tue Dec 17 07:49:39 2019
To: Munz,Paul G (BPA) - PSW-SEATTLE; Jarrod Lee
Subject: [EXTERNAL] RE: Post-2028 BPA Survey Question Discussion
Importance: Normal

Excellent. Thank you and looking forward to our discussion.

Nick

-----Original Appointment-----
From: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Sent: Tuesday, December 17, 2019 7:48 AM
To: Jarrod Lee; Nick Afzali
Subject: Post-2028 BPA Survey Question Discussion
When: Friday, December 20, 2019 10:00 AM-11:30 AM (UTC-08:00) Pacific Time (US & Canada).
Where: Milton, WA

Hi Nick and Jarrod,

I re-scheduled the meeting to Friday, 12/20. Hopefully this will work for both you.

Paul
(206) 220-6763

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Wed Dec 18 08:37:06 2019
To: 'SCHROETTNIG Matthew'; CAPPER Megan
Subject: RE: Post-2028 Customer Questionnaire
Importance: Normal

Let's do 10am, your office, on the 21st.

Thanks again, and happy holidays to you both!

Kevin

From: SCHROETTNIG Matthew [mailto:Matthew.Schroettnig@EWEB.ORG]
Sent: Wednesday, December 18, 2019 8:30 AM
To: Farleigh,Kevin S (BPA) - PSW-6; CAPPER Megan
Subject: [EXTERNAL] RE: Post-2028 Customer Questionnaire

Either are fine – you're traveling, so just let me know what works best.

From: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Sent: Wednesday, December 18, 2019 8:27 AM
To: SCHROETTNIG Matthew <Matthew.Schroettnig@EWEB.ORG>; CAPPER Megan < Megan.Capper@EWEB.ORG>
Subject: RE: Post-2028 Customer Questionnaire

Matt,

Sounds great. Does morning work? 9 or 10am?

Kevin

From: SCHROETTNIG Matthew [mailto:Matthew.Schroettnig@EWEB.ORG]
Sent: Wednesday, December 18, 2019 8:23 AM
To: Farleigh,Kevin S (BPA) - PSW-6; CAPPER Megan
Subject: [EXTERNAL] RE: Post-2028 Customer Questionnaire

Hi Kevin,

Let's book the 21st – looking at our calendars, that should work, and it'll give us the most time to coordinate internally.

Thanks again for reaching out, and happy holidays –

Best,

Matt

From: Farleigh,Kevin S (BPA) - PSW-6 < ksfarleigh@bpa.gov>
Sent: Tuesday, December 17, 2019 1:57 PM
To: CAPPER Megan < Megan.Capper@EWEB.ORG>; SCHROETTNIG Matthew < Matthew.Schroettnig@EWEB.ORG>
Subject: RE: Post-2028 Customer Questionnaire

Megan and Matt,

Just checking in again to see about potential dates in January for the discussion on the Post-2028 questionnaire. I'm still available Jan 21, 28, or 30 if one of those still works for you. Mornings are best.

On a different note, I also wanted to mention that I will be working with Ben Hannigan to coordinate the agenda for Elliot's visit in Feb/March, so please continue to include me on any correspondence related to that. Thanks again!

Kevin
503-230-4055

(By the way, I'm still not sure if I'm receiving timely emails from you all, so please call/text if you're not getting a timely response)

From: Farleigh,Kevin S (BPA) - PSW-6
Sent: Monday, December 09, 2019 3:52 PM
To: 'CAPPER Megan'; SCHROETTNIG Matthew
Subject: RE: Post-2028 Customer Questionnaire

Hi Megan,

Jan 21, 28, and 30 would all work. Mornings around 10am are ideal timing-wise, though I can make other times work. Thanks!

Kevin

From: CAPPER Megan [
mailto:Megan.Capper@EWEB.ORG]
Sent: Saturday, November 23, 2019 12:54 PM
To: Farleigh,Kevin S (BPA) - PSW-6; SCHROETTNIG Matthew
Subject: RE: Post-2028 Customer Questionnaire

This is great Kevin – thank you SO much!

Looking at my calendar I know I can't do Jan 15. I see that Matt and I are both available Jan 21, 22,

28, 29 & 30.

Let us know what works :>)

From: Farleigh,Kevin S (BPA) - PSW-6 [mailto:ksfarleigh@bpa.gov]
Sent: Friday, November 22, 2019 3:28 PM
To: SCHROETTNIG Matthew < Matthew.Schroettnig@EWEB.ORG>; CAPPER Megan < Megan.Capper@EWEB.ORG>
Subject: Post-2028 Customer Questionnaire

Matt and Megan,

I wanted to check in and provide a brief update on the Post-2028 customer questionnaire/survey.

The survey questions are now final and I wanted to pass those along in advance of any meeting we get scheduled. Please see the first attachment. Associated with this, also attached is a high-level timeline showing our current expectation for the overall process between now and 2028.

As for next steps, I'm still hoping to schedule some time with you to walk through these questions. I'm envisioning a trip down to Eugene in either January or February. Any chance the afternoon of January 15 might work? (Though I just saw the potential for an EIM-TC-BP customer-led workshop that day …) If not, maybe you could send me a couple other dates in either Jan or Feb that could work for you?

Ultimately the responses will be captured in a SurveyMonkey questionnaire that will be live in early January through March. Completing the SurveyMonkey can be done a couple ways. My preference, so as to not risk applying my lens to your responses, is to have you fill it out directly (either before or after we meet). However I'm more than happy to fill it out on your behalf based on notes taken during our meeting. Either works for me. But regardless, I would very much like to go through these with you. We're envisioning this to be a conversation that would hopefully provide fuller responses and more context than simply a written SurveyMonkey response.

Please let me know your thoughts on dates, and don't hesitate to contact me with questions. Thanks as always, and happy Friday!

Kevin

Kevin Farleigh
Account Executive
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97232
Office: [redacted](b)[redacted]
Cell: (503) 757-7261

Fax: (503) 230-3242

From: Johnson,Kimberly O (BPA) - PGAF-6
Sent: Fri Dec 20 08:20:19 2019
To: Thompson,Kim T (BPA) - PS-6
Subject: 2028 contract questions
Importance: Normal

Hi Kim,

Reclamation is asking if there is a specific date/month when the 2028 customer contracts expire and when BPA will start negotiations for renewal.

I know this is not your focus these days, so let me know if there's someone else I should reach out to.

Thank you,

Kim

Kim Johnson, P.E.
Federal Hydro Manager (PGAF-6)
Bonneville Power Administration
bpa.gov | P 503-230-3902 | C (b) (6) | kojohnson@bpa.gov
Please consider the environment before printing this email.

From: Thompson,Kim T (BPA) - PS-6
Sent: Fri Dec 20 10:49:17 2019
To: Johnson,Kimberly O (BPA) - PGAF-6
Subject: RE: 2028 contract questions
Importance: Normal
Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; External timeline_Provider of Choice10_10_19.docx

Hi Kim – actually, this *is* my focus these days so I'm the right point of contact.

The Regional Dialog contracts expire on September 30, 2028. We are starting this year to gain customer insight about their needs, wants and interests. The question about when we start negotiations is a little tricky as we will have a lot of formative engagement that preceeds contract drafting or negotiating specific rate methodology. I've attached a high-level timeline that may help give you some context. Please note that this is still draft, but gives a sense of rough timing for different development stages.

Best Regards,
Kim Thompson
Northwest Requirements Marketing | Acting Vice President
Bonneville Power Administration
bpa.gov | P 503-230-3408 | C (b) (6)

From: Johnson,Kimberly O (BPA) - PGAF-6 <kojohnson@bpa.gov>
Sent: Friday, December 20, 2019 8:20 AM
To: Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Subject: 2028 contract questions

Hi Kim,

Reclamation is asking if there is a specific date/month when the 2028 customer contracts expire and when BPA will start negotiations for renewal.

I know this is not your focus these days, so let me know if there's someone else I should reach out to.

Thank you,

Kim

Kim Johnson, P.E.
Federal Hydro Manager (PGAF-6)
Bonneville Power Administration
bpa.gov | P 503-230-3902 | C (b) (6) | kojohnson@bpa.gov
Please consider the environment before printing this email.

From: Melinda James-Saffron
Sent: Tue Dec 31 11:40:06 2019
To: Wilson,Scott K (BPA) - PSW-6
Cc: Dave Ward
Subject: [EXTERNAL] BPA post 2028 potential product offerings
Importance: Normal
Attachments: image001.jpg

Hi Scott,

I am reaching out to you to see if we could get a visit to discuss the BPA post 2028 potential product offerings. I would like to get you scheduled for a Board workshop in February (1st and 3rd Mondays of each month unless Monday is a holiday and then moved to the following Tuesday). I understand that preference customers are to receive a survey in the next month or so? If we can't make a Board workshop work due to schedules we could schedule some time in January to discuss with some our Senior Leadership team. Let me know your availability.

Thanks and Happy New Year!

Melinda James-Saffron
PUD #1 of Grays Harbor County
Power and Energy Services Director
360-538-6440 phone
360-538-6389 fax

From: Wilson,Scott K (BPA) - PSW-6
Sent: Mon Jan 06 09:01:23 2020
To: Melinda James-Saffron
Cc: Dave Ward
Subject: RE: BPA post 2028 potential product offerings
Importance: Normal
Attachments: image001.jpg

Good Morning Melinda (and Dave)
It's great to hear from you on this and I will adjust my schedule to fit your needs. Looking at the February dates The 1st or the 18th (I think it would be the Tuesday since the 17th is Presidents day.) I have a slight preference for the 18th due to the slightly better likelihood of better weather but the 1st works too. I can also work with January timelines or if you wanted I could come up early in the day I come up for the board and meet with your senior leadership before. Looking forward to seeing you all soon. Happy 2020.
--Scott

From: Melinda James-Saffron [mailto:mjames@ghpud.org]
Sent: Tuesday, December 31, 2019 11:40 AM
To: Wilson,Scott K (BPA) - PSW-6
Cc: Dave Ward
Subject: [EXTERNAL] BPA post 2028 potential product offerings

Hi Scott,

I am reaching out to you to see if we could get a visit to discuss the BPA post 2028 potential product offerings. I would like to get you scheduled for a Board workshop in February (1st and 3rd Mondays of each month unless Monday is a holiday and then moved to the following Tuesday). I understand that preference customers are to receive a survey in the next month or so? If we can't make a Board workshop work due to schedules we could schedule some time in January to discuss with some our Senior Leadership team. Let me know your availability.

Thanks and Happy New Year!

Melinda James-Saffron
PUD #1 of Grays Harbor County
Power and Energy Services Director
360-538-6440 phone
360-538-6389 fax

From: Olive,Kelly J (BPA) - PSS-6
Sent: Tue Jan 07 10:25:41 2020
To: Munz,Paul G (BPA) - PSW-SEATTLE
Subject: can you review: new AE prompt on contract length
Importance: Normal
Attachments: INTERNAL AE Prompts_external Post-2028 survey 1_07_20.docx

Hey Paul,

Before the holidays, you'd asked for a FAQ or some additional verbage for the AEs to clarify that we have more options than just 20 year contracts in post-2028. There may be some confusion that if we ' extend the current deal' (though I know we are not using that term), that it would be for 20 years.

I added a new AE prompt on question 5. Does this give the clarification on different options that are available to BPA and customers on term length?

Thoughts?

Thank you,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Bleifuss,Lindsay A (BPA) - PSW-6
Sent: Tue Jan 07 10:44:10 2020
To: Jaime J. Phillips
Cc: John C. Dietz
Subject: RE: Post 2028 Contract Survey and Meeting
Importance: Normal
Attachments: image001.png; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; image007.jpg

Thanks!

From: Jaime J. Phillips [mailto:jjp@mc-power.com]
Sent: Tuesday, January 07, 2020 10:43 AM
To: Bleifuss,Lindsay A (BPA) - PSW-6
Cc: John C. Dietz
Subject: [EXTERNAL] RE: Post 2028 Contract Survey and Meeting

Yes. We'll plan on it. See you then!

Thanks,

Jaime J. Phillips
Power Resource Manager
McMinnville Water & Light
jjp@mc-power.com
(503) 435-3108

From: Bleifuss,Lindsay A (BPA) - PSW-6 <lableifuss@bpa.gov>
Sent: Tuesday, January 7, 2020 10:41 AM
To: Jaime J. Phillips <jjp@mc-power.com>
Subject: RE: Post 2028 Contract Survey and Meeting

Great! How about 10:00AM?

From: Jaime J. Phillips [mailto:jjp@mc-power.com]
Sent: Tuesday, January 07, 2020 10:31 AM
To: Bleifuss,Lindsay A (BPA) - PSW-6; John C. Dietz
Subject: [EXTERNAL] RE: Post 2028 Contract Survey and Meeting

Thanks Lindsay,

John and I are both available any time on Jan. 29th. Just let us know what time works for you.

In the meantime, we'll start reviewing the survey.

Jaime J. Phillips
Power Resource Manager
McMinnville Water & Light
jjp@mc-power.com
(503) 435-3108

From: Bleifuss,Lindsay A (BPA) - PSW-6 < lableifuss@bpa.gov>
Sent: Tuesday, January 7, 2020 9:59 AM
To: John C. Dietz < jcd@mc-power.com>; Jaime J. Phillips < jjp@mc-power.com>
Subject: Post 2028 Contract Survey and Meeting

Good Morning John and Jaime. I hope you are doing well in the New Year!

We are starting to work with customers on what you would like from new BPA Power Sales Contracts after the current contracts expire in 2028. We are committed to ongoing dialogue as we develop those new contracts.

Part of our initial exploration is an electronic survey that you will receive in the next couple weeks, asking about cost-competitiveness and what it means to you. This will help us formulate and clarify long-term cost-competitiveness goals. I will share any feedback from you with BPA staff and managers most closely working on the post-2028 contracts, products, rates, and policies.

I would like to get together with you for an hour or two to talk through the survey questions, provide clarification or context if necessary, and to better understand challenges you face.

Are you available January 28, 29, or 30th? Please let me know which of those dates work for you, or if there is a better time for you in the next few weeks. We can meet at your office.

I have attached the survey questions you will receive electronically and the post-2028 contract timeline.

Thanks and I look forward to our conversation.

Lindsay

Lindsay Bleifuss
Power Account Executive | Western Power Services
Bonneville Power Administration
bpa.gov | P 503-230-5338

From: Olive,Kelly J (BPA) - PSS-6
Sent: Tue Jan 07 11:05:04 2020
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: word version we sent to Abigail (w/ intro)
Importance: Normal
Attachments: Final Post-2028 survey questions_adjusted intro_ 12_16_19.docx

From: Olive,Kelly J (BPA) - PSS-6
Sent: Tuesday, January 07, 2020 10:09 AM
To: Miller,Robyn M (BPA) - PSS-6; Cole,Sara M (BPA) - PSS-6
Subject: for post-2028 questionnaire tab

Still need to send internal tool with AE prompts.

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

FINAL CUSTOMER QUESTIONNAIRE ON POST-2028 CONTRACTS, PRODUCTS, RATES
12/16/19

In 2016, Elliot Mainzer and other executives concluded Bonneville's Focus 2028 effort and held Provider of Choice conversations around the region. The Focus 2028 conversations culminated in Bonneville's long-term Strategic Plan released in 2018.

At the conclusion of the Provider of Choice conversations in fall of 2016, Bonneville committed to periodically continue regional conversations to understand the challenges customers are facing today and in the future as we strive to remain your provider of choice. Bonneville is fulfilling this commitment with a customer engagement period from November 2019 through mid-2020.

Bonneville's goal is to be your cost-based, long term power provider of choice beyond 2028. Bonneville would like to hear from you and is initiating this engagement with the following questionnaire.

The questions below are to elicit your feedback regarding the products and services you would like Bonneville to offer post-2028. We know that your time is valuable, but hope that you are able to complete the questionnaire as fully as possible. Bonneville will seriously and thoughtfully consider the information you provide.

Customer Profile Questions

1. Name of the utility [drop-down box, pre-populated (*list PNGC and individual members)]
2. Name of utility member who is participating in/filling out the survey [comment box for one name]
3. Name of AE [drop-down box with AEs' names pre-populated]
4. Who is filling out the SurveyMonkey?
   - ○ AE
   - ○ Utility Member
5. Size of utility [TRL in aMW: 0-5aMW; 6-15; 16-40; 41-100; 101-200; >200aMW]
6. State [drop down box, pre-populated: WA, OR, ID, MT, CA, NV, WY]
7. Current product purchase (drop down box, pre-populated: Load Following, Block, Slice/Block) [only one selection allowed]

1. In terms of your current product purchase from Bonneville, what is working well and what can be improved for your utility? [comment box]

2. In the recent Customer Satisfaction Survey Bonneville sent to preference customers, <u>90%</u> of respondents said they were "satisfied with [their] current power product(s)". Bonneville interprets this information as customers generally feel that the Regional Dialogue contracts and tiered rates are working well. What is your opinion?

- Works very well
- Works well
- Neutral
- Not working well at all

In one sentence, why did you answer the way you did? [comment box]

3. *Please note that the following three questions all relate to offering the same products and services post-2028, with tiered rates, as are offered under today's Regional Dialogue contracts.

By law, Bonneville cannot have contracts longer than a 20-year term and therefore must offer new contracts. Should Bonneville offer new contracts post-2028 that provide the same products, services, and tiered rate construct as provided under the Regional Dialogue power sales contract?

- Yes, with no changes.
- Yes, but with changes.
- No. We need to develop new policies and contracts.

4. Using Regional Dialogue as your baseline for comparison, how would you change the new contract(s) and/or products? [comment box]

5. Post-2028, if Bonneville did end up offering the same products and services, with tiered rates, as provided under the Regional Dialogue contract (with or without changes), for what term would your utility consider ideal? Please add specificity in the comment box below.

- Under 10 years
- 10-20 years
- 10-20, with off-ramps

Please provide Bonneville additional information about the term and/or off-ramp structure that would be most attractive to your utility if Bonneville were to reoffer similar products, services and rate structure as under Regional Dialogue. [comment box]

6. Do you think your utility can be competitive post-2028 if Bonneville offered the same product offerings, and its tiered rate structure, as Regional Dialogue? Please provide explanations of why or why not.

- Yes

- Yes, with modifications
- No
- Not sure

Additional comments? [comment box]

7. What product offering (Load Following, Slice/Block, Block) is most appealing to your utility post-2028?

- Load Following
- Slice/Block
- Block
- Other

Please provide an explanation of your answer and any other additional comments. [comment box]

8. Given Bonneville's strategic emphasis on competitiveness and cost control, which of the following foundational principles of Regional Dialogue do you think remain valid post-2028 and are important to your utility to carry forward? Check all that apply.

- Lowest Tier 1 Costs and Tier 1 Rates
- Durability/Stability/Contract Enforceability
- Customer/Regional Support and Equity
- Certainty of Obligations for All Parties
- Promote Infrastructure Development Consistent with the Northwest Power Act
- Consistency with Bonneville Stewardship Obligations
- Legality
- Simplicity
- Advancement of National Objectives

Are there other principles that should underlay the post-2028 policy? Please share. [comment box]

9. In general, do you think Bonneville should maintain a structure like today with a total allocation of system and its costs, or attempt to create a new structure that moves away from the current approach?

- Similar structure
- New structure

Please share your ideas for a new structure or approach. [comment box]

10. Should Bonneville offer a Slice product post-2028?

- ○ Yes
- ○ No
- ○ Depends on what, if anything, is offered in its place
- ○ No opinion

Please provide an explanation for your answer. [comment box]

11. <u>Question for current Slice/Block customers only</u>: What do you value about the Slice product? If Bonneville does offer Slice post-2028, what features would you like to see included? [comment box]

12. <u>Question for current Slice/Block customers only</u>: If Bonneville only offered the Load Following or Block product (but no Slice) in the same manner as today, are we at risk of losing you as a customer post-2028?

- ○ Very likely
- ○ Possibly
- ○ Not likely
- ○ Not applicable

Please provide as much detailed information and explanation as possible. [comment box]

13. <u>Question for current Slice/Block customers only</u>: Could the right Block with shaping product make you indifferent to the removal of the Slice product?

- ○ Yes
- ○ No
- ○ Not applicable

Additional comments? [comment box]

14. Do you think Bonneville should retain the tiered rate structure post-2028?

- ○ Yes
- ○ No
- ○ No opinion

How would you simplify or modify the rate structure? [comment box]

15. If Bonneville does NOT re-offer the same products, services and rate structure as under the Regional Dialogue contract (whether with or without changes) what contract term length would be ideal post-2028? Please add specificity in the comment box below.

- ○ Under 10 years
- ○ 10-20 years
- ○ 10-20, with off-ramps

Additional comments? [comment box]

16. For your business, what is the optimal frequency of rate cases? (Please note the maximum is every 5 years.)

- ○ 1
- ○ 2
- ○ 3
- ○ 4
- ○ 5

Additional comments? [comment box]

17. Post-2028, should Bonneville continue to offer a self-funded energy efficiency option?

- ○ Yes
- ○ No
- ○ Maybe, with limitations
- ○ No opinion

If yes, what share of energy efficiency should utilities self-fund? [add sliding percentage bar]

18. Should Bonneville explore changing the current TOCA-based (equity) model for allocating EE funding?

- ○ Yes
- ○ No
- ○ No opinion

If yes, what other allocation methodology(ies) should be explored? [comment box]

19. In the next contract period do you think that secondary sales revenue should be:

- ○ Forecast for the rate period and included as an offset to the priority firm power rate (excluding Slice rate). (Status quo)
- ○ Rebated/credited back to customers at the end of the fiscal year based on actuals.
- ○ No opinion
- ○ Other. [Please explain in the box below.]

Additional comments? [comment box]

20. Should and/or how could Bonneville pursue changes to modify the criteria and/or calculation of the Irrigation Rate Discount benefits?

- ○ Retain at current levels
- ○ Cap
- ○ Reduce
- ○ Eliminate
- ○ No opinion

Additional comments? [comment box]

21. Bonneville has a statutory requirement to provide a Low Density Discount. Should and/or how could Bonneville pursue changes, as allowed, to modify criteria and calculation of the Low Density Discount benefit?

- ○ Retain at current levels
- ○ Cap
- ○ Reduce
- ○ No opinion

Additional comments? [comment box]

22. Are there provisions of the Northwest Power Act that you believe the region should work to change or update?

- ○ Yes
- ○ No
- ○ No opinion

If yes, please provide your ideas. [comment box]

23. Are you satisfied with the Residential Exchange Program Settlement Agreement?

- ○ Yes
- ○ No
- ○ No opinion

Additional comments? [comment box]

24. Should the region consider pursuing another settlement agreement for the Residential Exchange Program?

- ○ Yes
- ○ No
- ○ No opinion

Additional comments? [comment box]

25. Post-2028, should Bonneville consider offering a bundled power and transmission product at a melded (not tiered) rate that recovers both power and transmission costs?

- ○ Yes, bundled product and melded rate
- ○ Yes, bundled product but not necessarily at a melded rate
- ○ No
- ○ No opinion

Additional comments? [comment box]

26. Would your utility be interested in a 100% carbon free product?

- ○ Yes
- ○ No
- ○ Maybe

If yes, what would be a reasonable premium (in dollars)? Additional comments? [comment box]

27. What is your utility's position on nuclear energy (a baseload carbon-free resource)?

- ○ Glad it's in BPA's fuel mix
- ○ Should not be in BPA's fuel mix
- ○ Neutral about it being in BPA's fuel mix

Additional comments? [comment box]

28. Please rank the top three elements/features in order of those that are most critical to your utility's decision to make Bonneville your provider of choice post-2028. [Displayed as three separate drop-down boxes for priority 1, 2, 3. Comment box available to add priority(ies) that aren't listed.]

- ☐ Long term agreements
- ☐ Short term agreements
- ☐ Contracts with products /services similar to RD
- ☐ Contracts with products/services different than RD
- ☐ Transfer Service
- ☐ Availability of Slice product
- ☐ Viable alternative to Slice product
- ☐ Bundled power & transmission product
- ☐ Tiered Rates
- ☐ Melded rates or other rate structure
- ☐ Increased flexibility
- ☐ Increased simplicity
- ☐ Access to public benefits (LDD, IRD)
- ☐ Cost control by any means possible
- ☐ Measured cost control (provide details below)
- ☐ Service to New Large Single Loads
- ☐ Access to carbon-free power
- ☐ More self-funding in EE
- ☐ Restructured EE program
- ☐ Restructure secondary sales revenue
- ☐ EIM/day ahead market

[comment box] List any other priorities/comments

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29. What are your top two concerns as you look beyond 2028? [comment box]

30. Please provide any other product ideas or suggestions regarding: contracts, products, billing, other elements that you would like to see considered as Bonneville moves toward post-2028. [comment box]

From: Olive,Kelly J (BPA) - PSS-6
Sent: Tue Jan 07 11:35:19 2020
To: Farleigh,Kevin S (BPA) - PSW-6
Subject: FW: can you review: new AE prompt on contract length
Importance: Normal

Can you cover this…?

Thank you,
k

From: Munz,Paul G (BPA) - PSW-SEATTLE
Sent: Tuesday, January 07, 2020 11:06 AM
To: Olive,Kelly J (BPA) - PSS-6
Subject: RE: can you review: new AE prompt on contract length

Hi Kelly,

I think that provides more useful information on the subject. I don't know if you want to do this, but I think it would be very helpful to have a short discussion covering this at an AE meeting. It would be nice if you could spend a couple of minutes in the AE meeting this Thursday at HQs (1:00 p.m. in 614) to cover the topic.

Thanks,

Paul
(206) 220-6763

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Tuesday, January 7, 2020 10:26 AM
To: Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>
Subject: can you review: new AE prompt on contract length

Hey Paul,

Before the holidays, you'd asked for a FAQ or some additional verbage for the AEs to clarify that we have more options than just 20 year contracts in post-2028. There may be some confusion that if we ' extend the current deal' (though I know we are not using that term), that it would be for 20 years.

I added a new AE prompt on question 5. Does this give the clarification on different options that are available to BPA and customers on term length?

Thoughts?

Thank you,
Kelly

kelly olive
contract technical lead
bpa, pss-6
p.o. box 3621
portland, or 97208
phone: 503.230.4735

From: Olive,Kelly J (BPA) - PSS-6
Sent: Tue Jan 07 12:28:19 2020
To: Alders,Kyna L (BPA) - PGL-5
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: FW: status of post 2028 survey
Importance: Normal
Attachments: External timeline_Provider of Choice10_10_19.docx

Kyna,

Since November, AE's have been scheduling and/or started to conduct their face-to-face meetings with each customer to walk through the survey questions. Most if not all customers should have received a Word version of the Post-2028 questionnaire. The electronic SurveyMonkey version will be identical.

As of right now, we are planning for the electronic SurveyMonkey link to be sent (from BPA's communications@bpa.gov email) on Monday, January 13. AE's are identifying the utility member or members that will receive a link to the SurveyMonkey. Those identified utility members can forward the link to others within their organization. Most AEs have scheduled their face-to-face meetings with customers for January and February. The SurveyMonkey will close at the end of March.

Once we have the results, we'll create a summary document of what we heard and share that internally by mid-late April and then the Administrator (and other executives we assume) will be doing some visits around the region. We assume various topics will be discussed, one of which will be sharing what Bonneville heard on the Post-2028 survey and testing with customers if we have captured their feedback correctly. From mid-year 2020 through late 2021 Bonneville will be working internally and with customers to develop a Post-2028 Concept Paper that will provide high-level direction on Bonneville's thinking for post-2028 policies, products, services, and rate structure.

The timeline attached can be (and likely has been) shared with customers.

Let us know if you need further information,
Kelly

From: Alders,Kyna L (BPA) - PGL-5
Sent: Tuesday, January 07, 2020 12:15 PM
To: Farleigh,Kevin S (BPA) - PSW-6; Olive,Kelly J (BPA) - PSS-6
Subject: status of post 2028 survey

Hi Kevin and Kelly,

I heard from the SIG that they may ask for a status update tomorrow re the post 2028 survey and next steps. Has this gone out? Is there anything else we can share re what to expect after that?

Thanks,
Kyna

Kyna Alders
Bonneville Power Administration
Slice Operations & Management Supervisor
Phone: 503-230-5971 / Cell: [redacted]
b

From: Alders,Kyna L (BPA) - PGL-5
Sent: Tue Jan 07 12:28:57 2020
To: Olive,Kelly J (BPA) - PSS-6
Cc: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6
Subject: RE: status of post 2028 survey
Importance: Normal

Perfect. Thanks.

Kyna Alders
Bonneville Power Administration
Slice Operations & Management Supervisor
Phone: 503-230-5971 / Cell: [redacted]

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Tuesday, January 7, 2020 12:28 PM
To: Alders,Kyna L (BPA) - PGL-5 <klalders@bpa.gov>
Cc: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud,Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>
Subject: FW: status of post 2028 survey

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Thanks,
Kyna

Kyna Alders
Bonneville Power Administration
Slice Operations & Management Supervisor
Phone: 503-230-5971 / Cell: [redacted]
b

From: Bleifuss,Lindsay A (BPA) - PSW-6
Sent: Tue Jan 07 13:12:04 2020
To: rgrove@cencoast.com; bhignite@cencoast.com
Subject: Post 2028 Contract Survey and Meeting
Importance: Normal
Attachments: Customers' Post-2028 advance survey questions 11_08_19.docx; External timeline_Provider of Choice10_10_19.docx; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Good Morning Randy and Brandon. I hope you are doing well in the New Year!

We are starting to work with customers on what you would like from new BPA Power Sales Contracts after the current contracts expire in 2028. We are committed to ongoing dialogue as we develop those new contracts.

Part of our initial exploration is an electronic survey that you will receive in the next couple weeks, asking about cost-competitiveness and what it means to you. This will help us formulate and clarify long-term cost-competitiveness goals. I will share any feedback from you with BPA staff and managers most closely working on the post-2028 contracts, products, rates, and policies.

I would like to get together with you for an hour or two to talk through the survey questions, provide clarification or context if necessary, and to better understand challenges you face.

Are you available February 11, 12, or 13th? Please let me know which of those dates work for you, or if there is a better time for you in the next few weeks. We can meet at your office.

I have attached the survey questions you will receive electronically and the post-2028 contract timeline.

Thanks and I look forward to our conversation.

Lindsay

Lindsay Bleifuss
Power Account Executive | Western Power Services
Bonneville Power Administration
bpa.gov | P 503-230-5338