

From: Wilson, Scott K (BPA) - PSW-6

Sent: Fri Sep 11 07:48:26 2020

To: ADL_PSW_ALL; ADL_PSE_ONLY

Cc: ADL_PSS_ALL

Subject: FW: Public power sentiment on net secondary proposal

Importance: Normal

Passing along the information from PPC about their views on the net secondary approach we have been talking with them about. Bottom line they are not supportive of us moving forward at this time. Wanted you to be prepared and have the background if it comes up with your customers.

--Scott

From: Scott Simms <ssimms@ppcpdx.org>

Sent: Thursday, September 10, 2020 5:00 PM

Good afternoon. I hope this week finds you well, considering all the wildfires across the Northwest at this time.

In addition to our formal comments next week, I wanted to take the opportunity to directly share the feedback we received from the PPC Executive Committee last week regarding the proposed changes to the rate design for Net Secondary Revenue (NSR) in power rates.

PPC staff and members have engaged with BPA staff in good faith to develop potential avenues to address the underlying concerns raised by BPA staff as well as to propose enhancements to specific areas of the proposal. PPC members were very appreciative of BPA staff's efforts to think outside the box and develop potential solutions in the area of risk mitigation.

Yet, after months of analysis and discussion, PPC members are overall strongly opposed to the proposal. Further, they support the view that this is a foundational area of BPA power rate design and changes should not be made without a high level of unanimity among public power.

Ultimately, the proposal as presented will result in substantially higher base rates without commensurate benefits to public power. Although a higher likelihood of surcharges is not desirable, neither are higher base rates and/or BPA holding significantly higher levels of customer funds in financial reserves. Local utilities have their own local tolerances for risk which they can implement through their retail rate designs. We also note that the current methodology and associated policies, such as the FRP and TPP, are working as intended—there has not been a CRAC in many years and Power Services is closing in on the desired 60 days cash on hand.

Raising base rates by \$50+ million per year relative to the current rate design is not tenable for public power communities under present circumstances, particularly without substantial concurrent changes to the FRP surcharge mechanism and RDC threshold. This money has substantial opportunity cost in local communities throughout the Northwest, highlighted by a pandemic, recession, and now impacts from unprecedented wildfires.

Although this proposal is not acceptable to public power and cannot go forward, we believe the effort and

conversation has been productive and worthwhile. Given the timing proposed by BPA staff for a more comprehensive review of risk mitigation in BP-26 under the proposal, PPC believes that NSR rate design should be taken up as part of the post-2028 process.

We would be happy to discuss this further or arrange more direct conversation with members of the PPC Executive Committee if that would be helpful in better understanding where we are coming from. Thanks for hearing our unified public power voice on this BPA staff proposal.

Regards,

Scott

Scott Simms

Executive Director

Public Power Council

650 N.E. Holladay Street, #810

Portland, OR 97232

503-595-9770

www.ppcpdx.org

From: Baron,Elizabeth M (CONTR) - PGL-5

Sent: Mon Sep 14 08:51:22 2020

To: Baron,Elizabeth M (CONTR) - PGL-5; Alders,Kyna L (BPA) - PG-5; Connolly,Kieran P (BPA) - PG-5; Cook,Joel D (BPA) - P-6; Thompson,Kim T (BPA) - PS-6; Mantifel,Russell (BPA) - PGL-5

Subject: Slice Executive Meeting

Importance: Normal

Attachments: FW: [EXTERNAL] Slice SIG: Exec Meeting Agenda and Presentation

10/13 Adding Agenda and Slides

You have been invited to the following event.

Slice Executive Meeting

When

Wed Oct 14, 2020 2pm – 3:30pm Pacific Time - Los Angeles

Where

<https://global.gotomeeting.com/join/975154957> ([map](#))

Calendar

embaron@bpa.gov

Who

-

Kevin Kytola - organizer

-

sboorman@ifpower.org

-

callen@cowlitzpud.org

-

Matt Schroettnig

-

accornelius@snopud.com

-

Humaira Falkenberg

-

Kevin White

-

Bear Prairie

-

Randal E. Gregg

-

Deanna Carlson

-

Bob Essex

-

Melinda James

-

rxmantifel@bpa.gov

-

Ho, Hien

-

Marquez-Glynn, Leah

-

Kevin Cardoza

-

Chris Roden

-

jahaarlow@snopud.com

-

Chase Morgan

-

ACKERMAN Susan

-

jason@pacificpud.org

-

Wallace, Kelly

-

dward@ghpud.org

-

Matt Samuelson

-

Brian Johnson

-

Scott Coe

-

Ed Mount

-

Marc Farmer

-

jrkallstrom@snopud.com

-

Holly Dohrman

-

Kyle Roadman

-

dunnr@bentonpud.org

-

Paul Dockery

-

Gary Huhta

-

embaron@bpa.gov

-

Richard Sargent

-

cnorris@ci.tacoma.wa.us

-

Tom Haymaker

-

Dan Bedbury

-

tjbarham@bpa.gov

-

Luke Canfield

•

mhill2@ci.tacoma.wa.us

[more details »](#)

AGENDA TBD

Slice Executive Meeting

Wed, Oct 14, 2020 2:00 PM - 3:30 PM (PDT)

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/975154957>

You can also dial in using your phone.

United States: +1 (408) 650-3123

Access Code: 975-154-957

New to GoToMeeting? Get the app now and be ready when your first meeting starts:
<https://global.gotomeeting.com/install/975154957>

Going (embaron@bpa.gov)? **Yes** - **Maybe** - **No** [more options »](#)

Invitation from [Google Calendar](#)

You are receiving this courtesy email at the account embaron@bpa.gov because you are an attendee of this event.

To stop receiving future updates for this event, decline this event. Alternatively you can sign up for a Google account at <https://www.google.com/calendar/> and control your notification settings for your entire calendar.

Forwarding this invitation could allow any recipient to send a response to the organizer and be added to the guest list, or invite others regardless of their own invitation status, or to modify your RSVP. [Learn More](#).

From: Mantifel,Russell (BPA) - PGL-5

Sent: Tue Oct 13 11:56:38 2020

To: Baron,Elizabeth M (CONTR) - PGL-5

Subject: FW: [EXTERNAL] Slice SIG: Exec Meeting Agenda and Presentation

Importance: Normal

Attachments: Executive Post-2028 Slice v2.pdf; AGENDA October 14 2020 Slice_BPA v0.docx

Hi Liz,

Can you make sure everybody internally has this that's in the meeting tomorrow.

From: Kevin Kytola <kkytola@sapereconsulting.com>

Sent: Friday, October 9, 2020 9:28 AM

To: Mantifel,Russell (BPA) - PGL-5 <rxmantifel@bpa.gov>; Barham,Theodore J (BPA) - PGL-5 <tjbarham@bpa.gov>

Subject: [EXTERNAL] Slice SIG: Exec Meeting Agenda and Presentation

Hi Russ and Ted,

Happy Friday!

Attached are two files:

1. the agenda for the executive meeting next Wednesday
2. the post-2028 concept slides that the customers will talk to

Let me know if you have any questions or additional input leading into next week's meeting.

Have a great weekend

Kevin

Kevin Kytola

Sapere Consulting, Inc | 109 E. Main St.; Suite 301 | Walla Walla, WA 99362
509-524-2343 (office) | (b)(6) (cell) | 509-529-7886 (fax)

From: Slice.Sig.OS

Sent: Tue Sep 15 05:45:15 2020

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) - PSE-MEAD-GOB

Subject: FW: [EXTERNAL] Slice SIG: 9/2/20 meeting summary

Importance: Normal

Attachments: SIG Meeting Minutes 09_02_20_v1.docx

From: Kevin Kytola

Sent: Tuesday, September 15, 2020 5:44:29 AM (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; Hill, Mike

Subject: [EXTERNAL] Slice SIG: 9/2/20 meeting summary

Hi All,

Attached is the meeting summary from the 9/2 SIG. Please provide any suggested modifications at our next meeting on 9/30.

Kevin

Kevin Kytola

Sapere Consulting, Inc | 109 E. Main St.; Suite 301 | Walla Walla, WA 99362
509-524-2343 (office) |(b)(6) (cell) | 509-529-7886 (fax)

Regional Dialogue
SLICE Implementation Group (SIG)
Meeting Summary
September 2, 2020

Meeting Attendees: See Attachment 1

I. Meeting Minutes

- The August 5, 2020 meeting summary was approved without modification.

II. Operations Updates

- Fish-driven operations are complete.
- GCL is being filled to 1283 ft or higher by end of September. Next year this target may move to October. GCL is typically 1285 to 1286 ft by end of October for Chum.
- Arrow is moving from discharges of 48 kcfs to 38 kcfs.
- Non-treaty discharges increasing 25 kcfs. Non-treaty storage is currently about 2/3 full.
- Treaty fishing occurs this week and next.
- On September 26th CGS reduction is being forecast.
- BPA reported that during the week of August 15th to 21st, discharges of non-treaty storage costs were about \$4M, \$3M of which were on August 16/17/18. During that same period, STLA costs were about \$3M, \$2M of which were on August 16/17/18.
- There is currently a forecast credit of \$16M for non-treaty and \$9M for STLA.

III. Post-2028 Slice Concepts

- Customers shared concepts for Slice refinements and capacity products that BPA can consider as they compile input from customer groups and explore options. BPA suggested that reconvening on the post-2028 contract topic should wait until after initial outreach is completed this fall.
- BPA indicated they are still in the information collection phase and are not in a position to provide specific feedback. BPA noted that relative to the last round of contract updates, outreach is ahead of the curve.
- BPA noted that their interests in Slice refinements would be focused more on “uncertainty” about FCRPS obligations rather than “complexity” in operating the product.
- With respect to capacity related products, BPA suggested customers consider the CDQ and peak net requirements concepts from the current product.

IV. EIM Phase III Q&A

- Off-the-top Options: At the August 26th workshop, BPA presented options for allocation of costs and revenues for deployment of energy into the EIM. Of the 3 options presented, Option 1 (“pro-rata share”) is based on what is offered into the EIM regardless of what is called upon to deploy. Conversely, Options 2 and 3 are based on what is deployed. BPA indicated that the final option implemented will be determined in the rate case. BPA does not anticipate any of these options impacting how the BOS Base Adjustment is calculated. BPA would like feedback on Slice customer preferences as part of the current two-week comment period. BPA’s leaning is Option 1 unless they hear specific feedback otherwise from customers.
- Settlement of Losses: BPA clarified that capacity to address losses is not an off-the-top resource. Losses are served out of the non-Slice inventory and revenue is returned to the no-Slice pool. The capacity for settling losses 168 hours after the fact is part of Gen Inputs,

designated as non-Slice. Financial losses are considered non-Slice, but not represented in Gen Inputs as these financial losses are not currently considered a power obligation.

V. Miscellaneous

- Testing of Slice Scheduling Changes: Targeting Q4 of CY 2020. BPA indicated they would need 2 to 4 weeks to prepare the test environment once customers indicated their readiness to test. Customers noted they would be testing systems and business processes.

VI. Wrap-Up/Next Steps

- Next SIG Meeting will be September 30th.
- Kytola and Mantifel will coordinate on scheduling an exec level web-meeting.

Attachment 1: List of Attendees

In Attendance	
Benton PUD	Kevin White, Paul Durham
Clark Public Utilities	Tom Haymaker
Clatskanie PUD	Paul Dockery
Cowlitz PUD	Deanna Carlson, Chris Allen
Emerald PUD	Kyle Roadman
EWEB	Jon Hart, Matt Schroettig, Kevin Cardoza
Franklin PUD	Rich Sargent, Brian Johnson
Grays Harbor PUD	
Idaho Falls	Chase Morgan, Brenda Singerhoff
Lewis PUD	Luke Canfield
Pacific PUD	Humaira Falkenberg
Snohomish PUD	Jeff Kallstrom, Adam Cornelius, Ian Hunter
Tacoma Power	Mike Hill, Ray Johnson, Jim Russel
TEA	Ed Mount, Randy Gregg
BPA	Ted Barham, Kirsten Watts, Russ Mantifel, Marcus Perry, Kevin Farleigh, Daniel Fisher, Scott Wilson, Steve Belcoff, Mike Normandeau
Sapere Consulting	Kevin Kytola

From: Thompson, Kim T (BPA) - PS-6

Sent: Thu Sep 17 12:38:54 2020

To: Farleigh, Kevin S (BPA) - PSW-6; Olive, Kelly J (BPA) - PSS-6; Mohamoud, Farah A (BPA) - PSS-6

Cc: Cook, Joel D (BPA) - P-6; Garrett, Paul D (BPA) - PSS-6; Wilson, Scott K (BPA) - PSW-6

Subject: Passing along some nice feedback

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Yesterday, I spoke with John Francisco. He shared with me how deeply he and his team appreciated your recent Post-2028 discussion with NRU. He complimented your transparency, level of detail and the approach you took to summarizing what we heard from customers. He especially valued your acknowledgment of differences we heard from customers – highlighting your recognition of slice versus non-slice perspectives.

He is very pleased with the ongoing meetings you've committed to with NRU and feels you've created an effective spirit of partnership.

Well done and thank you!

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | (b)(6)

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB

Sent: Fri Sep 18 08:50:17 2020

To: 'Megan Stratman'

Subject: RE: Following up - Tuesday's meeting

Importance: Normal

Sounds good. We'll get it set up shortly.

Nancy

From: Megan Stratman <mstratman@nru-nw.com>

Sent: Thursday, September 17, 2020 4:35 PM

To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Subject: [EXTERNAL] RE: Following up - Tuesday's meeting

Hi Nancy, that time should work most of the time! Let's set that as the recurring time slot, knowing that we may need to move it occasionally if there happens to be a BPA workshop scheduled for that time.

Thank you!

Megan Stratman

Rates and Policy Director

Northwest Requirements Utilities

mstratman@nru-nw.com

Direct Dial: 971-801-7142

* note new direct dial phone number above *

This email may contain confidential or privileged information. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient or have received this email in error, notify the sender immediately and destroy the material in its entirety, whether in electronic or hard copy format. Any unauthorized copying, disclosure or distribution of the material in this email is strictly forbidden. Thank you.

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Sent: Thursday, September 17, 2020 4:19 PM

To: Megan Stratman <mstratman@nru-nw.com>

Subject: Following up - Tuesday's meeting

Hi Megan,

At the conclusion of Tuesday's meeting there was a suggestion for the Post-2028 contracts team and NRU to meet monthly. Would the 3rd Thursday of the month from 9-10 work for you and your team to meet? Please let me know and I can ensure a recurring meeting gets set up. If that day/time doesn't work could you forward some suggested days/times to me and I'll get with the team to find something that works for all of us.

Thanks,

Nancy

From: Thompson, Kim T (BPA) - PS-6

Sent: Fri Sep 18 09:46:53 2020

To: Schimmels, Nancy M (BPA) - PSE-MEAD-GOB

Subject: FW: Passing along some nice feedback

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

I cc'd Scott and Paul as managers for our core team... but neglected to include you (I didn't know who all participated in the call).

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | C(b)(6)

From: Thompson, Kim T (BPA) - PS-6

Sent: Thursday, September 17, 2020 12:39 PM

To: Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Olive, Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>;
Mohamoud, Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>
Cc: Cook, Joel D (BPA) - P-6 <jdcook@bpa.gov>; Garrett, Paul D (BPA) - PSS-6 <pdgarrett@bpa.gov>;
Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>
Subject: Passing along some nice feedback

Yesterday, I spoke with John Francisco. He shared with me how deeply he and his team appreciated your recent Post-2028 discussion with NRU. He complimented your transparency, level of detail and the approach you took to summarizing what we heard from customers. He especially valued your acknowledgment of differences we heard from customers – highlighting your recognition of slice versus non-slice perspectives.

He is very pleased with the ongoing meetings you've committed to with NRU and feels you've created an effective spirit of partnership.

Well done and thank you!

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration
bpa.gov | P 503-230-3408 | C (b)(6)

From: Wilson,Scott K (BPA) - PSW-6

Sent: Fri Sep 18 15:01:58 2020

To: ADL_DIN_ONLY; ADL_DIR_ONLY; ADL_DKE_ONLY; ADL_PEJB_ALL; ADL_PSE_ONLY; ADL_PSS_ALL; ADL_PSSE_ALL; ADL_PSST_ALL; ADL_PSW_ALL; ADL_TSE_ALL; Bryan,Jason C (TFE)(BPA) - TORW-DITT-1; Conley,Mick E (BPA) - PEK-MEAD-GOB; Cook,Joel D (BPA) - P-6; Cooper,Suzanne B (BPA) - PT-5; Davis,Reed C (BPA) - KSL-4; Fisher,Daniel H (BPA) - PSR-6; Goodwin,Summer G (BPA) - DKC-7; Hairston,John L (BPA) - K-7; Hilliard Creecy,Jamae (BPA) - PE-6; James,Daniel M (BPA) - D-7; Johnson,Tim A (BPA) - LP-7; Ko,Tina G (BPA) - TS-DITT-2; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Mainzer,Elliot E (BPA) - A-7; Manary,Michelle L (BPA) - F-2; Mohamoud,Farah A (BPA) - PSS-6; Parker,Nancy (BPA) - PSR-6; Reller,Mark D (BPA) - DIR-MSG; Shelton,Valerie M (BPA) - PSSE-MEAD-GOB; Thompson,Kim T (BPA) - PS-6; Warner,Joshua P (BPA) - DIR-7; Weekley,Annamarie E (BPA) - PTL-5; Whalen,Michelle E (BPA) - DKE-7

Subject: AE Bi-Weekly Rept to Admr_20200918

Importance: Normal

Attachments: AE Bi-Weekly Rept to Admr_20200918.doc

Today's edition provides information on fires and smoke around the Region. Looks like we may be heading for a respite this weekend. Hope you can find a way to take advantage of the clean air when it returns.

--Scott




SMOKE INHALATION SYMPTOMS AND HOW TO TREAT THEM.
[HTTPS://WWW.KXLY.COM/SMOKE-INHALATION-SYMPTOMS-AND-HOW-TO-TREAT-
THEM/](https://www.kxly.com/smoke-inhalation-symptoms-and-how-to-treat-them/)

REQUIREMENTS MARKETING AE REPORT
Customer Report to the Administrator
September 18, 2020

PROGRAMS

(b)(4)



(b)(4)

Other

Labor Day Windstorms, Fires and Power Outages – Eastern Washington and North Idaho

High winds and multiple fires across the area affected a number of our customers that are served directly and/or via transfer service. This Spokesman Review [article](#) covers fires and power outages in these utilities' service areas:

- Inland Power
- Fairchild Air Force Base
- Kootenai Electric Cooperative
- Northern Lights Inc.
- Okanogan Co. PUD
- Nespelem Valley Electric Cooperative
- Douglas Co. PUD
- Avista

In addition, the City of Plummer and Idaho County Light & Power had outages due to the infrastructure damage caused by the Labor Day windstorm.

Service has been restored in areas served by Kootenai, Idaho County and Plummer. These utilities are keeping an eye on nearby fires.

Inland is still working to restore power, particularly in communities devastated by the fires in Whitman and Lincoln counties. Kootenai, Cheney, Modern, Big Bend and Vera are providing mutual assistance.

Okanogan, Douglas and Nespelem continue work in areas with large, active fires. Okanogan REA, Tanner Electric, Ferry County PUD, Okanogan PUD, Town of Coulee Dam and Columbia REA are assisting Nespelem.

Last week, Congresswoman Cathy McMorris Rodgers (WA – 5th Dist.) joined Governor Jay Inslee on a tour of the damage in Eastern Washington. This year has become the state's second-worst fire season on record, eclipsed only by 2015 when 1.1 million acres burned. McMorris Rodgers spoke with President Donald Trump this week, urging him to support the availability of federal resources to help communities as they rebuild.

The map below shows extent of fires in the west, as of September 16.



Map Source: ESRI, retrieved Sept. 16, 2020. <http://storymaps.esri.com/stories/usa-wildfires/>

(H. Ross, P. Kruse, C. Hobson, and M. Normandeau)

From: Wilson,Scott K (BPA) - PSW-6

Sent: Fri Sep 18 15:34:11 2020

To: Perry,Marcus I (BPA) - PSW-SEATTLE

Subject: FW: Clatskanie_Waunaletter.pdf

Importance: Normal

Attachments: Clatskanie_Waunaletter.pdf

Here is the Clatskanie letter. We are being consistent on the Consumer owned resources. Please note that we should treat the actual letter as confidential but feel free to share the concepts and the fact that letter exists.

From: Wilson,Scott K (BPA) - PSW-6

Sent: Friday, September 11, 2020 1:58 PM

To: Paul Dockery (PDockery@clatskaniepub.com) <PDockery@clatskaniepub.com>

Cc: Arin Guillory <AGuillory@clatskaniepub.com>; Ian Bledsoe (IBledsoe@clatskaniepub.com) <IBledsoe@clatskaniepub.com>; Lowe-Sheldon,Jennifer C (CONTR) - PSS-6 <jclowe-sheldon@bpa.gov>; Mohamoud,Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>

Subject: Clatskanie_Waunaletter.pdf

Good Afternoon Paul

Attached is a letter I promised to provide with information about Wauna's cogeneration and how it is treated under our contract. Thank you for your help in facilitating the conversation with your consumer on this. It was nice talking with you all last week.

--Scott



Department of Energy

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

POWER SERVICES

September 11, 2020

In reply refer to: PSW-6

Mr. Paul Dockery, Power Manager
Clatskanie People's Utility District
P.O. Box 216
Clatskanie, OR 97016

Dear Paul,

Thank you for setting up the opportunity for us to meet on September 3, 2020, with Georgia Pacific's representatives, Michael Hamilton and Aaron Stando. It was informative to learn about their operations and the issues affecting Georgia Pacific and a great opportunity to highlight the clean power BPA supplies to Clatskanie People's Utility District (Clatskanie) to serve its loads. The meeting also provided a chance to discuss Georgia Pacific's August 12, 2020 letter to BPA regarding the cogeneration project at the Wauna Mill (Wauna Project) and implications under Clatskanie's Regional Dialogue Power Sales Agreement Contract No. 09PB-13021 (Regional Dialogue Contract) should Georgia Pacific assume ownership of that project.

As we discussed, the Wauna Project is not eligible to be included as a New Consumer-Owned Resource under Clatskanie's Regional Dialogue Contract. Section 3.6.2 of Clatskanie's Regional Dialogue Contract allows Clatskanie to designate a resource that commences commercial operations after the effective date of the Regional Dialogue Contract when such resource is designated within 120 days of the first production of energy by the resource. The Wauna Project does not meet this criteria because, as was noted in the first sentence of Georgia Pacific's August 12, 2020 letter, "The Wauna Project went into commercial operation in 1996". Because the Wauna Project has been operating for nearly 25 years, Clatskanie would not be able to add the Wauna Project cogeneration as a New Consumer-Owned Resource under Section 3.6.2 of Clatskanie's Regional Dialogue Contract. While BPA appreciates the additional information about the potential changes in ownership of this established resource, a change in ownership does not reset the clock for purposes of Section 3.6.2.

It bears noting that this treatment is only applicable under Clatskanie's current Regional Dialogue Contract, which expires September 30, 2028. Options will likely be available for Clatskanie to determine how to characterize the Wauna Project under Clatskanie's next BPA power sales contract, including applying the resource fully to serve Clatskanie's consumer load.

We appreciate Clatskanie's continued engagement to implement the Regional Dialogue Contract in good faith. I encourage you to stay engaged as BPA and its regional power customers discuss future power marketing policies that address our customers' needs. These needs will be met through products and services offered in future contracts, which could include new flexibilities around Consumer-Owned Resources.

Feel free to follow up with any questions or comments you may have. You can contact me at (503) 230- 7638 or at skwilson@bpa.gov.

Sincerely,

Scott K. Wilson
Senior Account Executive

September 23, 2020

Kim Thompson
Bonneville Power Administration
Portland, OR 97232

Submitted via email

RE: Boardman to Hemingway Transmission Corridor Project

Dear Kim,

NRU submits the following comments on behalf of its 54 member utilities who are all BPA Load Following and NT transmission customers, three of which are located in Southeast Idaho. We understand that BPA is in discussions with Idaho Power and PacifiCorp to relinquish its ownership share of the Boardman to Hemingway (B2H) transmission project, in exchange for reserving long-term, firm transmission rights under Idaho Power's Open Access Transmission Tariff to serve Southeast Idaho preference customers. We commend BPA for exploring options to identify the best and most cost effective plan of service to meet the SE Idaho customers' needs.

While we support continued exploration of this concept, it is important to fully understand potential ramifications to BPA's broader customer base as well as the SE Idaho customers. For example, by forgoing ownership of B2H, the agency avoids use of its limited access to capital. Additionally, preliminary information indicates this approach is more cost effective than BPA's current position to own a portion of B2H. However, the decision on the best approach to serve SE Idaho customers may impact broader transfer service policies and even post-2028 considerations. Therefore, it is imperative that the agency conducts a transparent and robust public process to consider all potential implications and benefits of this approach.

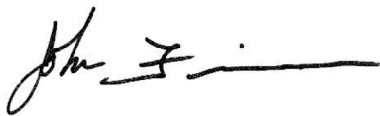
BPA has shared that Idaho Power is looking to BPA to secure its purchase of capacity on B2H to limit Idaho Power's stranded cost risk. In turn, BPA has stated its desire for the SE Idaho customers to effectively securitize that cost risk. Given that the earliest energization date of B2H is 2026, this immediately begins to impact post-2028 discussions. Access to affordable and reliable transmission service to SE Idaho preference customers is a top priority to NRU. However, before NRU members can consider this proposal, the following must be provided by the agency:

1. A post-2028 transfer policy or similar framework that provides the basic tenets under which transfer service will be provided in the post-2028 contract. The transfer provisions in the Long-Term Regional Dialogue Policy should serve as the starting point for these discussions.
2. Should BPA continue with its planned ownership-share of B2H, this would result in a tremendous financial investment by BPA Transmission Services. NRU requests that BPA holds a public process to show the potential benefits of the proposed approach compared to the original ownership plan and provide legal analysis of how those costs may be allocated between the two business lines. For example, if BPA maintained its ownership-share in B2H, those costs would be allocated to Transmission Services. If BPA chooses a less costly solution (e.g., its current proposal), then the agency needs to consider in a public process the appropriate allocation of those costs between business lines.

The concerns listed above will certainly evolve as the details of the concept become clearer. BPA and its customers must carefully consider all of the ramifications of the idea on the table as the outcome will be “owned” by the entire region for years to come.

We believe the high-level proposal holds promise but the devil is in the details of which we don't have a lot of information at this point. We do however look forward to engaging with BPA and other stakeholders to address all of the implications this concept could have.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John Francisco", with a long horizontal line extending to the right.

John Francisco, Northwest Requirements Utilities

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Sep 24 16:46:14 2020

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

Subject: SKW_Comments to SCL Draft

Importance: Normal

Attachments: SKW_Comments to SCL Draft.docx

Hi Paul.

Overall it seems pretty good. And I don't see any showstoppers. I had added a couple of comments. Also it seems like they might want to through a little love towards the durability of the TRM and how they might want to see allocation of the BPA System considered going forward. Thanks for sharing.

--Scott

August 31, 2020

BONNEVILLE POWER ADMINISTRATION
909 1ST, SUITE 380
SEATTLE, WA 98104

Dear Paul Munz,

Seattle City Light ("SCL") appreciates the opportunity to provide feedback in response to the "Provider of Choice" survey regarding the Post-2028 BPA contract. While SCL will not offer direct answers to the survey, we do provide the following comments regarding a Post-2028 contract.

Current Industry Challenges

The energy industry has seen many developments and changes since the last BPA contract negotiations. Energy policies that were once focused on addressing the Western Energy Crisis have now shifted to concerns including addressing climate change and decarbonizing customers' generation portfolios. Other recent changes involve considering market expansions and studying and addressing regional resource adequacy. More specifically, the Clean Energy Transformation Act (CETA) has and will continue to require significant adjustments to utility business operations and planning. Preparation for and compliance with CETA will require time to implement and should be taken into consideration in the development of the post-2028 contracts. Furthermore, a resource adequacy program under development will affect BPA and preference customers. Implementation of these policies will be ongoing and will require flexibility from BPA.

Another industry change involves the implementation and integration of new technologies. With more customer and utility adoptions of distributed energy resources and local or on-site generation, BPA needs to consider how these resources should be incorporated within its ratemaking methodology and product offerings. BPA's power customers need mechanisms and innovative new designs to accommodate both the overall changes to regional power supplies and changing customer preferences. Like many utilities, SCL is working to offer customer-centric products and programs for its customers, and similarly we look to BPA to adapt and provide choices to preference customers in a future BPA contract.

Finally, due to the COVID-19 pandemic, new challenges and uncertainty have arisen for preference customers. The pandemic has demonstrated that flexibility is crucial in future BPA contracts and should be incorporated in order to allow customers to react and effectively manage such an unexpected event.

As a result, the current backdrop of post-2028 BPA contract negotiations is vastly different from those in previous BPA contract negotiations. Due to these changes, BPA's status quo requires changes to enable partnership between BPA and SCL to continue to provide benefits to the residents and businesses in the City of Seattle. Compliance with and implementation of CETA and other policies, as well as new technological advancements, will require a change from BPA's status quo to allow for customers to adequately adapt to changes within the industry.

SCL Comments

SCL offers comments to address three important elements to assist BPA and customers in accommodating these expected major changes, as well as unexpected events. First, SCL believes that BPA should update its current products and services offered for the upcoming contract period. Second, SCL would benefit from more flexibility in its post-2028 BPA contract. Specifically, SCL is interested in exploring a contract term less than 20 years. By having a shorter term, SCL will be better able to address arising issues within the utility or within the industry, such

as changing customer preferences and unexpected events like COVID-19. SCL may have additional requests regarding flexibility in future discussions. Finally, due to the uncertainty of the present environment, new contracts should account for and allow customers to adjust to changing circumstances. SCL believes that this uncertainty will cause future years to be dynamic; thus, post-2028 BPA contracts must allow for customers to acclimate to the changing nature of this industry. **Part of developing these options will include consideration of appropriate cost implications and responses.**

Products and Services

Regarding products and services, SCL offers the following discussion items (but is not limited to these items). First, SCL would like **consideration of a product that is 100% compliant with CETA by 2030.** Second, SCL would like assurance that any power product will be fully qualified for the NWPP RA program. Third, SCL anticipates much greater load variability due to rooftop PVs and EVs and is interested in what products or services BPA may be willing to offer to support greater load variability.

Flexibility

In addition to a contract term less than 20 years, SCL encourages BPA to consider other areas. One example includes revising the RHWM process to use information in more timely and realistic manner than at present. Contrasting SCL and Snohomish here seems interesting because SCL has its own capacity and Additionally, SCL encourages **BPA to consider and adopt means to ensure that any cost increases are passed on only if they provide greater customer value.** This is not an exhaustive list, and SCL looks forward to discussions with BPA on other items to increase its customers' flexibility.

Future Changing Circumstance

SCL sees several areas of uncertainty (this is not an exhaustive list). A major source is the possibility of declining or increasing loads depending on electrification, economic changes, demographic changes, and other sources of uncertainty. SCL would like greater consideration given to provide customers' ability to modify its BPA purchase in light of changes to the customers' load and supply portfolio. Emergence of a more organized Western Energy Market may create new opportunities for generators and consumers, and SCL encourages BPA to consider future products that may accommodate these possibilities. As transmission constraints continue to emerge, SCL may need flexibility to take power from different points to ensure deliverability, and requests that BPA work with SCL to develop a product or products which provide better alignment between power purchases and durable deliverability.

Conclusion

Seattle City Light looks forward to upcoming discussions with BPA around the challenges SCL and other customers are facing today and expect in the future. Together we will work on the details of these contractual concepts and begin to give shape to the products and services we will require in post-2028 contracts.

Sincerely,

Joy Liechty
Director of Power Management
Seattle City Light

From: Kruse,Pontip K (BPA) - PSE-MEAD-GOB

Sent: Fri Sep 25 09:05:05 2020

To: Olive,Kelly J (BPA) - PSS-6; Mohamoud,Farah A (BPA) - PSS-6; Farleigh,Kevin S (BPA) - PSW-6

Subject: FW: *EXTERNAL*Inland Super Peak Notification FY2022 and FY2023

Importance: Normal

Attachments: image007.png; image008.png; image009.png; image010.png; image011.jpg; image012.jpg; image013.jpg; image014.jpg; image015.jpg; image016.jpg

Hi Post 2028 Team,

Please see Blake's comments regarding Super Peak and scheduling of hours for this product.

Thanks- Pontip

From: Blake Weathers <bweathers@nru-nw.com>

Sent: Thursday, September 24, 2020 11:34 AM

To: Chad Jensen <chadj@inlandpower.com>

Cc: Brian Hess <bhess@inlandpower.com>; Kruse,Pontip K (BPA) - PSE-MEAD-GOB <pkkruse@bpa.gov>;

Andrew McBride <amcbride@inlandpower.com>; Glen Best <glenb@inlandpower.com>

Subject: [EXTERNAL] RE: *EXTERNAL*Inland Super Peak Notification FY2022 and FY2023

Chad,

Good question and never hurts to ask again. The challenge here is our counterparties tend to only deal in diurnal (Heavy Load and Light Load) blocks or ATC (flat block, “around the clock”), so these types of deals create holes in their inventory. The other challenge is we have to notify BPA 11 months in advance and only give us a month or so of notice of what hours are in play (Pontip, perhaps this could be addressed in the Post 2028 contracts ☐)—a counterparty like TransAlta might be able to deal a month in advance but a year out is way for an atypical transaction. And if they were willing to transact, it would require two premiums—one for buying HLH only and another for the oddlot nature of the deal.

All that said, I just sent a note to our counterparties again to see if they had any room for this type of deal. Worst they can say is “no”, right?

Blake

From: Chad Jensen <chadj@inlandpower.com>

Sent: Tuesday, September 22, 2020 4:44 PM

To: Blake Weathers <bweathers@nru-nw.com>

Cc: Brian Hess <bhess@inlandpower.com>; pkkruse@bpa.gov; Andrew McBride <amcbride@inlandpower.com>; Glen Best <glenb@inlandpower.com>

Subject: FW: *EXTERNAL*Inland Super Peak Notification FY2022 and FY2023

Blake,

I recall us looking at this super peak discount during the last BPA rate case and determining that it was not worth pursuing. Do you have the same recollection or do we need to look at this with a fresh perspective? Any insight would be appreciated.

Thanks,

Chad

Chad Jensen | CEO

Inland Power & Light | [10110 W Hallett Rd.](#) | Spokane, WA 99224 |

(509) 789-4230 | (509) 999-0257 |

chadj@inlandpower.com |

T [Follow](#) | **F** [Like](#) | **Y** [Subscribe](#)

From: Kruse, Pontip K (BPA) - PSE-MEAD-GOB <pkkruse@bpa.gov>
Sent: Tuesday, September 22, 2020 4:06 PM
To: Chad Jensen <chadj@inlandpower.com>
Cc: Brian Hess <bhess@inlandpower.com>
Subject: *EXTERNAL*Inland Super Peak Notification FY2022 and FY2023

Dear Chad,

Under section 3.4.4.1 of Inland Power & Light Company's (Inland) Power Sales Agreement, BPA is required to notify Inland of the Super Peak Period for the upcoming Rate Period, Fiscal Year (FY) 2022 - FY 2023. The Super Peak Period hours are as follows (HE = Hour Ending):

October – May HE 7 through HE 9 *and* HE 18 through HE 20

June – September HE 15 through HE 20

Inland is eligible to receive a Super Peak Credit for the upcoming Rate Period. Inland must notify BPA by October 31, 2020, if it is going to reshape some or all of its HLH Dedicated Resource amounts into the Super Peak Period hours listed above to receive a Super Peak Credit. Super Peak Dedicated Resources that are ineligible to utilize the Super Peak Product include:

- Small Non-Dispatchable Resources

- Specified Resources supported with BPA products of DFS, SCS and GMS

Additional information on the Super Peak Credit can be found in section 5.3.4 of the Tiered Rate Methodology.

If you have questions or need clarification, please contact me at (509) 822-4597.

Sincerely,

Pontip Kruse

Account Executive

Pontip Kruse

Power Account Executive|Spokane Office|bpa.gov

Bonneville Power Administration

Office: 509.822.4597 | Mobile: (b)(6)

From: Wilson,Scott K (BPA) - PSW-6

Sent: Fri Oct 02 14:01:21 2020

To: ADL_DIN_ONLY; ADL_DIR_ONLY; ADL_DKE_ONLY; ADL_PEJB_ALL; ADL_PSE_ONLY; ADL_PSS_ALL; ADL_PSSE_ALL;
ADL_PSST_ALL; ADL_PSW_ALL; ADL_TSE_ALL; Bryan,Jason C (TFE)(BPA) - TORW-DITT-1; Conley,Mick E (BPA) - PEK-MEAD-GOB;
Cook,Joel D (BPA) - P-6; Cooper,Suzanne B (BPA) - PT-5; Davis,Reed C (BPA) - KSL-4; Fisher,Daniel H (BPA) - PSR-6;
Goodwin,Summer G (BPA) - DKC-7; Hairston,John L (BPA) - K-7; Hilliard Creecy,Jamae (BPA) - PE-6; James,Daniel M (BPA) - D-7;
Johnson,Tim A (BPA) - LP-7; Ko,Tina G (BPA) - TS-DITT-2; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Mainzer,Elliot E (BPA) - A-7;
Manary,Michelle L (BPA) - F-2; Mohamoud,Farah A (BPA) - PSS-6; Oberhausen,Elizabeth S (BPA) - PD-5; Parker,Nancy (BPA) - PSR-6;
Reller,Mark D (BPA) - DIR-MSGL; Shelton,Valerie M (BPA) - PSSE-MEAD-GOB; Thompson,Kim T (BPA) - PS-6; Warner,Joshua P (BPA)
- DIR-7; Weekley,Annamarie E (BPA) - PTL-5; Whalen,Michelle E (BPA) - DKE-7

Subject: Power AE Bi-Weekly

Importance: Normal

Attachments: AE Bi-Weekly Rept to Admr_20201002.doc

In this report you will learn of the many actions taken by our PSS team to be ready for our new Fiscal Year and where you would have gotten the latest in fashionable quarantine-wear if you had only been on the invite list, a Dam Proud t-shirt. Happy New Year

--Scott



Brisk morning sunrise at Tipsoo Lake, Mount Rainier National Park, Washington.

REQUIREMENTS MARKETING AE REPORT

Customer Report to the Administrator

October 2, 2020

PROGRAMS

Contract Actions

Requirements Marketing has definitely been busy this summer!

The BP-22 Rate Period High Water Mark (RHWM) process was closed out on September 17, 2020 with the posting of the final RHWM outputs and a summary closeout letter to the region. This RHWM process posed several unique difficulties, including conducting all of the public meetings online and incorporating the timing and decisions from the CRSO process. The cross agency team, led by PSS, did a remarkable job presenting elements of the RWHM calculation and responding to our stakeholders. The RHWMs and above RHWM load amounts for all 134 preference power customers will now be used in the BP-22 Power rate case.

Requirements Marketing also prepared Regional Dialogue exhibit revisions for the Slice/Block and Block Net Requirements process. The 13 Slice/Block customers each received the following exhibit revisions:

- Exhibit A (Net Requirements and Resources) to add TRL forecast, Net Requirements, and any newly added Specified Resources;
- Exhibit C (Purchase Obligations) to update Tier 1 Block Amounts;
- Exhibit I (Critical Slice Amounts) to add Critical Slice Amounts, and
- Exhibit K (Annual Determination of Slice Percentage) to update Slice Percentages and Slice Percentage Adjustment Ratios.

In addition, within 60 days of the conclusion of the RHW process, all 13 Slice/Block customers received Exhibit L revisions, as required. The Exhibit L revision captures customers' RHW Augmentation amounts for FY 2022–2023. The three Block customers received revisions to Exhibit A and to Exhibit C only. And lastly, Cowlitz received an Exhibit D revision for continued Liquidated Damages for FY 2021. This sums to 72 total Slice/Block Net Requirements associated exhibit revisions.

On the Load Following front, four customers received an Exhibit A (Net Requirements and Resources) revision to apply PNCA Update Shape for FY 2021. Those same customers along with five Slice customers also received updated CEAEA amounts in Exhibit A for April 2024 through March 2025. The two Load Following customers with Planned NLSL and NLSLs received Exhibit A revisions to update the forecast for FY 2021. Altogether, this added an additional six Exhibit A revisions. Three Load Following customers received Exhibit F (Transmission Scheduling Service) revisions to include updated non-federal resource information for FY 2021.

All 55 customers eligible for Low Density Discount (LDD) were sent letters informing them of their FY 2021 LDD percentage. These percentages will appear on the FY 2021 power bills beginning October 1, 2020.

All Load Following customers have received a Super Peak email notifying them of the Super Peak Period for the FY 2022-2023 rate period. Under the Regional Dialogue contract, Load Following customers with Dedicated Resources may elect to reshape their Heavy Load Hour Dedicated Resource amounts into the Super Peak Period hours to receive a Super Peak Credit. The nineteen customers who are eligible have until October 31 to notify BPA of their election to take the Super Peak Credit.

Altogether Requirements Marketing prepared, conveyed and executed 152 contract actions and this summer. Well done team! (*P. Garrett, 503-230-4553*)

CUSTOMER SPECIFIC

Mason County PUD No. 1

Mason 1 got creative for their Customer Appreciation BBQ this year. The annual event is normally a picnic hosted at their facility but, in light of current social distancing measures, they pivoted to a Drive-Thru format. Customers (by the hundreds) lined up in their vehicles and snaked their way up through the Mason PUD 1 property. They dubbed the pathway “Memory Lane” and posted mini billboards with historical photos of the PUD from their 85 year history. Along the route, customers were treated to several tent-stations with various goodies. The different stations, manned by masked PUD staff, included a stop to pick up an EE kit, a place to pick up a “Dam Proud” t-shirt, and of course the final station to pick up a sack lunch of food prepared by PUD employees and commissioners.



*Celebrating their 85th year under unusual circumstances Mason PUD 1 designed a drive thru Customer Appreciation BBQ.

(M. Perry, 206-220-6779)



Provider of Choice Customer Engagement During 2020

A summary of customers' views on the direction of post-2028 interests, contracts, and rate structure.

October 2020

Table of Contents

1. Executive Summary..... 3

2. The Customer Engagement Process 4

3. Overview of Major Themes from 2020 Engagement 5

4. Uncertainties and Concerns..... 5

5. Interests/Foundational Principles 6

6. Current Contracts and Rate Structure 8

 6(a) Product Considerations..... 8

 6(b) Flexibilities and Considerations for Non-federal Resources..... 9

 6(c) Rate Structure, Rate Case Frequency, High Water Marks, Costs 9

 6(d) Timing for Contract Offers and Term..... 10

7. Preservation of BPA’s Fuel Mix and Compliance with Low-Carbon Legislative Requirements 11

8. Additional Takeaways..... 12

 8(a) Transfer Service..... 12

 8(b) Low Density Discount (LDD) and Irrigation Rate Discount (IRD)..... 12

 8(c) Energy Efficiency 13

 8(d) Staffing and Resources..... 13

9. Moving Forward: Next Steps and Addressing Tough Issues Together 14

1. Executive Summary

In preparation for the long-term Regional Dialogue power sales agreements expiring in 2028, and in order to understand its customers' concerns and their long-term interests and service needs, Bonneville Power Administration (BPA) conducted a Provider of Choice customer engagement initiative between November 2019 and August 2020. During this period, BPA's Power Services customer account executives (AEs) engaged in open conversations with customer utilities regarding post-2028 needs for products, services, contracts and rate structure.

The following are the key themes that emerged from this engagement:

1. *This is a period of significant uncertainty in our industry and region.* Factors including evolving power markets, resource adequacy, legislative uncertainty, the Columbia River Treaty, the future of the Residential Exchange Program (REP), fish and wildlife obligations, and the Covid-19 pandemic make for an extremely dynamic operating environment. These uncertainties make it difficult to predict needs, interests and priorities in the post 2028 world.
2. *Most of the underlying interests and principles that provided the foundation of the Regional Dialogue contracts remain valid, prescient and relevant.* Customers placed particular emphasis on lowest Tier 1 costs and Tier 1 rates, customer/regional support and equity, and promote infrastructure development.
3. *Customers generally feel that the current contracts and rates structure are working well, but would like to see certain key adjustments.* Notably these include increased flexibilities related to customers' election and application of new non-federal resources to serve their loads as well as product modifications that will help utilities meet their peak loads. Customers appreciate the certainty, reliability and ease of operations afforded by their long-term BPA contract and are generally satisfied with the current product mix and tiered rate structure. Customers expressed an interest for more flexibility around the application of new non-federal resources. BPA also heard interest around refining aspects of the Block and Slice/Block products.
4. *There is significant interest for clean, carbon-free product offerings, coupled with a strong desire to preserve BPA's current low-carbon fuel mix.* The ability to comply with existing or anticipated low-carbon legislative requirements will be critical to many utilities. BPA's products will ideally help customers meet legislative requirements; at the very least, they cannot hinder customers' ability to do so.

Beyond these key themes, BPA heard a range of thoughts and opinions on a variety of policy, contract and rate design elements associated with post-2028 service. Customers expressed sometimes mixed views on transfer service, Low Density Discount, Irrigation Rate Discount, energy efficiency, ideas around High Water Mark determinations and other adjustments to rate design and contract details. Tensions and tradeoffs exist when customers prioritize lowest cost rates, affordability and cost control in light of certain programs and service flexibilities.

Moving forward BPA will continue to listen and take feedback, creating ongoing opportunities for customers to communicate their post-2028 needs and wants to BPA. Upon release of this summary paper, BPA's goals are:

1. Reaffirm to preference customers that BPA hears their interests and concerns, and that it is BPA's goal to be their Provider of Choice post 2028; and,
2. Ask customers to confirm and/or refine BPA's key findings.

Through continued AE-led outreach, BPA plans to work with customers through the remainder of calendar year 2020 to further refine the key Provider of Choice themes and interests. In early 2021, BPA will start the iterative process of formulating the policy framework that will set the foundation for post-2028 Provider of Choice contracts and rates. This will involve continued collaboration and forward-thinking policy discussions with customers and representative groups. BPA is targeting late 2021 for the release of a Concept Paper and, beyond that, establishing a path toward contract offers in 2025.

2. The Customer Engagement Process

BPA kicked off the Provider of Choice discussions with preference customers in 2016. At the time, BPA was preparing its 2018-2023 Strategic Plan and contemplating its long-term cost competitiveness goals. Such goals would lend support to BPA's objective of remaining the wholesale power provider of choice when it offers new power sales contracts ahead of October 1, 2028. Through the 2016 Provider of Choice conversations, BPA gained an early understanding of customers' concerns and their long-term interests and service needs. A summary of the feedback gathered during those 2016 conversations can be found at bpa.gov.

In late 2019, BPA initiated a second round of Provider of Choice customer discussions. Led by AEs, BPA wanted to hear about customers' refined needs and interests regarding post-2028 service. While initially planned to conclude in the spring of 2020, this engagement period was extended through the summer to accommodate utilities' responses to the COVID-19 pandemic. BPA developed a number of tools to help facilitate this engagement including a customer questionnaire. Based on customer feedback, BPA decided against issuing the questionnaire as a formal survey, and AEs instead used the questions as a framework for more open, unstructured conversations about customers' post-2028 perspectives.

This summary paper reflects the feedback BPA collected during the customer engagement from November 2019 through August 2020. In addition to hearing feedback directly from customers, BPA also heard from the Public Power Council (PPC) and Northwest Requirements Utilities (NRU), two customer representative groups that advocate for the needs of many of BPA's preference customers.

While BPA reached out to all existing preference customers, some customers were unable to or elected not to participate in the post-2028 conversations during the engagement period. Therefore this summary does not reflect all customers' voices and perspectives, only those that participated. BPA will, of course, continue to listen and take feedback going forward. This

summary paper represents BPA's best attempt to capture customer perspectives. However, without a standardized, formal survey completed directly by customers, the bulk of the data used to inform this summary is secondary in nature, largely having been distilled from notes taken by the AEs of conversations with their customers. Despite best efforts the notes may not have always captured every aspect or nuance of a customer's expressed viewpoint.

3. Overview of Major Themes from 2020 Engagement

The following are the key themes that emerged from many months of conversations with customers. These themes are discussed in greater detail below.

1. This is a period of significant uncertainty in our industry and region.
2. Most of the underlying interests and principles that provided the foundation of the Regional Dialogue contracts remain valid, prescient and relevant.
3. Customers generally feel that the current contracts and rates structure are working well, but would like to see certain key adjustments. Notably these include increased flexibilities related to customers' election and application of new non-federal resources to serve their loads as well as product modifications that will help utilities meet their peak loads.
4. There is significant interest for clean, carbon-free product offerings, coupled with a strong desire to preserve BPA's current low-carbon fuel mix. The ability to comply with existing or anticipated low-carbon legislative requirements will be critical to many utilities.

4. Uncertainties and Concerns

Explicit in some cases and implied in others, BPA heard a theme of concern about a significant number of uncertainties that utilities are facing right now. These uncertainties are associated with processes that utilities do have some ability to influence, but also stem from outside influences that are largely beyond their control. Factors including evolving power markets (e.g. the Energy Imbalance Market (EIM), Day Ahead Market Enhancements, and the proposed Extended Day Ahead Market), potential resource adequacy requirements, electrification, progression of smart grid initiatives, the continued build out of distributed energy resources (e.g. solar and batteries), carbon requirements, and the pandemic (and associated economic and load uncertainties) are some of the significant uncertainties with which utilities, the region, and the energy industry are grappling. These uncertainties create an extremely dynamic market landscape. They challenge the ability of customers, and BPA, to predict how the electricity market will look and operate in the future, and make it difficult to identify priorities post 2028.

BPA overwhelmingly heard that customers appreciate BPA starting the post-2028 Provider of Choice process with a customer-centric focus on engagement. However, while post-2028 is very important to their utilities, staff and resources are limited in these unusual times. Utilities report that they are having to focus on other more pressing near-term issues right now, leaving less bandwidth for post-2028.

Many utilities spoke about the ongoing global pandemic, noting that the longer-term implications are still uncertain. Utilities generally report that loss of load and consumers' non-payment from the pandemic and resulting economic downturn has been less than initially expected, however load uncertainty was named by customers as a continued concern going forward.

Also, there are those issues that utilities feel they have less control over, what one customer dubbed as "the *big 5*": (1) fish and wildlife, (2) Columbia River Treaty, (3) REP, (4) legislative uncertainty, and (5) increased demand on the Federal Columbia River Power System (FCRPS) paired with a declining Tier 1 system capability. Many customers share the concern regarding preference customers' long-term access to clean, affordable federal hydropower by limits placed on the FCRPS because of fish operations and other reasons, as well as cost concerns related to BPA's fish and wildlife program. Legislative uncertainty expressed by customers was most often related to states' carbon legislation and associated resource planning. These concerns were especially notable among utilities that are subject to Washington State's Clean Energy Transformation Act (CETA).

Not unrelated, customers are very concerned about resource adequacy. Customers inquired about BPA's ability or plans to add baseload generating resources, whether BPA would consider adding a capacity product to its offerings, and some expressed uncertainty as to how their utilities will cover their hourly peak for resource adequacy. With increased demand and the potential for FCRPS and Tier 1 system capability declines, customers are also concerned about the dilution of the existing clean/green benefits of the FCRPS, either from BPA's entrance into the EIM or BPA's need to supplement the system to meet energy or capacity shortfalls.

Additionally, uncertainty concerning the REP looms over the post 2028 period, with the expiration of the REP Settlement Agreement coinciding with expiration of BPA's Regional Dialogue contracts in 2028. One customer expressed strong opposition to continued benefits, and other customers cautiously lent support to the region pursuing another settlement. Overall, customers were interested in better understanding the history of the REP and how the region got to the current program and settlement. There was also some concern expressed that "the Residential Exchange will only get larger with carbon legislation and retirements of thermal resources."

In the face of these many significant and varied uncertainties, one customer specifically requested that BPA provide customers with frequent, transparent communications. Keeping customers updated, they indicated, reassures them and helps to provide confidence in BPA and our shared future.

5. Interests/Foundational Principles

When BPA developed its post-2028 questionnaire in preparation for the 2019/2020 customer engagement, one of the key aspects BPA sought to better understand was customers' current priorities and whether they align, create tension with, or overlap with the "interests" or foundational principles of Regional Dialogue. As stated in the Long-Term Regional Dialogue Final Policy, those interests are: 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 BPA stewardship obligations; legality; simplicity; and advancement of national objectives. Given BPA's strategic emphasis on competitiveness and cost control, are these interests still relevant? Do customers want them carried forward into the Provider of Choice policy and contracts?

BPA heard customers' direct or indirect support for most of the Regional Dialogue interests, with primary emphasis on the following three interests:

- (1) Lowest Tier 1 costs and Tier 1 rates (aligns with interests around cost control/affordability);
- (2) Customer/regional support and equity (maximize the value of the existing federal system for preference customers, and ensure an equivalent value proposition between different products); and,
- (3) Promote infrastructure development (including investment in the transmission system, resource development for resource adequacy purposes, and support for customers' integration of renewable resources necessary to meet legislative requirements).

Borrowing the vernacular of BPA's Strategic Plan, BPA has worked diligently in recent years to 'bend the cost curve'. Customers acknowledged BPA's efforts in cost control to date and expressed their expectation that BPA will continue finding ways to control its costs and keep rates competitive. Customers want stable, predictable rates, minimal surcharges and cost control. Some customers also indicated a perspective that infrastructure development will be necessary, constituting a good investment worthy of an associated rate increase, and they are concerned that BPA may defer such maintenance/development costs into the future.

One customer requested that the next contract include a 'most favored nations' clause, generally understood to include terms that ensure all counterparties to an agreement get the same terms at contract execution, and this equivalency is preserved as the contract ages. BPA interprets this sentiment as support for the continuation of BPA's current practice of offering largely standardized contracts—whereby similarly situated customers receive identical contract terms, conditions, and access to services, with limited allowances for unique and special provisions and necessary tailoring of terms to accommodate customers' unique characteristics (e.g. use of third party transmission, or public entity versus cooperative). The interest in a 'most favored nations' clause also validates the continuation of transparency practices such as the Transparency of Net Requirements process. The standardization of contracts and a shared commitment to transparency align with the interests of simplicity, customer support and equity, and lends themselves to contract stability and ease of administration.

Once adopted, the Provider of Choice interests will be the guiding principles for BPA's post-2028 business decisions, informing the policy as well as the contracts. BPA looks forward to continuing the important conversation to formulate these principles with customers in the coming year.

6. Current Contracts and Rate Structure

BPA heard from a vast majority of customers that the existing deal—the service provided through terms and conditions in the existing Regional Dialogue power contracts, coupled with the rate design provided through the Tiered Rate Methodology (TRM)—is generally working well for them. Customers value the consistent terms and equivalent value proposition between different products and contracts. They appreciate the equity provided through the “high water mark” allocation of system costs and benefits. With some exceptions from customers that would prefer shorter contracts, customers appreciate the stability and planning certainty provided via the long term duration of the contracts. There have been no formal contract disputes under the Regional Dialogue contracts.

6(a) Product Considerations

Under Regional Dialogue, BPA offers three products: Load Following, Block, and Slice/Block. A very small number of customers communicated that the current contract is not working for them. There are some customers that would like to see BPA “get out of the box of its current products and services” and seek a new direction. However, the majority of customers that BPA heard from indicated that the current products are working well for their utilities.

Many Load Following customers place high value in the certainty, reliability and ease of operations afforded by their BPA contract. BPA heard from a number of customers that they appreciate not having to think very much about their BPA contracts or wholesale power supply. Block and Slice/Block customers also acknowledged that the basic deal is working well for them, albeit for distinct reasons. Block and Slice/Block customers appreciate the ease with which they can manage more diversified power portfolios of federal and non-federal resources. Likewise, BPA heard that Slice/Block customers value their freedom to pursue varied strategies for hedging and maximizing the value of surplus power in accordance with their own utility’s risk policies.

All this said, customers would like to see some improvements and have begun to offer ideas for desirable changes to the current products, services, and rates.

A common theme around the Load Following product was the interest for a more simplified rate design. Some of these customers noted the complexity of the TRM and its sometimes convoluted billing implications. Some customers expressed interest in a rate design that could be translated into a more traditional \$/MWh rate. Some customers also expressed concern about the reliance on inflexible load forecasts that lock utilities into purchase commitments for the portion of their load above their Rate Period High Water Mark (RHWM).

Current Slice/Block customers would like the ability to purchase an increased amount of Slice. There were various ideas shared around the specific mechanics, but essentially they would like to increase the allowable Slice percentage a customer can buy from today’s roughly 50% of their net requirement. Slice/Block customers are also interested in ways to reduce the Slice product’s operational complexity, which may reduce associated system and staffing costs. In response to changing market conditions, some Slice/Block customers mentioned the need to adjust certain

operational aspects of the product including scheduling timelines, and even contemplated shifting Slice to a day-ahead product. Universally, Slice/Block customers would also like to streamline or altogether eliminate the Requirements Slice Output Test.

Several Block and Slice/Block customers asked BPA to revisit aspects of the Block product to provide customers additional capacity to better meet their peak loads. This includes looking at the Block shaping factors to allow for a block shape that better fits a utility's monthly and diurnal net requirement, looking at adjustments to the Shaping Capacity product, and other ideas including the ability for Slice customers to "trade" Slice capacity amongst themselves to meet peak loads. Several Slice/Block customers also expressed an interest in having BPA pursue a "Peak Net Requirements" process for post-2028 contracts. For some customers, the lack of a Peak Net Requirement mechanism means their Slice/Block requirements purchase leaves them short on capacity at certain times of the year.

6(b) Flexibilities and Considerations for Non-federal Resources

A major area of feedback that spanned across all customer groups is the interest for additional flexibilities when applying non-federal resources to serve load. BPA interprets this request as being driven by the uncertainty utilities are experiencing right now, the prevailing use of market purchases for load service, as well as frustrations with certain aspects of the current Regional Dialogue contracts. Customers have asked for increased flexibilities specifically when it comes to the ability to add and remove resources more nimbly with less advance notice and shorter commitment windows than currently allowed under the Regional Dialogue contracts. Some customers expressed an interest in relaxing aspects of BPA's Tier 1 take-or-pay requirements. There was also interest for raising the size threshold (currently 200 kilowatts) for small resources needing to be metered and tracked in the contract which, customers argue, would make the addition of small renewable resources less onerous and time-intensive. Many customers expressed frustration with both the costs and complexities associated with BPA's offering and pricing of Resource Support Services.

Many customers are eager for further discussion on the treatment of longer-term non-federal storage resources such as batteries and pumped hydro resources. To date, BPA has largely not needed to address such resources in the contract. However, as the region moves forward, given potential resource adequacy requirements and low-carbon legislative mandates, these resources will likely become more common and treatment will need to be clarified for the next contract. Questions posed include: Will BPA treat batteries and pumped hydro as a resource or a load? How would they factor into a utility's net requirement for both energy and capacity?

6(c) Rate Structure, Rate Case Frequency, High Water Marks, Costs

When BPA and its preference customers transitioned from the Subscription contract to Regional Dialogue, it was a complete paradigm shift from melded rates to a tiered rate structure. Equitable access to BPA's lowest cost Tier 1 power, the equitable distribution of costs, and the establishment of cost pools are tenets of the TRM. Though some customers signaled a desire for a different or simpler rate structure, most customers expressed support for the general approach provided through BPA's current tiered rate structure.

Customer feedback on preferred rate case frequency varied, but generally aligned around the cadence of every two to three years, as that was “the sweet spot between too often and not often enough”. By statute, BPA has to conduct 7(i) rate cases no less frequent than every five years. For one utility that prefers rate cases to be held annually, it reasoned that it does not like large rate increases and would rather have smaller rate increases more frequently, making it easier to evaluate and budget on an annual basis. Others state that every two years is too often, preferring every four to five years. One customer commented on the timing of the rate case, stating that, for utility budgeting purposes, finalizing the rate case in May or June would be helpful.

Relative to rates, the tiered rate structure, and the TRM, most customers deferred to high-level comments such as wanting increased simplicity or expressing general satisfaction. However, some utilities were more specific in describing their preferences.

On Contract High Water Marks (CHWM), some customers preferred a rollover of customers’ existing CHWMs into the Provider of Choice contract. Others indicated they will ask for a more wholesale resetting of CHWMs, one that will take into account a utility’s changes in loads and resources. One customer suggested the use of a composite, or average, of some given set of multiple years for setting CHWMs, rather than the use of a single baseline year as was done in Regional Dialogue. Regarding RHWMs, some customers suggested the idea of fixing the size of the Tier 1 system, and thereby fixing RHWMs, by augmenting the system to offset any reductions in system capability, instead of having RHWMs adjust every two years. Such a refinement would provide customers greater planning certainty around their Tier 1 purchase amount. Some customers also suggested a shift to using average water, instead of critical, when determining the size of the Tier 1 system. This approach would increase each customer’s Tier 1 purchase ability, but would reduce the amount of surplus power available for sale (and accordingly reduce the secondary energy credit available for Load Following and Block customers).

Other feedback BPA received regarding rates, charges, and costs include the following ideas:

- Reset contract demand quantities and explore adjusting the demand calculation.
- Retain secondary revenues as a credit based on forecasts or use an after-the-fact rebate based on actuals.
- Rebalance the allocation of costs for generation and flood control on the FCRPS as well as Columbia River Treaty.
- Offer a more attractive, competitively priced New Resource (NR) rate for service to New Large Single Loads that would also be available for Slice/Block customers.

6(d) Timing for Contract Offers and Term

The current timeline that BPA has shared with customers for the preparation of the Provider of Choice post-2028 policy, ROD and contract development has BPA offering and executing contracts at the end of calendar year 2025, just short of three years prior to the anticipated October 1, 2028 start of power deliveries under those contracts. A few customers asked, for different reasons, whether BPA would consider offering contracts prior to 2025, while one

customer expressed that 2025 is too soon. BPA intentionally built flexibilities into its work plan and proposed timeline to allow for process expansion or contraction, as necessary.

Some Washington customers expressed that there are certain key milestone dates of CETA that may necessitate their resource decisions prior to 2025.¹ BPA and customers may decide to further discuss and consider the signing dates and duration of the post-2028 contracts in light of these milestones.

Many customers expressed that they like the security of a long-term, 20-year power sales contract, though some noted a preference for shorter-term contracts if BPA was to deviate significantly from today's contracts and rate design. Customers recognized that BPA's very low-carbon FCRPS is becoming increasingly valuable and desirable, and they want to maximize and lock in their allocation of BPA's supply. BPA prefers a long-term 20-year contract, which is consistent with sound business principles and helps protect its long-term financial stability. Many customers acknowledged that long-term, 20-year contracts are in BPA's best interests, though some expressed trepidation with 20 years given the uncertainties noted earlier. Of the customers that provided post-2028 feedback, they almost universally expressed a desire for contracts between 10 and 20 years, and many customers expressed interest in a 20-year contract if it were to come with off-ramps.

7. Preservation of BPA's Fuel Mix and Compliance with Low-Carbon Legislative Requirements

Utilities throughout the region want BPA to continue to offer clean power and distribute customers' pro rata share of the federal system's environmental attributes; similarly, a significant number of customers punctuated how crucial it will be for BPA to preserve its current low-carbon fuel mix. With the onset of CETA in Washington, together with expectations for similar legislation in Oregon, a large number of customers emphasized that any future BPA service offering must facilitate utility compliance with these low-carbon legislative requirements. One customer described how BPA's future service offerings would ideally help customers comply with these requirements, but at a minimum, they should not be an impediment. In the event that BPA's offerings frustrate utilities' ability to comply, it could materially weigh on these customers' interest in BPA's Provider of Choice products and put BPA's competitiveness in peril.

Stepping back, customers do see BPA's low-carbon fuel mix as an extremely attractive product attribute, one that will likely increase in value as we move toward 2028 and beyond. Some customers also noted appreciation for BPA's willingness to assist smaller utilities with reporting requirements and expressed a desire for BPA to continue this role moving forward.

¹ Under CETA, by 2025 – All electric utilities must eliminate coal-fired generation from rates when serving Washington state customers. 2030 – All electric utilities must be greenhouse gas neutral—for example, remaining carbon emissions are offset by renewable energy, energy efficiency, carbon reduction project investments, or payments funding low-income assistance. 2045 – All electric utilities must generate 100% of their power from renewable or zero-carbon resources.

Source: <https://www.utc.wa.gov/regulatedIndustries/utilities/energy/Pages/CETAoverview.aspx>

Many customers stated that they want BPA to offer a 100% carbon-free product or even a product that could guarantee compliance with CETA. Some customers also expressed a concern for the small amount of carbon emissions in BPA's system mix due to unspecified market purchases and worried how this might impact their compliance with state mandates. Many customers noted concerns around their ability to add and remove new carbon-free non-federal resources when necessary to comply with state requirements. Additionally, BPA heard relatively robust support for nuclear generation, whether in the FCRPS resource mix given its carbon-free, baseload characteristics, or related to the region's utilities pursuing small modular reactors. Interest in some of these product offerings may be constrained by BPA's statutorily-based practice of providing power from a single system with a single fuel mix, but more work may reveal creative solutions. Interest in a low-carbon/carbon-free product may also be constrained by price, as some customers worried that the associated premium will make the product too expensive.

Given the volume and fervor of the feedback BPA received around preserving BPA's fuel mix and the necessity for BPA to offer carbon-free or near carbon-free products, compliance with low-carbon legislative requirements may emerge as a foundational interest for the Provider of Choice contracts.

8. Additional Takeaways

The following topics were also discussed during the customer engagement phase, though with less frequency or emphasis as the topics noted above. BPA anticipates that these topics will feature significantly in the discussions ahead on the Provider of Choice contracts.

8(a) Transfer Service

Transfer service customers expressed significant anxieties around the enormous uncertainties and potential cost exposures they face due to BPA's lack of transmission facilities that extend to their system. These customers advocated for BPA to continue acquiring reliable and consistent transfer service, and to treat these acquisitions as a cost shared amongst all BPA customers. A few transfer customers also specifically requested that BPA continue to provide a certain amount of financial assistance for their non-federal resources used to serve requirement loads above their RHWM. Some customers stressed the critical importance for BPA's continued support of the Regional Dialogue principle that transfer service customers are treated the same as directly connected customers. Other customers expressed an interest in considering alternatives (i.e. exchanges) or a scaling back to the current transfer service program that would present lower costs for Tier 1 rates post 2028. Many customers supported the concept of exploring a shift of all transfer service costs to BPA Transmission.

8(b) Low Density Discount (LDD) and Irrigation Rate Discount (IRD)

Many customers expressed strong support for BPA to continue administering the LDD and IRD programs at current levels, while other customers indicated interest in exploring ways to lower

the costs associated with these programs. A number of customers communicated deep dissatisfaction with the current IRD program, noting inequitable treatment regarding which utilities have grandfathered access to IRD benefits. Such customers would like to see BPA evaluate the eligibility criteria for the program, considering the role of corporate farms, for instance. One customer also requested that BPA look for ways to “reduce the administrative burdens” of the LDD program.

8(c) Energy Efficiency

While the engagement with customers was focused on core power products, rate design and associated policies, BPA did receive feedback on its energy efficiency (EE) program. There was distinct appreciation expressed for the technical expertise that BPA’s EE staff provides, particularly the engineering assistance some customers receive. One customer opined that they would like to see EE staff utilize their expertise more as consultants instead of managing incentives and programs. Some customers expressed a desire for increased self-funding options (up to 100%), while others appreciated the current mix. There seemed to be general support for the basic equity model, which associates a utility’s conservation budget with that customer’s Tier 1 cost allocator (TOCA). Customers also valued the ability for utilities to shift energy efficiency incentive (EEI) dollars between one another. A few customers encouraged BPA to continue or expand its demand response program post-2028, with one utility asking BPA to explore allowing utilities to use their EEI toward renewable resources and/or demand response projects. There was a sentiment shared with BPA that west-side utilities benefit from regional based conservation programs more so than east-side utilities, and that the availability of low cost conservation is diminishing in largely rural and residential areas. Additionally, BPA heard support for increased ease of implementation, flexibility or options for the smaller utilities.

8(d) Staffing and Resources

Staff turnover at utilities and the resulting loss of customer institutional knowledge are concerns across the region. When asked their opinions on the Regional Dialogue policy and contracts, it became clear that many utility staffs, managers and board members would find value in educational materials to either establish a baseline knowledge for newer employees or to refresh memories about the products, services and rate structure that customers currently have. To that end, BPA has developed and launched a [Provider of Choice website](#) that contains various tools and resources, including educational fact sheets on a variety of topics.

Some customers expressed concern with BPA’s current staffing levels, questioning whether current staff levels can support the many initiatives BPA is advancing. Specifically, customers mentioned EIM, EDAM, and post-2028 contract development. BPA also heard feedback that customers need closer, more proactive collaboration between BPA Power and BPA Transmission staff to ensure transmission products and services work seamlessly with post-2028 power contracts.

9. Moving Forward: Next Steps and Addressing Tough Issues Together

This summary paper is a means of sharing the aggregate results of the customer feedback BPA collected during its customer engagement from November 2019 through August 2020. BPA acknowledges that this summary may not be a perfect reflection of customer sentiments and that there may be gaps representing the customers' viewpoints not yet shared with BPA. It is important that customers know that this is just the beginning. BPA will continue to create the time and space for customers to engage in these conversations and communicate their post-2028 needs and wants to BPA.

In releasing this summary paper BPA wants to:

1. Reaffirm to preference customers that we hear their interests and concerns, and that it is BPA's goal to be their Provider of Choice post 2028.
2. Offer customers the opportunity to confirm and refine key findings and contemplate the following questions:
 - Did BPA hear the customers' concerns and interests correctly?
 - Have the pandemic, economy, legislative environment and other recent factors changed the perspectives reflected in this document?

Through continued AE-led outreach, BPA plans to work with customers through the remainder of calendar year 2020 to further hone in on the key Provider of Choice themes and interests. In early 2021, the focus will turn toward the development of a Concept Paper. With the results of the customer engagement, BPA expects to have sufficient feedback to begin the iterative process of aligning around the high-level Provider of Choice contract principles, rate structure, products, and policy direction. This effort will consist of extensive outreach and partnering with customers and customer representative groups, in addition to BPA's internal analysis and policy development.

As BPA transitions into these iterative policy discussions that will inform the late-2021 Concept Paper, BPA anticipates customers and other stakeholders will also start regional consideration around some of the more challenging policy questions. BPA invites customers, trade groups, and other stakeholders to assist in the consideration and analysis of the following questions (among others):

- Is it correct that customers want to maintain today's basic product mix and tiered rate design? Should BPA consider changing the methodology of CHWM determinations? RHWM process?
- How should BPA manage implications for the carbon content of the federal system, either good or bad, if BPA needs to augment the system?
- If a resource adequacy standard is enacted, what role should BPA's products serve? How should BPA's product mix respond to the customers' need for additional capacity to meet peak loads?

- Should BPA consider product refinements to allow for more flexible addition or removal of non-federal resources? What might be the trade-offs?

BPA looks forward to the thoughtful conversations, collaboration and healthy Provider of Choice policy debates in the coming years as the region, together, advances toward the next phase of BPA's policy and contracts to extend the Pacific Northwest's rich history of low-cost, reliable and low-carbon public power for regional benefit into the future.

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:17:15 2020

To: Scott Coe (sacoe@epud.org)

Cc: Kyle Roadman <Kyle@epud.org> (Kyle@epud.org)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Hi Scott,

As mentioned in my email yesterday, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to talk about the summary paper and get any thoughts and/or feedback Emerald would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:27:11 2020

To: John Dietz (jcd@mc-power.com); Jamie Philips (jip@mc-power.com)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning John and Jaime,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:28:23 2020

To: Chuck Thurman (CTHURMAN@ci.monmouth.or.us)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Chuck,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:29:31 2020

To: Randy Grove (rgrove@cencoast.com); Brandon Hignite (bhignite@cencoast.com)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Randy and Brandon,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:30:37 2020

To: Brian Boswell (bboswell@cowcreek.com)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Brian,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:31:27 2020

To: Dan Chandler (citymanager@ci.bandon.or.us)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Dan,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:32:17 2020

To: Thomas McBartlett III (thomas.mcbartlett@ashland.or.us)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Tom,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:40:50 2020

To: city.admin@cityofdrain.org

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Steve,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:47:43 2020

To: Yvette Armstrong; 'cwyatt@bbec.org' (cwyatt@bbec.org)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Yvette and Christina,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:49:43 2020

To: Holly Dohrman (HDohrman@franklinpud.com); Brian Johnson (bjohnson@franklinpud.com); Richard Sargent (RSargent@franklinpud.com)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Holly, Brian, and Richard,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:50:32 2020

To: dunnr@bentonpud.org; whitek@bentonpud.org

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Rick and Kevin,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:51:24 2020

To: Mike DeMott (MDeMott@klickpud.com)

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Mike,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:52:14 2020

To: CWhitney@Cl.RICHLAND.WA.US; Edgemon, Sandi

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Clint and Sandi,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:53:32 2020

To: steve@bentonrea.org

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Steve,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:54:51 2020

To: Watkins, Mike (Mike.Watkins@milton-freewater-or.gov); Barbara.Chadek@milton-freewater-or.gov

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Mike and Barbara,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:54:51 2020

To: Watkins, Mike (Mike.Watkins@milton-freewater-or.gov); Barbara.Chadek@milton-freewater-or.gov

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning Mike and Barbara,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Thu Oct 08 11:55:59 2020

To: 'Ortiz, Dickie J'

Subject: Post-2028 Provider of Choice Engagement Summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; Final 2020 Prov of Choice Customer Engagement Summary_10_07_2020.pdf

Good morning DJ,

As a follow-up to the Post-2028 customer engagement discussions, BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). I have also attached a copy of the summary to this email.

As you may know, in 2016 BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

After you have had a chance to review, I would be happy to set up a meeting to discuss the summary paper and get any thoughts and/or feedback you would like to share.

Please let me know if you have any questions.

Thanks,

Lindsay

Lindsay Bleifuss

Power Account Executive | Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5338

From: Farleigh, Kevin S (BPA) - PSW-6

Sent: Thu Oct 08 13:40:39 2020

To: Farleigh, Kevin S (BPA) - PSW-6

Bcc: Farleigh, Kevin S (BPA) - PSW-6; 'Carol R Sullivan (csullivan@canbyutility.org)'; 'jeffn@subutil.com'; 'BobF@subutil.com'; 'TracyR@subutil.com'; 'Megan.Capper@EWEB.ORG'; 'Catherine.GRAY@eweb.org'; 'thaymaker@clarkpud.com'; 'gzimmerman@cascade-locks.or.us'; Altman, Brian D (TFE)(BPA) - TSE-TPP-2; Sweeney, Charles R (TFE)(BPA) - TSE-TPP-2; 'Dan Murphy (dmurphy@canbyutility.org)'; 'Dan Bedbury (DBedbury@clarkpud.com)'; 'Randy Payne (rpayne@skamaniapud.com)'; 'mbabbitts@clarkpud.com'; 'khormann@forestgrove-or.gov'; 'pdowney@forestgrove-or.gov'; 'jgoodman@skamaniapud.com'; 'SCHROETTIG Matthew (Matthew.Schroettig@EWEB.ORG)'; 'Tony Schacher (schacher@salemelectric.com)'; 'Libby Calnon (libbyc@hrec.coop)'; Lockman, Christopher L (BPA) - TSE-TPP-2; Simpson, Troy D (BPA) - TOI-DITT-2

Subject: Provider of Choice Customer Engagement Summary Posted

Importance: Normal

Greetings,

As you're likely aware, starting in late 2019 BPA initiated a Provider of Choice engagement with preference customers to start discussions around post-2028 contracts. Through this engagement BPA was looking to gain an updated sense from customers about your interests, concerns and priorities as we look toward the post-2028 period and beyond. Today BPA posted its Provider of Choice Engagement Summary, a document which highlights key themes and feedback from this engagement. That document is posted on the Provider of Choice [webpage](#) and can be accessed directly at: [Customer Engagement Summary](#).

Going forward, BPA is interested in continuing the customer engagement to confirm and refine these key takeaways. Then in 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021.

If you have any questions or additional feedback on this, please don't hesitate to contact me. More to come on all this to be sure!

Best,

Kevin

Kevin Farleigh
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: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:38:01 2020

To: 'ssimms@ppcpdx.org'; 'Irene Scruggs'; Michael Deen (mdeen@ppcpdx.org)

Cc: Green, Laura E (TFE)(BPA) - TSE-TPP-2

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:39:57 2020

To: 'jfrancisco@nru-nw.com'; joliver@nru-nw.com; 'mstratman@nru-nw.com'; Zabyn Towner; 'bweathers@nru-nw.com'

Cc: Schimmels, Nancy M (BPA) - PSE-MEAD-GOB

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Knowing that Nancy is currently in a place with spotty internet I am passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott for Nancy

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:39:57 2020

To: 'jfrancisco@nru-nw.com'; 'joliver@nru-nw.com'; 'mstratman@nru-nw.com'; Zabyn Towner; 'bweathers@nru-nw.com'

Cc: Schimmels, Nancy M (BPA) - PSE-MEAD-GOB

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Knowing that Nancy is currently in a place with spotty internet I am passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott for Nancy

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Scott Coe

Sent: Thu Oct 08 21:40:03 2020

To: Wilson,Scott K (BPA) - PSW-6

Cc: Bleifuss,Lindsay A (BPA) - PSW-6; Kyle Roadman

Subject: [EXTERNAL] Re: New Contracts

Importance: Normal

The 6W contract

Sent from my iPhone

On Oct 8, 2020, at 9:32 PM, Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov> wrote:

BPA. We're Wattsup When What you Want is Watts

From: Scott Coe <sacoe@epud.org>

Sent: Thursday, October 8, 2020 2:47 PM

To: Bleifuss,Lindsay A (BPA) - PSW-6 <lableifuss@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Cc: Kyle Roadman <Kyle@epud.org>

Subject: [EXTERNAL] New Contracts

Dear AE and Super AE,

It looks like you all are settling in on POC for the new contract description, much like we have R.D. now.

Before the concrete dries, might I suggest that you aren't proving "choice", you are providing "Watts". Like kilo Watts, mega Watts, etc.

So,

I'd like to suggest the next generation contracts be termed:

Provider of Watts contracts.

Thank you for your consideration,

YFGM

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:41:07 2020

To: 'bessex@cowlitzpud.org'; 'cvelat@cowlitzpud.org'; Christopher Allen (callen@cowlitzpud.org); 'dcarlson@cowlitzpud.org'

Cc: Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:41:35 2020

To: 'mjames@ghpud.org'

Cc: Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:42:41 2020

To: Paul Dockery (PDockery@clatskaniepub.com); 'Arin Guillory'; Ian Bledsoe (IBledsoe@clatskaniepub.com)

Cc: Altman, Brian D (TFE)(BPA) - TSE-TPP-2

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:43:17 2020

To: Michael J. Sykes; 'Heidi Ralls'

Cc: Altman, Brian D (TFE)(BPA) - TSE-TPP-2

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Oct 08 21:43:39 2020

To: David R. Trambly (dtrambly@wahkiakumpud.org); 'ewilson@wahkiakumpud.org'

Subject: Provider of Choice Customer Engagement Summary

Importance: Normal

Passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Irene Scruggs

Sent: Fri Oct 09 07:44:51 2020

To: Wilson,Scott K (BPA) - PSW-6; Scott Simms; Michael Deen

Cc: Green,Laura E (TFE)(BPA) - TSE-TPP-2

Subject: [EXTERNAL] RE: Provider of Choice Customer Engagement Summary

Importance: Normal

Thank you, Scott! It's looking good and I especially like the educational materials. I hope we can continue to build that library. Thanks again!

Irene

From: Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Thursday, October 8, 2020 9:38 PM

To: Scott Simms <ssimms@ppcpdx.org>; Irene Scruggs <iscruggs@ppcpdx.org>; Michael Deen <mdeen@ppcpdx.org>

Cc: Green,Laura E (TFE)(BPA) - TSE-TPP-2 <legreen@bpa.gov>

Subject: Provider of Choice Customer Engagement Summary

Passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you

through work and phases to come.

--Scott

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

From: Zabyn Towner

Sent: Fri Oct 09 08:13:36 2020

To: Wilson, Scott K (BPA) - PSW-6

Subject: [EXTERNAL] RE: Provider of Choice Customer Engagement Summary

Importance: Normal

Thanks Scott. Happy Friday!

From: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Thursday, October 8, 2020 9:40 PM

To: John Francisco <jfrancisco@nru-nw.com>; Jarek Oliver <joliver@nru-nw.com>; Megan Stratman <mstratman@nru-nw.com>; Zabyn Towner <ztowner@nru-nw.com>; Blake Weathers <bweathers@nru-nw.com>

Cc: Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Subject: Provider of Choice Customer Engagement Summary

Knowing that Nancy is currently in a place with spotty internet I am passing along that we have published a summary of what we have hear so far in the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#). Looking forward to continuing to partner with you through work and phases to come.

--Scott for Nancy

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028

service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021

Post-2028 Slice/Block Product

Concepts for Consideration



Overview

Objective & topics for today's discussion

Objective: Further discussion with BPA to improve the Slice/Block product offering post-2028.

Slice

We want BPA to offer a Slice product post-2028

We like the flexibility of the Slice product and are comfortable with the existing design

We understand that BPA has concerns about scheduling uncertainty

We are also open to discussing ways to simplify product and reduce administrative overhead.

Capacity

We have concerns about our ability to meet peak loads

We don't think the current Slice/Block product will meet our needs post-2028

We have proposed some ideas for product modifications

We look forward to further developing these or other ideas to address these concerns

RD Slice/Block Product

Current State

1. Slice/Block offers various attributes Preference customers value:

- “Local control” of a resource within Federal operating constraints
- Operational flexibility when available
- Water and Wholesale Price hedge for BPA

} Win/Win

2. Ongoing and long history of collaboration between BPA and Customers

- Well-informed and engaged vendor/customer relationships
- Current efforts to align Slice in anticipation of expected EIM operations
- Successful implementation of CRSO EIS spill requirements
- Performance tests demonstrate Slice model accuracy

Overview

Capacity Proposal

Enable Pairing with Slice

- Flat Annual Block
- Flat Monthly Block
- Monthly Diurnal Block (HLH/LLH)
- Monthly Diurnal Block with Shaping Capacity

Slice Product

- Slice/Block Ratio
- Slice Exchanges
- Tier-2 Slice

Post-2028 Slice/Block Product

Next Steps Dialogue

1. Slice Customers shared concepts for improving post-2028 product offering; await BPA feedback.
2. Further develop concepts for improving Slice/Block product options
3. Explore ways to reduce operational overhead of Slice
4. Work collaboratively to reduce short-term scheduling uncertainty

From: Mantifel,Russell (BPA) - PGL-5

Sent: Tue Oct 13 11:56:38 2020

To: Baron,Elizabeth M (CONTR) - PGL-5

Subject: FW: [EXTERNAL] Slice SIG: Exec Meeting Agenda and Presentation

Importance: Normal

Attachments: Executive Post-2028 Slice v2.pdf; AGENDA October 14 2020 Slice_BPA v0.docx

Hi Liz,

Can you make sure everybody internally has this that's in the meeting tomorrow.

From: Kevin Kytola <kkytola@sapereconsulting.com>

Sent: Friday, October 9, 2020 9:28 AM

To: Mantifel,Russell (BPA) - PGL-5 <rxmantifel@bpa.gov>; Barham,Theodore J (BPA) - PGL-5 <tjbarham@bpa.gov>

Subject: [EXTERNAL] Slice SIG: Exec Meeting Agenda and Presentation

Hi Russ and Ted,

Happy Friday!

Attached are two files:

1. the agenda for the executive meeting next Wednesday
2. the post-2028 concept slides that the customers will talk to

Let me know if you have any questions or additional input leading into next week's meeting.

Have a great weekend

Kevin

Kevin Kytola

Sapere Consulting, Inc | 109 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
Wednesday October 14, 2020
2:00 pm - 3:30 pm

Please join meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/975154957>

You can also dial in using your phone.

(408) 650-3123; Access Code: 975-154-957

ATTENDEES:

Customers: Slice SIG and Executive representatives

BPA: Joel Cook, Kim Thompson, Kieran Connolly, Kyna Alders, Rachel Dibble, Scott Wilson, Kevin Farleigh, Kelly Olive, Russ Mantifel

AGENDA (times are approximations):

Welcome & Introductions	2:00 pm
1. EIM Phase III Engagement	2:10 pm
2. Post-2028 Product Concepts	2:30 pm
3. Resource Adequacy	3:00 pm
Adjourn	3:30 pm

From: Thompson, Kim T (BPA) - PS-6

Sent: Thu Oct 15 14:52:31 2020

To: Wilson, Scott K (BPA) - PSW-6; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB; Fisher, Daniel H (BPA) - PSR-6

Subject: FW: Northwest Irrigation Utilities Letter Regarding IRMP

Importance: Normal

Attachments: NIUIRMPLetter10-20.pdf; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Hi – sharing the attached, and would love your input regarding how the NIU meeting proceeded. I'm not sure if I'm misreading the tone of the letter, but it seems like they're a little unnerved. Did you signal any specific risk to the IRD continuance, or was your message more along the lines of our continued need to rigorously manage costs and affirm the value inherent in attributes or benefits we embed?

I have my next normally scheduled meeting with John next Tuesday, and I'm sure he will mention this (along, possibly with initial reaction to the Post 2028 customer engagement summary). I'd appreciate any insights you have ahead of that.

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

From: John Francisco <Jfrancisco@nru-nw.com>
Sent: Thursday, October 15, 2020 2:36 PM
To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Cc: Hairston, John L (BPA) - K-7 <jlhairston@bpa.gov>; Cook, Joel D (BPA) - P-6 <jdcook@bpa.gov>
Subject: [EXTERNAL] Northwest Irrigation Utilities Letter Regarding IRMP

Good Afternoon Kim,

I hope you are able to enjoy some of this glorious fall sunshine!

Please find attached a letter from Northwest Irrigation Utilities discussing the importance of the Irrigation Rate Mitigation Product to the many rural communities sustained by irrigated agriculture.

I look forward to working with you on this critical issue as Post-2028 contract discussions heat up.

Sincerely,

John



Northwest Irrigation Utilities

(503) 233-5823
Fax (503) 233-3076
825 NE Multnomah, Suite 1135
Portland, Oregon 97232

October 15, 2020

Kim Thompson
Bonneville Power Administration
Portland, OR 97232

Submitted via email

RE: Irrigation Rate Discount

Dear Kim,

Northwest Irrigation Utilities (NIU) is submitting this letter as follow up to the dialogue between the NIU Board and BPA staff who attended the NIU meeting on August 5, 2020. We appreciate the time committed by the staff who attended the meeting, their engagement with our board and candor in their comments regarding the Irrigation Rate Mitigation Product (IRMP); BPA staff in attendance were Nancy Schimmels, Scott Wilson and Daniel Fisher.

BPA has a long-standing history, dating back to the early 1940's, of providing an irrigation specific power rate for irrigation loads serving agriculture in the region. Irrigated agriculture was identified as a key economic engine then and the importance of growing the agricultural sector and the many challenges faced by it were some of the primary drivers for the creation of an irrigation specific rate long ago. Many years have passed and little has changed. Irrigated agriculture still plays a crucial economic role in our region while facing tremendous uncertainty and financial hardships that are beyond the control of irrigators.

The Irrigation Rate Mitigation Product has taken many forms over the years but has persisted as a tremendously valuable constant that has allowed NIU member utilities to be affordable providers of electricity to irrigators. The effect of affordable electricity goes well beyond simply lowering electricity bills for irrigators. Affordable electricity lowers the cost of crops that feed millions of people and creates a significant number of jobs in the industries and services that support irrigated agriculture. Sustaining irrigated agriculture is critically important to sustaining rural farming communities.

Termination of the IRMP would have immediate and detrimental impacts on the communities served by NIU member utilities. As we look forward to working with BPA to craft Post-2028 contracts that will replace Regional Dialogue contracts, we want to stress the importance of including the IRMP in future contracts. We appreciate and support BPA's efforts to curtail costs where appropriate in the face of competitive pressures. However, reducing the relatively minor overall cost of the IRMP would run contrary to BPA's long standing mission of providing equity to the rural communities of the Northwest who were passed by when investor owned utilities were electrifying the west, and public power was created to fill the void. The harm brought to rural communities from discontinuing the IRMP would far outweigh any minor benefits that might be experienced by the broader BPA customer group.

We realize that both NIU and BPA have new staff working in areas that touch the IRMP and we will be making a concerted effort to share the importance of this product to the utilities who qualify for it and the positive downstream impacts to the communities they serve. We will also make ourselves available to BPA staff for dialogue and specific information whenever needed as discussions around Post-2028 efforts increase and we work towards determining what provisions are included in the next contracts.

We have been encouraged by feedback from senior staff thus far and look forward to working with you and other staff to retain the benefits the Irrigation Rate Mitigation Product provides to the many rural communities who rely on it as they fight to preserve their way of life.

Respectfully Submitted,



John Francisco, Northwest Irrigation Utilities

CC:

John Hairston

Joel Cook

From: Wilson,Scott K (BPA) - PSW-6

Sent: Thu Oct 15 16:47:32 2020

To: Johnson,G Douglas (BPA) - DK-7; Thompson,Kim T (BPA) - PS-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB

Cc: Goodwin,Summer G (BPA) - DKC-7; Helms,Michelle R (BPA) - DKP-7; Farleigh,Kevin S (BPA) - PSW-6

Subject: RE: Provider of Choice fall 2021 summary report

Importance: Normal

Absolutely it will be public. We are calling that document “the concept paper” and it will be where we start to lay out some early direction on future contracts and rates in the Provider of Choice contracts.

--Scott

From: Johnson,G Douglas (BPA) - DK-7 <gdjohnson@bpa.gov>

Sent: Thursday, October 15, 2020 3:52 PM

To: Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Cc: Goodwin,Summer G (BPA) - DKC-7 <sggoodwin@bpa.gov>; Helms,Michelle R (BPA) - DKP-7 <mrhelms@bpa.gov>

Subject: Provider of Choice fall 2021 summary report

During John Hairston’s Clearing Up interview, the subject of the next round of comments came up. John mentioned we will issue a summary report next fall that will lead into more detailed discussions about our next round of contracts. CU asked if we intend to make the summary report public. John asked me to check with you

and see what our plans are. Please let me know. Thanks.

From: Johnson,G Douglas (BPA) - DK-7

Sent: Thu Oct 15 16:57:57 2020

To: Wilson,Scott K (BPA) - PSW-6; Thompson,Kim T (BPA) - PS-6; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB

Cc: Goodwin,Summer G (BPA) - DKC-7; Helms,Michelle R (BPA) - DKP-7; Farleigh,Kevin S (BPA) - PSW-6

Subject: RE: Provider of Choice fall 2021 summary report

Importance: Normal

Thanks Scott. I'll pass that info along to the boys at Clearing Up. As always, appreciate the help.

From: Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Thursday, October 15, 2020 4:48 PM

To: Johnson,G Douglas (BPA) - DK-7 <gdjohnson@bpa.gov>; Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Cc: Goodwin,Summer G (BPA) - DKC-7 <sggoodwin@bpa.gov>; Helms,Michelle R (BPA) - DKP-7 <mrhelms@bpa.gov>; Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>

Subject: RE: Provider of Choice fall 2021 summary report

Absolutely it will be public. We are calling that document "the concept paper" and it will be where we start to lay out some early direction on future contracts and rates in the Provider of Choice contracts.

--Scott

From: Johnson,G Douglas (BPA) - DK-7 <gdjohnson@bpa.gov>
Sent: Thursday, October 15, 2020 3:52 PM
To: Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>
Cc: Goodwin,Summer G (BPA) - DKC-7 <sggoodwin@bpa.gov>; Helms,Michelle R (BPA) - DKP-7 <mrhelms@bpa.gov>
Subject: Provider of Choice fall 2021 summary report

During John Hairston's Clearing Up interview, the subject of the next round of comments came up. John mentioned we will issue a summary report next fall that will lead into more detailed discussions about our next round of contracts. CU asked if we intend to make the summary report public. John asked me to check with you and see what our plans are. Please let me know. Thanks.

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB

Sent: Fri Oct 16 07:32:15 2020

To: Thompson,Kim T (BPA) - PS-6; Wilson,Scott K (BPA) - PSW-6; Fisher,Daniel H (BPA) - PSR-6

Subject: RE: Northwest Irrigation Utilities Letter Regarding IRMP

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Good morning Kim,

Scott covered the outcome of our meeting very well. There had been concern expressed to me that with the transition of staff (and that many have retired) current BPA staff may not realize the importance of the IRD to our customers as we move into our next round of contracts. The meeting was to reinforce the importance with senior managers and I believe this letter is to ensure the execs are aware of it too.

Thanks,
Nancy

Sent from Workspace ONE Boxer

On Oct 16, 2020 8:05 AM, "Thompson,Kim T (BPA) - PS-6" <ktthompson@bpa.gov> wrote:

Scott – thank you so much for the share-out on the NIU meeting. I am pleased it was constructive – and thinking again about John's letter, I am betting it was designed to get IRP importance into executive minds – given especially that John cc'd Joel and John H. on the letter as it came in.

Enjoy Wyoming! (I expect you're already on your way by now!)

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | C (b)(6)

From: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Thursday, October 15, 2020 4:44 PM

To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Fisher, Daniel H (BPA) - PSR-6 <dhhfisher@bpa.gov>

Subject: RE: Northwest Irrigation Utilities Letter Regarding IRMP

Hi Kim

Our conversation with NIU was very positive and a nice chance to hear from John's members about how important the discount has been for them. It seemed like they just wanted to stay on our radar and we encouraged them to continue to work with us and stay vigilant and connected to our future policy discussions because of the fact that in light of BPA's focus on our costs all programs and expenses would be under scrutiny. I think we all came away thinking it was a good first conversation and that we would hear more over time. I think this is just John and his group reaching out to make sure it's on your radar too since Requirements Marketing is where the magic happens

around our rates and they are perhaps a bit unnerved about how little connection some of our upper executives have to this long standing program. Your meeting next week with John will be a good time continue the conversation with John and let him know you understand the importance of this issue to this group. Have fun.

--Scott

From: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>

Sent: Thursday, October 15, 2020 2:53 PM

To: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Fisher, Daniel H (BPA) - PSR-6 <dhfisher@bpa.gov>

Subject: FW: Northwest Irrigation Utilities Letter Regarding IRMP

Hi – sharing the attached, and would love your input regarding how the NIU meeting proceeded. I'm not sure if I'm misreading the tone of the letter, but it seems like they're a little unnerved. Did you signal any specific risk to the IRD continuance, or was your message more along the lines of our continued need to rigorously manage costs and affirm the value inherent in attributes or benefits we embed?

I have my next normally scheduled meeting with John next Tuesday, and I'm sure he will mention this (along, possibly with initial reaction to the Post 2028 customer engagement summary). I'd appreciate any insights you have ahead of that.

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | C (b)(6)

From: John Francisco <Jfrancisco@nru-nw.com>

Sent: Thursday, October 15, 2020 2:36 PM

To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>

Cc: Hairston, John L (BPA) - K-7 <jlhairston@bpa.gov>; Cook, Joel D (BPA) - P-6 <jdcook@bpa.gov>

Subject: [EXTERNAL] Northwest Irrigation Utilities Letter Regarding IRMP

Good Afternoon Kim,

I hope you are able to enjoy some of this glorious fall sunshine!

Please find attached a letter from Northwest Irrigation Utilities discussing the importance of the Irrigation Rate Mitigation Product to the many rural communities sustained by irrigated agriculture.

I look forward to working with you on this critical issue as Post-2028 contract discussions heat up.

Sincerely,

John

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Fri Oct 16 09:05:12 2020

To: Farleigh,Kevin S (BPA) - PSW-6; Olive,Kelly J (BPA) - PSS-6; Mohamoud,Farah A (BPA) - PSS-6

Subject: Post 2028 Summary Feedback

Importance: Normal

Attachments: Post 2028 Summary Feedback.docx

Notes from my meeting with Franklin and what I shared at AE/Call. It may seem a bit unorganized because I just typed as they spoke.

Please let me know if you have questions.

Thanks!

Lindsay

Post-2028 Summary Engagement Feedback from Franklin PUD

SIG group with Joel Cook and Kim Thompson, Franklin felt a little discouraged after meeting. They have been working as a Slice group as possible changes to the contract, eg what they presented to me and small slice group. Executives mentioned a couple times needing to ensure there is equity among the products, and then finished comments with our current contract is equitable. Felt like the conversations were being shut down rather than open to new ideas. Felt a little bit like there was an attitude that slicers are trying to get some extra benefit that isn't there under current contract.

There are definitely positives with current contract, but it was discouraging to feel an underlying vibe that slicers are trying to tip the scale to the slice side instead of BPA. The idea Franklin brought forward were thought of as a win-win and not a tip towards slice. It was discouraging to hear that the conversation has closed before it even started.

The meeting was presented a lot by Tacoma and Tacoma's positions (block and changes to block) whereas Franklin would like to see some changes to slice and if there is more water during the years.

Bluntly, what franklin feels is that changes to block create additional water and financial risk to BPA because it's a firm obligation. The changes to slice, level 1 and level 2 options, is a risk transferring device to customers. Creates a financial hedge for BPA by charging customers more money for these tiers of slice.

What we don't want to get lost, if this block idea is non-starter, let's ignore the slice idea as well.

Will continue to push the option to buy additional slice until BPA tells us no. Provides regional benefit by guaranteeing financial certainty. Seems like transferring slice between customers would leave BPA revenue neutral. The idea is not to create a more cumbersome product or riskier, the details/nuances have yet to be worked out.

The concept of the tiers of slice also works well with the current computer application. From a programming perspective, it is just a simple change in slice numbers. They understand there is a price premium and are willing to pay more for second tier of slice. Franklin is prepared to manage the risk associated with that. Franklin feels they have more flexibility than BPA. It would even transfer the CAISO settlement to Franklin.

Other Slice customers may have felt the same way. There was some communication about the tone between Slicers. Slice customers all have their own interests and ideas, but felt that new ideas were being shut down. Whatever options BPA is willing to entertain, customers would like to be at the table to talk about them. Transferring Slice, as long as BPA revenue is neutral, what is the harm in transferring slice between customers?

The SIG group as a whole comes down to flexibility. They are limited now, but through BPA and some creative thinking, we can solve this. With limited risk to BPA.

Every single slice customer likes the flexible slice option, including Tacoma, but they prefer the block option a little more.

The Slice/Block product, works for different size utilities, we just need some additional flexibility for changes in load that were not considered in RD. When asked 5 years ahead of time where loads are going to be, that is too long for a utility guess and commit.

Franklin would like another call me, Russ, and Kevin. As to not confuse the two concepts at the same time. Could have TEA on the call as well if we want to get more technical. And then hear if there are issues with the proposal so customers can work through it. If BPA is seeing red flags, they want to know so they can understand what the red flags are. Kevin indicated his gut feel was that additional slice flexibility would not require a whole rewrite of the contracts.

I don't think anyone wants to go through a whole rewrite, incremental changes would be ideal. Win for all.

Slice ideas need to be evaluated individually and not in the collective. Do not shut down all ideas at once. Evaluate each individually.

Summary document did a great job of capturing customer feedback. Very appreciative of the dialogue and want to continue to work together.

There is not a divide among slice customers, it's just the block presentation was at the beginning of the SIG. We all want more flexibility.

From: Megan Stratman

Sent: Mon Oct 19 08:45:02 2020

To: Farleigh, Kevin S (BPA) - PSW-6

Subject: [EXTERNAL] RE: Post-2028 question

Importance: Normal

Thank you, Kevin, this is very helpful!

Megan Stratman

Rates and Policy Director

Northwest Requirements Utilities

mstratman@nru-nw.com

Cell: 503-957-3294

This email may contain confidential or privileged information. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient or have received this email in error, notify the sender immediately and destroy the material in its entirety, whether in electronic or hard copy format. Any unauthorized copying, disclosure or distribution of the material in this email is strictly forbidden. Thank you.

From: Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Sent: Monday, October 19, 2020 8:44 AM
To: Megan Stratman <mstratman@nru-nw.com>
Subject: RE: Post-2028 question

Morning Megan,

That would certainly be a part of this – that the customers are generally okay and accepting of the overall deal as a package. Among other things, that would reflect an equitable/equivalent value proposition across the different product types so that regardless of who you are (how big/small, non-fed resources or not, LF or Slice), you’re still getting a fair and equitable share of the benefits.

In term of “customer/regional support”, think there’s also an element of securing the value of the existing system for regional benefit. We heard concerns about system benefits and value being accessed or sold to California or other extra-regional interests. And for many of the customers we heard from, I would include in this an even finer point which is that these benefits should be preserved for *preference customers*. Among other places, these themes came up when discussing the potential term of the agreement; that a longer-term agreement would help create certainty and preserve these customer/regional benefits further into the future.

Hope this helps.

Kevin

503-203-4055

From: Megan Stratman <mstratman@nru-nw.com>
Sent: Friday, October 16, 2020 2:15 PM
To: Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Subject: [EXTERNAL] Post-2028 question

Hey Kevin, I am reading the summary document and have a question. If it's easier to talk through on the phone, just let me know.

In the discussion of RD interests and whether customers find them applicable to post-2028, #2 is "customer/regional support and equity." I understand what "equity" refers to, but I'm not sure I understand what "customer/regional support" refers to? Is that simply reference to customers generally being okay with whatever the offered contracts are?

Thanks!

Megan Stratman

Rates and Policy Director

Northwest Requirements Utilities

mstratman@nru-nw.com

Cell: (b)(6)

This email may contain confidential or privileged information. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient or have received this email in error, notify the sender immediately and destroy the material in its entirety, whether in electronic or hard copy format. Any unauthorized copying, disclosure or distribution of the material in this email is strictly forbidden. Thank you.

From: Farleigh, Kevin S (BPA) - PSW-6

Sent: Mon Oct 19 08:47:13 2020

To: 'Megan Stratman'

Subject: RE: another question

Importance: Normal

Hi Megan,

The Peak Net Requirement process/mechanism for Block and Slice/Block doesn't really exist currently, at least not in any impactful way. The issue was basically punted forward.

Section 3.4 (copied below) of the Block and Slice/Block contracts addresses this. Then for more of the policy background, see pages 7-12 of the Regional Dialogue Contract Policy Record of Decision Oct 31, 2008. Here's a link: [Long-Term Regional Dialogue Contracts Record of Decision](#)

Kevin

503-230-4055

3.4 **Peak Amount Methodologies(10/17/08 Version)**

3.4.1 Standard for Calculating Resource Peak Amounts

The peak amounts for «Customer Name»'s Specified Resources will be stated at a future time in Exhibit A. Such resource peak amounts will be developed contemporaneously and consistent with the determination of peak energy amounts pursuant to Section 3.4.2. If BPA determines it is necessary to update such resource peak amounts in order to incorporate different resource peaking capability determination standards, then BPA may, consistent with BPA's 5(b)/9(c) Policy and in accordance with section 3.4.3, develop and apply such revised resource peaking capability determination standards.

3.4.2 Method for Determining Peak Energy Amounts

The amounts of peaking energy «Customer Name» has purchased to meet its firm power load will be stated at a future time in Exhibit A. Until such time that peak energy amounts are stated in Exhibit A, the amounts of peaking energy available to «Customer Name» are as provided under the Block Product and as calculated by the Slice Computer Application. BPA may adopt a methodology for calculating the amounts of peaking energy available to «Customer Name» under this Agreement. Before peak energy amounts may be applied in Exhibit A, BPA shall: (1) complete a process to adopt a methodology, pursuant to section 3.4.3, which shall include a calculation of «Customer Name»'s total peak load, «Customer Name»'s peaking energy capability from its resources, and BPA's peaking energy capability for the Federal system, and (2) upon completion of such process, in consultation with «Customer Name», calculate the peak energy amounts in accordance with the methodology adopted and enter such amounts into Exhibit A. The application of any such methodology shall not by itself reduce BPA's obligation to provide peaking energy otherwise available under this Agreement to less than «Customer Name»'s net requirement peak stated in Exhibit A. BPA and «Customer Name» shall take such actions and make such modifications, including to the Slice Computer Application, needed to timely implement any such methodology.

3.4.3 Process for Modifying Peak Amounts

Any methodology for determining the peak energy capability of Specified Resources as described in section 3.4.1, or «Customer Name»'s peak energy amounts available from BPA under this Agreement, as described in section 3.4.2, will be developed by BPA in a public process, including consultation with «Customer Name» and other interested parties, a formal public comment process, and a record of decision. Except as otherwise agreed by «Customer Name» and BPA, any such methodology shall not require modification of the peak amount of any Specified Resource, or the peak energy amounts listed in Exhibit A, until the first Fiscal Year of the Rate Period following BPA's written notice to implement the revised peaking capability standard, which shall be given to «Customer Name» at least 180 days before the start of such Fiscal Year.

From: Megan Stratman <mstratman@nru-nw.com>
Sent: Saturday, October 17, 2020 9:48 AM
To: Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Subject: [EXTERNAL] another question

Hi Kevin, page 9 talks about a "Peak Net Requirements" process and a "Peak Net Requirement mechanism." Is this something that currently exists? Can you point me to where I can learn more about this and what it means?

Thank you!

Megan Stratman
Rates and Policy Director

Northwest Requirements Utilities

mstratman@nru-nw.com

Cell: (b)(6)

This email may contain confidential or privileged information. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient or have received this email in error, notify the sender immediately and destroy the material in its entirety, whether in electronic or hard copy format. Any unauthorized copying, disclosure or distribution of the material in this email is strictly forbidden. Thank you.

From: Bleifuss,Lindsay A (BPA) - PSW-6

Sent: Mon Oct 26 09:19:34 2020

To: Wilson,Scott K (BPA) - PSW-6

Subject: FW: Price certainly

Importance: Normal

-----Original Message-----

From: Scott Coe <sacoe@epud.org>

Sent: Monday, October 26, 2020 9:09 AM

To: Bleifuss,Lindsay A (BPA) - PSW-6 <lableifuss@bpa.gov>

Cc: Kyle Roadman <Kyle@epud.org>

Subject: [EXTERNAL] Price certainly

Lindsay,

I got this from Clearing Up today, a quote from your CEO.

This is a key item Emerald is looking for from our post 2028 power supplier. Great to hear!
Could you give us a little more detail on how this will be embedding in BPA power offerings?

Thanks,

Scott

From CU:

Going forward, he said, "We want to make sure utilities understand we're going to be providing them price-certainty, and that we're going to be working hard to manage our costs, and give them a product they can feel comfortable with moving out into the future. So I really believe that our ability to manage our costs and debt is going to be central to that."

Sent from my iPad

From: Watts,Kirsten (BPA) - PSW-SEATTLE

Sent: Mon Oct 26 12:57:00 2020

To: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6; Olive,Kelly J (BPA) - PSS-6; Klumpp,Elizabeth C (BPA) - DIR-WSGL; Kaseweter,Alisa D (BPA) - DI-7; Patton,Kathryn B (BPA) - PSS-SEATTLE; Villalobos,Daniel P (BPA) - PEJB-MEAD-GOB

Cc: Wilson,Scott K (BPA) - PSW-6; Booth,Glen S (BPA) - KSL-4; Lewis,Margaret L (BPA) - PEJB-6; Gillman,Richard A (TFE)(BPA) - TSE-TPP-2; Jackson,Melanie M (TFE)(BPA) - TSE-TPP-2

Subject: Tacoma Power's 2020 IRP Summary Document // RE: Tacoma Power's 2020 IPR, Post 2028, EE, and CETA

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; IRP2020 Public Summary-FINAL.pdf

Hello. I received this late last week. It is the summary document to the full technical document I shared in September. >> 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: Friday, September 25, 2020 3:33 PM

To: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud,Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>; Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>; Klumpp,Elizabeth C (BPA) - DIR-WSGL <ecklumpp@bpa.gov>; Kaseweter,Alisa D (BPA) - DI-7 <alkaseweter@bpa.gov>; Patton,Kathryn B (BPA) - PSS-SEATTLE (kbpatt@bpa.gov) <kbpatt@bpa.gov>; Villalobos,Daniel P (BPA) - PEJB-MEAD-GOB <dpvillalobos@bpa.gov>

Cc: Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Booth,Glen S (BPA) - KSL-4 <gsbooth@bpa.gov>; Lewis,Margaret L (BPA) - PEJB-6 <mllewis@bpa.gov>; Gillman,Richard A (BPA) - TSE-TPP-2 <ragillman@bpa.gov>

Subject: Tacoma Power's 2020 IPR, Post 2028, EE, and CETA

Hello. I am sharing Tacoma Power's final 2020 Integrated Resource Proposal, or IRP, with you because it contains interesting and valuable information about the utility's positions on doing business with BPA post-2028, conservation, and CETA implementation. Check out the utility board resolution and the executive summary for concise insights.

Tacoma Power believes it and its customers will be best served by continuing to operate under the Slice/Block product going forward BUT will continue to explore other options. Detailed references to the BPA contract can be found throughout the document.

You will find nods toward the continued recognition and planned use of conservation as a least cost resource in this document. Demand response projects may be in Tacoma's future.

CETA and the current uncertainty about its impacts on customers are thoroughly addressed, starting in section 4.

Please let me know if you have any questions. Enjoy the weekend. >> 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: Hobson, Claire A (BPA) - PSW-6

Sent: Wed Oct 28 11:26:35 2020

To: 'cblack@rrelectric.com'

Subject: IRD Meter Reads

Importance: Normal

Attachments: Raft River IRD Submittal Form.doc; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Hi, Chad: Hanging in there! I hope the same for you. Glad you found the information in the Engagement Summary helpful. More to come on that front.

When you have a moment, would you send along Raft River's monthly metered irrigation load kilowatt-hours (kWh) for the months of May, June, July, August, and September 2020? I've attached Raft River's form above. Our IRD folks want to close out the FY 2020 irrigation season. Thanks so much and don't hesitate to reach out if you have any questions or concerns. Best, **Claire**

Claire A. Hobson

Power Account Executive | Western Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5544 | C (b)(6)

From: cblack@rrelectric.com <cblack@rrelectric.com>
Sent: Thursday, October 15, 2020 7:41 AM
To: Hobson,Claire A (BPA) - PSW-6 <cahobson@bpa.gov>
Subject: [EXTERNAL] RE: Provider of Choice Engagement Summary

Hi Claire,

Hope things are well with you! Thanks for sending this over. A lot of good info!

Chad

From: Hobson,Claire A (BPA) - PSW-6 <cahobson@bpa.gov>
Sent: Tuesday, October 13, 2020 2:15 PM
To: Alissa Jackson (ajackson@pngc.com) <ajackson@pngc.com>; Andrew Barter (abarter@pngcpower.com) <abarter@pngcpower.com>; Annie Terracciano (a.terracciano@nli.coop) <a.terracciano@nli.coop>; Bob Perry (bobp@westoregon.org) <bobp@westoregon.org>; Brent Bischoff (brent.bischoff@cooscurryelectric.com) <brent.bischoff@cooscurryelectric.com>; Bryan Case (Bryan.Case@fallriverelectric.com) <Bryan.Case@fallriverelectric.com>; Chad Black <cblack@rrelectric.com>; Chris Hill <CHill@pngcpower.com>; Dave Markham (dmarkham@cec.coop) <dmarkham@cec.coop>; David Gottula (dgottula@ocec.coop) <dgottula@ocec.coop>; Debi Wilson (debi.wilson@laneelectric.com) <debi.wilson@laneelectric.com>; dhagen@clearwaterpower.com; Foster Hildreth (Fhildreth@opalco.com) <Fhildreth@opalco.com>; Greg Gardner (gardnerg@blachlylane.coop) <gardnerg@blachlylane.coop>; Greg Mendonca <GMendonca@pngcpower.com>; Jeff Kugel <JKugel@pngc.com>; Jon Wissler <jon_wissler@pngc.com>; Keith Brooks (keith.brooks@dec.coop) <keith.brooks@dec.coop>; Roman Gillen (romang@cpi.coop) <romang@cpi.coop>; Telly Stanger

<tstanger@lincolnelectric.coop>

Cc: Altman, Brian D (TFE)(BPA) - TSE-TPP-2 <bdaltman@bpa.gov>

Subject: Provider of Choice Engagement Summary

Importance: High

Good afternoon, all: I am pleased to share with you an engagement summary (attached above and available in the link below) that is intended to serve as a platform for conversations with you all.

Four main themes were voiced by customers during this early engagement. They are: 1) this is a time of great uncertainty, 2) the Regional Dialogue principles are still relevant, 3) Regional Dialogue contracts and tiered rates work well, but may need adjustments, and 4) preserving BPA's low-carbon system fuel mix to help meet low-carbon energy requirements is imperative. Moving forward, BPA will work to confirm these key findings with customers. In 2021, BPA plans to start the collaborative process of formulating a policy framework that will set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a Concept Paper in late 2021. At this point in time, BPA is planning a path toward contract offers in 2025.

<https://www.bpa.gov/providerofchoice/Pages/provider-of-choice.aspx>

Please note that in the link above (that takes you to the Provider of Choice webpage) there is a link to "educational materials" in the box on the left hand side. These fact sheets are wonderful refreshers on topics like the residential exchange and would also serve to help educate new board members you may have in your midst. New fact sheets will be added as they become available. Please know that BPA is committed to working with you to ensure future power policies and power contracts are as close to a best-fit as possible for your evolving needs as we move towards a post-2028 world. Don't hesitate to reach out if you have any questions or concerns. Best, **Claire**

Claire A. Hobson

Power Account Executive | Western Power Services

Bonneville Power Administration

bpa.gov | P 503-230-5544 | C(b)(6)

IRRIGATION RATE DISCOUNT Certification Form

Utility Name: Raft River
Reporting Period: Fiscal Year 2020

Monthly Meter Readings

Metered Irrigation Load (kWh) amounts:

May _____

June _____

July _____

August _____

September _____

Certification:

I hereby certify that the above information regarding irrigation meter loads for **Raft River** is correct. Supporting documentation that shows total metered irrigation kWh reported above, along with details listing each irrigation consumer's account number, name and kWh usage per account for the reporting period is available upon request.

Signature: _____ Name: _____
(Print/Type)

Title: _____ Date: _____

From: Ross,Hope E (BPA) - PSE-MEAD-GOB

Sent: Thu Oct 29 11:01:28 2020

To: 'matt.boast@kittitaspud.com'

Subject: FW: Provider of Choice engagement summary

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

FYI -

From: Ross,Hope E (BPA) - PSE-MEAD-GOB

Sent: Thursday, October 8, 2020 1:55 PM

To: 'tsimpson@asotinpud.org' &tsimpson@asotinpud.org&; 'dhoffman@cityofcheney.org' &dhoffman@cityofcheney.org&; 'mbeach@iclp.coop' &mbeach@iclp.coop&; 'SFisher@kalispeltribe.com' &SFisher@kalispeltribe.com&; 'dosterman@kalispeltribe.com' &dosterman@kalispeltribe.com&; 'matt.boast@kittitaspud.com' &matt.boast@kittitaspud.com&; 'delliott@kec.com' &delliott@kec.com&; 'Joe Morgan (JMorgan@mewco.com)' &JMorgan@mewco.com&; 'Sara Gauthier &sara@cityofplummer.org& (sara@cityofplummer.org)' &sara@cityofplummer.org&; 'Bill Weems &mayor.cityofplummer@gmail.com& (mayor.cityofplummer@gmail.com)' &mayor.cityofplummer@gmail.com&; 'ray@yakamapower.com' &ray@yakamapower.com&; 'Scott Peters (speters@columbiarea.coop)' &speters@columbiarea.coop&; 'dreller@columbiarea.coop' &dreller@columbiarea.coop&; 'gglaus@columbiarea.coop' &gglaus@columbiarea.coop&; 'jcooper@columbiarea.coop' &jcooper@columbiarea.coop&; 'Dan Andrews (dandrews@columbiarea.coop)' &dandrews@columbiarea.coop&; 'Genine Pratt (genine.pratt@kittitaspud.com)' &genine.pratt@kittitaspud.com&; 'shan.rowbotham@kittitaspud.com' &shan.rowbotham@kittitaspud.com&; 'BOYSEN, ARTHUR J GS-11 USAF AMC 92 CES/CEOER' &arthur.boysen@us.af.mil&; 'Buddy Stanavich' &stanavichm@ci.ellensburg.wa.us&; 'coppockj@ci.ellensburg.wa.us' &coppockj@ci.ellensburg.wa.us&; 'lyyskir@ci.ellensburg.wa.us' &lyyskir@ci.ellensburg.wa.us&; 'larsend@ci.ellensburg.wa.us' &larsend@ci.ellensburg.wa.us&; 'Mark Schuller' &mschuller@cityofcheney.org&; 'Travis Billigmeier' &tbilligmeier@cityofcheney.org&; 'smarx@cityofcheney.org' &smarx@cityofcheney.org&; 'BRECTO, JASON GS-13 USAF AMC 92 CES/CEN'

<jason.brecto@us.af.mil>

Subject: Provider of Choice engagement summary

Dear Customers,

BPA has published the Provider of Choice Engagement Summary on the Provider of Choice [webpage](#).

In 2016, BPA began talking with preference customers to learn about their needs and interests for post-2028 service. In 2019, BPA initiated a second round of discussions with customers and memorialized these findings in the Provider of Choice Engagement Summary that was just published. In 2021, BPA plans to start collaboratively formulating a policy framework to set the foundation for post-2028 Provider of Choice contracts and rates. This work will culminate in BPA's release of a concept paper, planned for late 2021.

Please contact me if you have any questions or concerns.

Thank you,

Hope

Hope Ross

Power Services Customer Account Executive
Bonneville Power Administration • Spokane Office
Desk: 509.822.4590 • Cell: (b)(6)

From: Garrett,Paul D (BPA) - PSS-6

Sent: Thu Oct 29 16:11:26 2020

To: Jim Webb; bryan.case@fallriverelectric.com; Ken Dizes (ken@srec.org); 'Bear Prairie'; brad@lrecoop.com; Alan Skinner (askinner@sodaspringsid.com)

Cc: jhairston@bpa.gov; Cook,Joel D (BPA) - P-6; Cook,Jeffrey W (BPA) - TP-DITT-2; Kitali,Salah H (BPA) - TP-DITT-2; Thompson,Kim T (BPA) - PS-6; Hobson,Claire A (BPA) - PSW-6; Schwendiman,Celeste M (BPA) - PSE-BOISE; Normandeau,Mike (BPA) - PSE-RONAN; DeClerck,Angela (TFE)(BPA) - TSE-TPP-2; Altman,Brian D (TFE)(BPA) - TSE-TPP-2; Hardin,Craig A (TFE)(BPA) - TSE-TPP-2

Bcc: Bodine-Watts,Mary C (BPA) - LP-7; Pleger,Derrick L (BPA) - PSST-6; Kitali,Salah H (BPA) - TP-DITT-2; Yokota,Daniel R (BPA) - PSST-6; Greene,Richard A (BPA) - LP-7; Johnson,Tim A (BPA) - LP-7

Subject: RE: Customer Comments on B2H Concept

Importance: Normal

Attachments: image001.png; image002.png; BPA Response Letter to SE Idaho Customers on B2H (2020-10-29).pdf

Hello Jim, Bryan, Ken, Brad, Bear and Alan,

Please find attached an electronically signed copy of a letter from Administrator Hairston in response to the letter you sent last month on B2H.

Thank you very much for the thoughtful comments,

-Paul

Paul Garrett

Manager, Power Account Services

Power Services

Bonneville Power Administration

(503) 230-4553

From: Bear Prairie <BPrairie@ifpower.org>

Sent: Wednesday, September 9, 2020 7:04 AM

To: jhairston@bpa.gov

Cc: Cook, Joel D (BPA) - P-6 <jdcook@bpa.gov>; Cook, Jeffrey W (BPA) - TP-DITT-2 <jwcook@bpa.gov>; Kitali, Salah H (BPA) - TP-DITT-2 <shkitali@bpa.gov>; Garrett, Paul D (BPA) - PSS-6 <pdgarrett@bpa.gov>; Ken Dizes (ken@srec.org) <ken@srec.org>; Alan Skinner (askinner@sodaspringsid.com) <askinner@sodaspringsid.com>; brad@lrecoop.com; Jim Webb <jim@lvenergy.com>; bryan.case@fallriverelectric.com

Subject: [EXTERNAL] Customer Comments on B2H Concept

Acting Administrator Hairston,

Please see that attached letter on behalf of the group of BPA customers that are located in PacifiCorp's Eastern Balancing Authority.

Thanks, Bear.

Bear Prairie | *General Manager*

140 S Capital Ave.
Idaho Falls, Idaho 83402
Work: (208) 612-8429

bprairie@ifpower.org



Department of Energy

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

EXECUTIVE OFFICE

In reply refer to: A-7

Mr. James Webb, President/CEO
Lower Valley Energy, Inc.
PO Box 188, Afton, WY 83110

Mr. Bryan Case, General Manager
Fall River Rural Electric Cooperative, Inc.
1150 N 3400 E, Ashton, ID 83420

Mr. Ken Dizes, General Manager
Salmon River Electric Cooperative, Inc.
PO Box 384, Challis, ID 83226

Mr. Brad Gamett, General Manager
Lost River Electric Cooperative, Inc.
PO Box 420, Mackay, ID 83251

Mr. Bear Prairie, General Manager
City of Idaho Falls
PO Box 50220, Idaho Falls, ID 83405

Mr. Alan Skinner, Director of City Services
City of Soda Springs
9 W 2nd S, Soda Springs, ID 83276

Mr. Webb, Mr. Case, Mr. Dizes, Mr Gamett, Mr. Prairie and Mr. Skinner:

Re: Bonneville Power Administration's (Bonneville) possible participation in Boardman to Hemingway (B2H) and proposed agreement with Idaho Power Company

Thank you for your joint letter dated September 8, 2020. I sincerely appreciate and value the collaborative relationship we have had on this topic over the years. I am encouraged by your support for continued exploration of a potential new approach, which would have Idaho Power Company assume Bonneville's ownership percentage of B2H and provide long-term firm network transmission service to your respective utility's loads. I agree that more work is needed to advance and further clarify this concept, and that continued collaboration will be critical to success.

One area that will warrant such continued collaboration is the topic of assignment agreements. At this time, we believe that firm commitments from customers for transmission service are premature, as Bonneville and Idaho Power Company have not yet reached an understanding on terms. But in the coming months, as we gain clarity, it will be critical that we are aligned concerning the use of transmission that would be offered and provided by Idaho Power Company to deliver power to your respective utilities for service to your loads. This alignment is critical for Bonneville in assuring Idaho Power Company there will be transmission service needed for years to come.

For this reason, it will be critical that we are able to reach alignment on the concept of assignment agreements between Bonneville and each of your utilities. These agreements would ensure that long term transmission service (rights to transmission capacity) Bonneville purchases

from Idaho Power Company can be assigned to each of your respective utilities in the event any of you choose to no longer purchase power from Bonneville. In this way, we see an assignment agreement as a means of providing protections to both Bonneville and your utilities. For Bonneville, the assignment agreement gives us the guarantee we need to enter into a long-term transmission agreement with Idaho Power Company without the risk of later being stranded with these transmission costs if your utilities decide to purchase power from other suppliers or supply power from your own resources. For your utilities, the assignment agreements will clarify transmission rights and obligations, ensuring you can seamlessly step into the shoes of Bonneville, and use the rights we held to transmit nonfederal power for the post-2028 period.

It is important to note that while these agreements will mitigate some of Bonneville's risks, Bonneville may be making other long-term commitments as part of the overall deal. Any risk associated with these other commitments will be dealt with accordingly and will not be part of the assignment of the Idaho Power Company transmission agreement.

Bonneville will continue to evaluate the various options related to long-term service for your utilities. As Bonneville identifies its preferred path forward, with its related costs and benefits, Bonneville will seek formal customer comments and feedback from all of its customers prior to making a final decision.

I am encouraged by the progress in recent years in advancing a long-term, cost-effective plan of service that assures federal power is available to each of your utilities to serve your loads, improves reliability, and provides long-term certainty. Your participation and support has been integral in getting to this point, and I am confident that together we will move forward to find a solution that works for your utilities and the region while meeting Bonneville's contractual and statutory obligations.

Sincerely,

John L. Hairston
Acting Administrator and Chief Executive Officer

From: Thompson, Kim T (BPA) - PS-6

Sent: Fri Oct 30 09:42:25 2020

To: Cook, Joel D (BPA) - P-6; Wilson, Scott K (BPA) - PSW-6; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB

Cc: Bas, JoAnn L (BPA) - P-6

Subject: IRD content for NIU meeting

Importance: Normal

Attachments: LDD_IRD summary.docx; image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Hi Joel – as you requested, Nancy and Scott produced the attached one-page summary as background in the Low Density Discount and the Irrigation Rate Discount, in preparation for your meeting with NIU customers. Thanks to them for this preparation – please let us know if it triggers questions or if you have follow-up – and let us know how your discussion goes.

They also prepared some context for you – excerpted below.

LDD:

- Required by statute, section 7d1 of the 1980 NW Power Act
- Currently 56 customers receive annual LDD benefits of approximately \$40 million

IRD:

- Not required by statute
- BPA has offered some form of discount since the 1940s
- BPA recognizes the importance of the irrigation sector and the agricultural industry to the Northwest
- Currently 30 customers receive annual IRD benefits of approximately \$22 million

Your audience: NIU members

- These members likely receive both IRD and LDD benefits. These discounts are very important to this constituency.
- This is an important contract consideration and one that will require ongoing conversations and discussions with customers as we establish principles and the contract framework post-2028.
 - o Encourage them to ensure their AEs are aware of customer positions/opinions on this.
 - o Encourage them to engage other utilities to remind them of the importance of this to their communities.
 - o They will be well served if these two programs continue to be viewed as an essential part of the overall package for service to publics. It's important to engage us but they are best served by having allies in public power.
- Scott Wilson, Daniel Fisher and Nancy met with the NIU members in August and they took the opportunity to express how important the Irrigation Discount is to their members and the effect it would have if the discount was eliminated.
- Here is what we anticipate:

- o They may inform you of the importance of the Irrigation Discount and the desire to retain a discount in the future and may want reassurance it will be retained.
- o They may want acknowledgement from BPA that we recognize the importance this discount has had to their utilities/irrigators and the importance of agriculture in the Northwest.
- o They understand this has been a balancing act each contract negotiation – they've requested that we control costs while still maintaining this benefit. (When the question was raised whether to phase out the irrigation discount in Regional Dialogue, the RD ROD stated that elimination of the discount was likely to lower the overall PF Tier 1 rate by about \$0.20 per MWh, yet elimination could severely impact the entire economy of some rural NW communities where irrigated agriculture was the dominant industry. So BPA recognized that the benefit of retaining it outweighed the cost.)
- o We've started seeing some customer sensitivities to our language and positioning on issues important to specific customers. Be aware of this, and be purposeful with how you frame your comments. They may read more into what you say than you are intending.

Best Regards,

Kim Thompson

Northwest Requirements Marketing | 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: Thursday, October 29, 2020 4:43 PM

To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>
Subject: Summary/points for Joel

Kim/Scott –

Attached is a one page summary each of LDD and IRD that would be good for Joel to look at to familiarize himself with these two programs. The below points are what I'm thinking could be sent in the email to him. Please feel free to add/edit/delete on the bullet points and let me know if you think the attached summary hits the mark.

Thanks,

Nancy

LDD:

- Required by statute, section 7d1 of the 1980 NW Power Act
- Currently 56 customers receive annual LDD benefits of approximately \$40 million

IRD:

- Not required by statute
 - BPA has offered some form of discount since the 1940s
 - BPA recognizes the importance of the irrigation sector and the agricultural industry to the Northwest
 - Currently 30 customers receive annual IRD benefits of approximately \$22 million
-
- Your audience: NIU members
 - These members likely receive both IRD and LDD benefits.
 - Scott Wilson, Daniel Fisher and I met with the NIU members in August and they took the opportunity to express how important the Irrigation Discount is to their members and the effect it would have if the discount was eliminated.
 - Here is what I anticipate:
 - o They may inform you of the importance of the Irrigation Discount and the desire to retain a discount in the future and may want reassurance it will be retained.
 - o They may want acknowledgement from BPA that we recognize the importance this discount has had to their utilities/irrigators and the importance of agriculture in the Northwest.
 - o They understand this has been a balancing act each contract negotiation – they've requested that we control costs while still maintaining this benefit. (When the question was raised whether to phase out the irrigation discount in Regional Dialogue, the RD ROD stated that elimination of the discount was likely to lower the overall PF Tier 1 rate by about \$0.20 per MWh, yet elimination could severely impact the entire economy of some rural NW communities where irrigated agriculture was the dominant industry. So BPA recognized that the benefit of

retaining it outweighed the cost.)

This is an important contract consideration and one that will require ongoing conversations and discussions with customers as we establish principles and the contract framework post-2028. Encourage them to reach out to their Power Account Executives to ensure the AEs are aware of customer positions/opinions on this.

Low Density Discount

BACKGROUND

Section 7(d)(1) of the 1980 Northwest Power Act provides that, in order to avoid adverse impacts on retail rates of BPA’s customers with low system densities, BPA shall apply discounts to certain rates for such customers. Currently, the Low Density Discount (LDD) program provides approximately \$40 million in annual benefits to 56 eligible customers and is funded by preference customer revenue through BPA’s Tier 1 Rates. LDD application and eligibility criteria are found in BPA Power’s General Rate Schedule Provisions (GRSPs).

HOW IT WORKS

Each spring, BPA collects data from eligible preference customers including: the customer’s Total Retail Load, depreciated electric plant, pole miles of distribution lines, total kilowatt-hours sold, number of consumers, and total electric retail sales revenue for the previous full calendar year. BPA then compares the submitted data to the customer’s submitted backup documentation, including annual financial and operating reports¹. These data are used to calculate the following ratios:

- Average Retail Rate = $\frac{\text{Total Retail Sales Revenue (\$)}}{\text{Total Retail Sales (kWh)}}$
- Kilowatthour/Investment ratio = $\frac{\text{Total Retail Load (kWh)}}{\text{Depreciated Electric Plant (\$)}}$
- Consumers/Pole Miles ratio = $\frac{\text{Number of Consumers (\#)}}{\text{Pole Miles of Distribution Lines (\#)}}$

To be eligible for LDD, the customer’s Average Retail Rate must be greater than BPA’s Priority Firm Power rate by at least 25%, the Kilowatthour/Investment ratio must be less than 100, and the Consumers/Pole Miles ratio must be less than 12. BPA uses the calculated Kilowatthour/Investment and Consumers/Pole Miles ratio to determine the corresponding percentage discounts using Table B (below). The Customer’s eligible Low Density Discount percentage is equal to the sum of the percentage discounts determined using Table B in Section II of the GRSPs, with a maximum total eligible discount percentage of 7 percent.

Table B
LDD Eligible Discount Percentage

Percentage Discount	Applicable Range for kWh/Investment (K/I) Ratio	Applicable Range for Consumers/Mile (C/M) Ratio
0.0%	35.0 < X	12.0 < X
0.5%	31.5 < X ≤ 35.0	10.8 < X ≤ 12.0
1.0%	28.0 < X ≤ 31.5	9.6 < X ≤ 10.8
1.5%	24.5 < X ≤ 28.0	8.4 < X ≤ 9.6
2.0%	21.0 < X ≤ 24.5	7.2 < X ≤ 8.4
2.5%	17.5 < X ≤ 21.0	6.0 < X ≤ 7.2
3.0%	14.0 < X ≤ 17.5	4.8 < X ≤ 6.0
3.5%	10.5 < X ≤ 14.0	3.6 < X ≤ 4.8
4.0%	7.0 < X ≤ 10.5	2.4 < X ≤ 3.6
4.5%	3.5 < X ≤ 7.0	1.2 < X ≤ 2.4
5.0%	X ≤ 3.5	X ≤ 1.2

BILLING

¹Rural Utilities Service Financial and Operating Report - Electrical Distribution, National Rural Utilities Cooperative Finance Corporation Financial and Statistical Report (CFC Form 7), audited financial report, or Annual Report.

Once a customer's eligible LDD is determined for a given fiscal year, the applicable Low Density Discount is calculated which adjusts the eligible discount percentage to provide a discount for the costs of power used to serve the customer's Above Rate Period High Water Mark load. The applicable Low Density Discount is applied each month to an eligible customer's Composite Customer charge, Non-Slice Customer charge, diurnal Load Shaping charges, Load Shaping Charge True-Up Adjustment, and the Demand charge.

Irrigation Rate Discount

BACKGROUND

BPA has historically provided a discount to irrigators to sell BPA's surplus of low cost power during summer months, incentivize agricultural growth, develop rural areas of BPA's service territory, and increase load in the Pacific Northwest region. BPA has provided a discount to eligible irrigators in various forms since 1942², with today's program providing approximately \$21 million in annual benefits to 30 preference customers with irrigation load. The discount is funded by preference customer revenue through BPA's Tier 1 Rates.

Product	Availability	Eligibility	Energy Amounts
Irrigation Discount (1942-1996)	April through October	Any PF and NR customer with irrigation load.	All irrigation energy.
Summer Seasonal Product (SSP) (1997-2001)	May through July	1) 40% of Total Retail Load on BPA. 2) Pass qualification test: 5% of TRL is irrigation or 3-yr avg. irrigation load is more than 7500 MWh.	Cap of 75% of customer's 92-94 average May-Jul irrigation load.
Irrigation Rate Mitigation Product (IRMP) (2002-2011)	May through August	1) 75% of Total Retail Load on BPA. 2) Rate impact of more than 7.5% from PF96 rates over May through September period.	1) First 5-years: 100% of 1992-1994 average. 2) Second 5-yrs: 100% of 2002-2004 average.
Irrigation Rate Discount (IRD) (2011-Present)	May through September	1) Customer must have participated in FY97-01 SSP, or FY07-11 IRMP. 2) 75% of Total Retail Load on BPA. 3) Pass qualification test: 5% of TRL is irrigation or 3-yr avg. irrigation load is more than 7500 MWh.	100% of 2002-2004 average.

The Irrigation Rate Discount (IRD) was intended to be passed through by utilities directly to end use consumers. The current program was initially designed to run from May through August, but was later changed to May through September due to difficulties for customers to meet the end of year true up requirements if a cold/damp spring or early fall occurred.

HOW IT WORKS

²BPA did not provide a discount from 1979 to 1985 due to a shift from a flat rate structure to a rate structure with a seasonal shape.

The Irrigation Rate Discount (\$/MWH) is calculated each rate period. Energy amounts subject to the Irrigation Rate Discount are memorialized in Exhibit D of eligible customers' Regional Dialogue contracts. Eligible customers are required to read irrigation meters at the beginning of May and after September 30 each year. At the conclusion of each irrigation season, the customer provides BPA with monthly metered irrigation load information for the months of May through September.

BILLING

In May, June, July, August and September, an eligible customer shall have the applicable Irrigation Rate Discount³ applied to the lesser amount of the energy purchased at Tier 1 rates in the month or the irrigation load amounts listed in a customer's Regional Dialogue Contract Exhibit D. Due to the variability of irrigation load, eligible customers are billed monthly at the eligible irrigation amounts listed in the eligible Regional Dialogue contract Exhibit D. At the conclusion of the irrigation season, an annual true up of the total actual irrigation load and the total contractual irrigation loads are performed. If the total contractual irrigation load exceeds the total actual irrigation load, customers are charged for the difference at the applicable rate.

³ Listed in BPA Power's General Rate Schedule Provisions Section II.C.

From: Wilson,Scott K (BPA) - PSW-6

Sent: Fri Oct 30 12:40:54 2020

To: ADL_DIN_ONLY; ADL_DIR_ONLY; ADL_DKE_ONLY; ADL_PEJB_ALL; ADL_PSE_ONLY; ADL_PSS_ALL; ADL_PSSE_ALL;
ADL_PSST_ALL; ADL_PSW_ALL; ADL_TSE_ALL; Bryan,Jason C (TFE)(BPA) - TORW-DITT-1; Conley,Mick E (BPA) - PEK-MEAD-GOB;
Cook,Joel D (BPA) - P-6; Cooper,Suzanne B (BPA) - PT-5; Davis,Reed C (BPA) - KSL-4; Fisher,Daniel H (BPA) - PSR-6;
Goodwin,Summer G (BPA) - DKC-7; Hairston,John L (BPA) - K-7; Hilliard Creecy,Jamae (BPA) - PE-6; James,Daniel M (BPA) - D-7;
Johnson,Tim A (BPA) - LP-7; Ko,Tina G (BPA) - TS-DITT-2; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; Mainzer,Elliot E (BPA) - A-7;
Manary,Michelle L (BPA) - F-2; Mohamoud,Farah A (BPA) - PSS-6; Oberhausen,Elizabeth S (BPA) - PD-5; Parker,Nancy (BPA) - PSR-6;
Reller,Mark D (BPA) - DIR-MSGL; Shelton,Valerie M (BPA) - PSSE-MEAD-GOB; Thompson,Kim T (BPA) - PS-6; Warner,Joshua P (BPA)
- DIR-7; Weekley,Annamarie E (BPA) - PTL-5; Whalen,Michelle E (BPA) - DKE-7

Subject: AE Bi-Weekly Rept to Admr_20201030

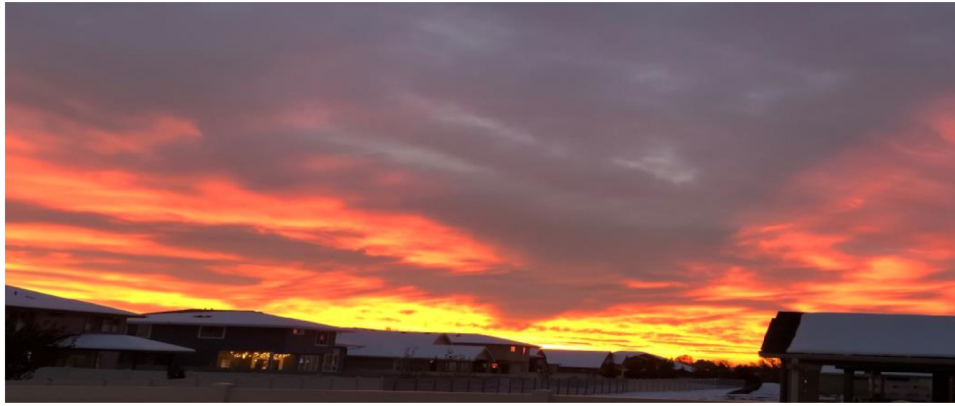
Importance: Normal

Attachments: AE Bi-Weekly Rept to Admr_20201030.doc

Nothing too scary in this Halloween Eve edition. Hope you get a chance to enjoy what looks to be a lovely Fall weekend and maybe you'll even see a sunset like the one pictured in the document.

Happy Halloween

--Scott



Beautiful Spokane sunset 10/27/2020 (C. Lonyo)

REQUIREMENTS MARKETING AE REPORT

Customer Report to the Administrator

October 30, 2020

CUSTOMER SPECIFIC

Seattle City Light

Seattle City Light (SCL) is working through its process to update the utility's 2020 Integrated Resource Program (IRP) for submittal to WA State. The goals for this IRP update are to review resource needs and potential resource choices as the utility prepares to meet WA Clean Energy Transformation Act (CETA) provisions. Current IRP planning work is leading to preparation of SCL's first 10-year Clean Energy Action Plan submittal, due in 2022, as a requirement of CETA. Resource Adequacy (RA) and CETA provisions, added on to existing I-937 requirements, are contributing to a more complex decision making process for this IRP. An important note to the IRP's long-term planning timeline indicates that the existing 20-year BPA power contract is assumed to continue (past 2028) as part of SCL's resource planning. Recent IRP analysis indicates that Seattle will be facing more resource deficits in the July and August timeframe after 2026. Between 2020 and 2026, a number of SCL wind and hydro contracts begin to expire, adding to planned summer deficit positions for the utility. The current IRP is reviewing the tradeoffs of long-term resource acquisition versus market reliance and potential impacts to SCL's RA. Seattle has estimated a median CETA compliance level, for years 2021 to 2040, of between 97 and 98 percent, based on an average load under 1,170 aMW and supply conditions. This estimate is based upon current understanding of final CETA rulemaking, currently being completed by the WA DOC (Department of Commerce).
(P. Munz, 206-220-6763)

Snohomish County PUD No. 1

Snohomish has selected Garrison Marr as their new Senior Manager of Power Supply. Anna Berg previously held this position before moving on to TEA. Garrison was an internal candidate so has a large body of knowledge of the PUD and is very familiar with

BPA issues. He was described to me as “Snohomish’s Integrated Resource Plan guru.” It should be a relatively smooth transition and I’ll be looking forward to working with him.

Also, in a recent check in, Snohomish indicated they will be extending their current max telework posture (for office employees) to March 2021. Making the determination now was an effort to help employees with planning into the New Year. One of the last transitions made was for all of their real time and power schedulers to fully transition to working from home. *(M. Perry, 206-220-6779)*

Tanner Electric Cooperative

Back in March, we had scheduled Dan James to speak in person at Tanner’s annual board planning session. Unfortunately COVID derailed that particular event, but we were recently able honor the original commitment for a presentation by Dan. Last week Dan James, Kim Gilliland and I virtually attended Tanner’s October board meeting over Zoom. As was planned previously, this was an opportunity for Dan to speak in front of the board and answer any questions they may have. Dan provided a series of general updates on BPA topics such as BPA COVID response, wildfire concerns, Provider of Choice, Strategic Plan, BP22 rates, and the EIS ROD. Tanner’s board and staff were appreciative of the information and for Dan taking the time to come speak with them. *(M. Perry, 206-220-6779)*

From: Thompson, Kim T (BPA) - PS-6

Sent: Mon Nov 02 07:49:05 2020

To: Wilson, Scott K (BPA) - PSW-6

Subject: RE: Talking points for John - PPC annual meeting, Nov. 5

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; image007.jpg; image008.jpg; image009.jpg; image010.jpg; image011.jpg; image012.jpg

Thanks Scott.

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | C (b)(6)

From: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Friday, October 30, 2020 5:28 PM

To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Subject: RE: Talking points for John - PPC annual meeting, Nov. 5

Seems like there might be something there around the proposal we are making with losses but that might be too far down in the weeds and it's only a proposal and it shows we are listening. Also we could note the extra help we provided customers for Covid Cash Flow.

From: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>

Sent: Friday, October 30, 2020 4:33 PM

To: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Subject: FW: Talking points for John - PPC annual meeting, Nov. 5

Importance: High

Are there any customer highlights/ anecdotes you'd want to arm John with to support bullet #2 below?

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | C (b)(6)

From: Scruggs,Joel L (BPA) - DK-7 <jlsruggs@bpa.gov>

Sent: Friday, October 30, 2020 4:21 PM

To: Hairston,John L (BPA) - K-7 <jlhairston@bpa.gov>; James,Daniel M (BPA) - D-7 <dmjames@bpa.gov>; Hannigan IV,Benjamin R (BPA) - A-7 <brhannigan@bpa.gov>; Harris,Marcus A (BPA) - K-7 <maharris@bpa.gov>; Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Jetmalani,Vishnu N (BPA) - K-3 <vnjetmalani@bpa.gov>; Manary,Michelle L (BPA) - F-2 <mlmanary@bpa.gov>; Green,Laura E (TFE)(BPA) - TSE-TPP-2 <legreen@bpa.gov>; Ko,Tina G (BPA) - TS-DITT-2 <tgko@bpa.gov>; Cogswell,Peter (BPA) - DI-7 <ptcogswell@bpa.gov>; Cooper,Suzanne B (BPA) - PT-5 <sbcooper@bpa.gov>; Marker,Douglas R (BPA) - DIR-7 <drmarker@bpa.gov>; Baskerville,Sonya L (BPA) - DIN-WASH <slbaskerville@bpa.gov>

Cc: Turner,Kristel L (BPA) - DKP-7 <klturner@bpa.gov>; Johnson,G Douglas (BPA) - DK-7 <gdjohnson@bpa.gov>

Subject: Talking points for John - PPC annual meeting, Nov. 5

Importance: High

It sounds like John and Scott Simms had an opportunity to talk about John's appearance at PPC's annual meeting next week. The main focus will be FY 20 year in review and John's vision (agency priorities and preparing for Post 2028). The speaking slot is 15 to 25 minutes, so here's a list of some of other potential topics that we may want to have John touch on. Note: They're using Zoom for this meeting.

- FY 21 start of fiscal year outlook
- Hearing and responding to customer needs, interests and concerns (could point to the suspension of the FRP surcharge as a recent example)

- Agency priorities (can point to newly published Strategic Plan Progress Update)
- EIM/markets development work; looking closely at the events of the summer
- EIS PA implementation
- Steering 4-state process
- Cost allocation/Willamettes
- Transmission customer experience
- Impact of wildfires; mitigation plan; lessons learned

Kristel is pulling some talking points together. It would be ideal to have the topic areas set by COB on Monday. Please let me know if you any feedback on these topics or any recent material that would be helpful. Otherwise, we will pull from other recently developed talking points and products. Kristel may also be reaching out to some of you and your teams.

Thanks,

Joel Scruggs

Director of Communications | Communications (DK)

Bonneville Power Administration

bpa.gov | P 503-230-5511 | C (b)(6)

From: Bob Essex

Sent: Tue Nov 03 11:47:08 2020

To: Largo, Jay (BPA) - TPCV-TPP-4; Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2; Wilson, Scott K (BPA) - PSW-6

Cc: Deanna Carlson

Subject: [EXTERNAL] RE: BPA/ Cowlitz Meeting DRAFT Agenda Topics?u63 ?

Importance: Normal

Melanie,

Please add NOA status. Also, I see there is a post-28 considerations topic. If Scott can give us an update that would be great, but I think we may also need to schedule a separate meeting with Scott for some more in depth discussion around that topic.

Thanks

Bob

From: Largo, Jay (BPA) - TPCV-TPP-4 <jrlargo@bpa.gov>

Sent: Tuesday, November 3, 2020 11:41 AM

To: Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2 <mmjackson@bpa.gov>; Bob Essex <Bessex@cowlitzpud.org>;

Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Cc: Deanna Carlson <dcarlson@cowlitzpud.org>

Subject: RE: BPA/ Cowlitz Meeting DRAFT Agenda Topics??

EXTERNAL: Think Before You Click!

Please add:

- 230 kV line rebuild project.

Mike mentioned some long term plans and I want to make sure we are on the same page.

Thanks,

-Jay

From: Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2 <mmjackson@bpa.gov>

Sent: Tuesday, November 3, 2020 11:28 AM

To: Bob Essex <bessex@cowlitzpud.org>; Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Largo, Jay (BPA) - TPCV-TPP-4 <jrlargo@bpa.gov>

Cc: Deanna Carlson <dcarlson@cowlitzpud.org>

Subject: BPA/ Cowlitz Meeting DRAFT Agenda Topics??

Here's what I have so far for a draft agenda items for our 11/5 meeting. Feedback?

- COVID-19 Impacts/Updates
- Check in on Financial Impact Considerations
- BPA plans for return to work
- General Power Updates
- Post-2028 considerations
- Gearing up for BP/TC/EIM-22
- Load Forecast prep/key load & resource questions
- TOP In-flight Project
- LLIR Status Check-ins
- Pacific Coast Fertilizer
- Lexington LURR for Cowlitz PUD's line work project
- Westrock Gen Re-configuration/13.8 kV project and possible generator replacement
- AT&T Comms Upgrade Status
- Next Meeting

Thanks!

Melanie Jackson

Transmission Account Executive | Transmission Sales

Bonneville Power Administration

mmjackson@bpa.gov | P 360-619-6012 | C (b)(6)

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

From: Bas,JoAnn L (BPA) - P-6

Sent: Tue Nov 03 15:13:19 2020

To: Farleigh,Kevin S (BPA) - PSW-6

Subject: RE: Joel's 10/1 Slides for PPC

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; J Cook at PPC Exec Committee October 2020.pptx

Here is what I have.

JoAnn Bas

Executive Associate Officer to Joel D. Cook, Senior VP | Power Services

Executive Associate Officer to Kim Thompson, VP | NW Requirements Marketing

Bonneville Power Administration

jlbas@bpa.gov | P 503.230.4983

From: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>

Sent: Tuesday, November 3, 2020 3:12 PM

To: Bas,JoAnn L (BPA) - P-6 <jlbas@bpa.gov>
Subject: Joel's 10/1 Slides for PPC

Hi JoAnn,

We prepared a number of potential slides for Joel to use when he spoke to the PPC exec committee back on Oct 1, but never saw the final deck. Do you have that by chance, and if so, can I see it? We've been asked to assemble slides for various audiences and it would be helpful to know what he covered, just for reference. Thanks!

Kevin

Update on BPA Initiatives

PPC Executive Committee

October 1, 2020

Joel Cook

Senior Vice President

BPA Power Services



Today's Topics

- Update on Market Initiatives
 - Energy imbalance market
 - Extended day ahead market
 - NWPP Resource Adequacy
- Post 2028 power sales contracts
- BP22 rates
- FY2020 accomplishments and FY2021 priorities

Update on Market Initiatives

- BPA's 2018-2023 Strategic Plan drives strategy of our engagement.
- BPA's approach to new market initiatives (EIM, EDAM and NWPP RA).
 - Ensure programs are consistent with BPA's statutes.
 - Consider trade-offs and impacts on different customer groups.
 - Evaluate short-term and long-term perspectives to ensure compensation for federal system products and services.
 - Allow for customer input.

Energy Imbalance Market (EIM)

- **Operational Benefits**
 - Dynamic pricing of the full potential of Surplus FCRPS to reflect real time opportunity costs of energy in support of commercial and operational objectives.
 - Enhanced visibility and situational awareness for transmission system enabled by Grid Mod projects.
- **Commercial Benefits**
 - EIM dispatch of Surplus FCRPS energy across a larger and very diverse geographic footprint
 - Potential revenue enhancements from quick start capability
- **Modernization Benefits**
 - Forcing function to ensure BPA business processes and IT systems continue to address the evolution of markets and customers needs into the future.
- **Reliability Benefits**
 - Regional coordination and adherence to reliability obligations and enforcement strengthens reliable load service at least cost dispatch.
- **Advocacy Benefits**
 - Joining EIM will strengthen BPA's ability to address Pacific Northwest and Preference customer needs as energy markets and transmission policy evolves to address the changing landscape of organized markets and regional policy initiatives.

Extended Day Ahead Market (EDAM)

Market Development Principles

- **Reliability** – the market solution should be reliable and CAISO operators should depend far less on their own out of market actions to assure reliability than they do today;
- **Equity** – the market solution should award and compensate resources providing equivalent attributes to the market in a fair and equitable manner;
- **Efficiency** – the market solution should be efficient and reduce the extent of the documented use of out of market actions, which are an indication that the market is less efficient than it can or should be; and
- **Extensibility** – the market solution should be applicable to one or more BAAs; how does a multi-BAA market solution work when each BAA undertakes its own version of out of market solutions?

Extended Day Ahead Market

- Active participation in CAISO Stakeholder process with EIM Entities.
 - Delay in process to further analyze market performance during August heatwave.
- Formed NW Collaboration group with PPC and other NW hydro interests to more thoroughly analyze implications of various market design proposals.

NWPP Resource Adequacy

- Business Case and Value Proposition
- Competitiveness and Obligations to Preference Customers
- Risks of Participation and Non-Participation
- Key Areas of Focus
 - Legal and Regulatory Issues
 - Hydro Capacity Valuation and Compensation
 - Transmission Use and Compensation
- Recent events in California have created additional interest in the NWPP RA program

Post-2028: Provider of Choice

- BPA's Objective: Fully subscribe BPA's Federal Base System to preference customers under long-term contracts post-2028.
 - Deliver value near and long-term:
 - Maintain cost discipline – IPR costs proposed flat for third rate period
 - Adapt to customer needs – suspending FRP surcharge for immediate rate relief
 - Sustain financial health – draw down debt-outstanding to manage long-term cost structure; maintain sufficient reserves for solid financial terms
 - Develop contractual offerings that meet evolving customer needs
- BPA will soon release Engagement Summary from FY20 customer discussions



Post-2028: Provider of Choice

- Key Themes from Customer Inputs:
 - Significant industry change and uncertainty makes specific conversations / input challenging.
 - Regional Dialogue principles remain relevant; Current contract / rate structure generally working, key adjustments desired.
 - Retain tiered rates; lowest tier 1 costs / tier 1 rates.
 - Promote infrastructure development
 - Increase flexibility for new non-federal resource election / application.
 - Modify products to support meeting peak loads.
 - Preserve (improve?) clean system mix; support local low carbon compliance needs (don't hinder / potentially assist compliance).
 - Maximize value of Federal system for preference customers. Retain equity between customers/products.
- Many issues remain for integrated exploration, including transfer service, rate discounts, residential exchange, fuel mix, capacity sales, etc.
- Next steps: Confirm key themes / messages, begin policy development
- Concept Paper delivered in late 2021.

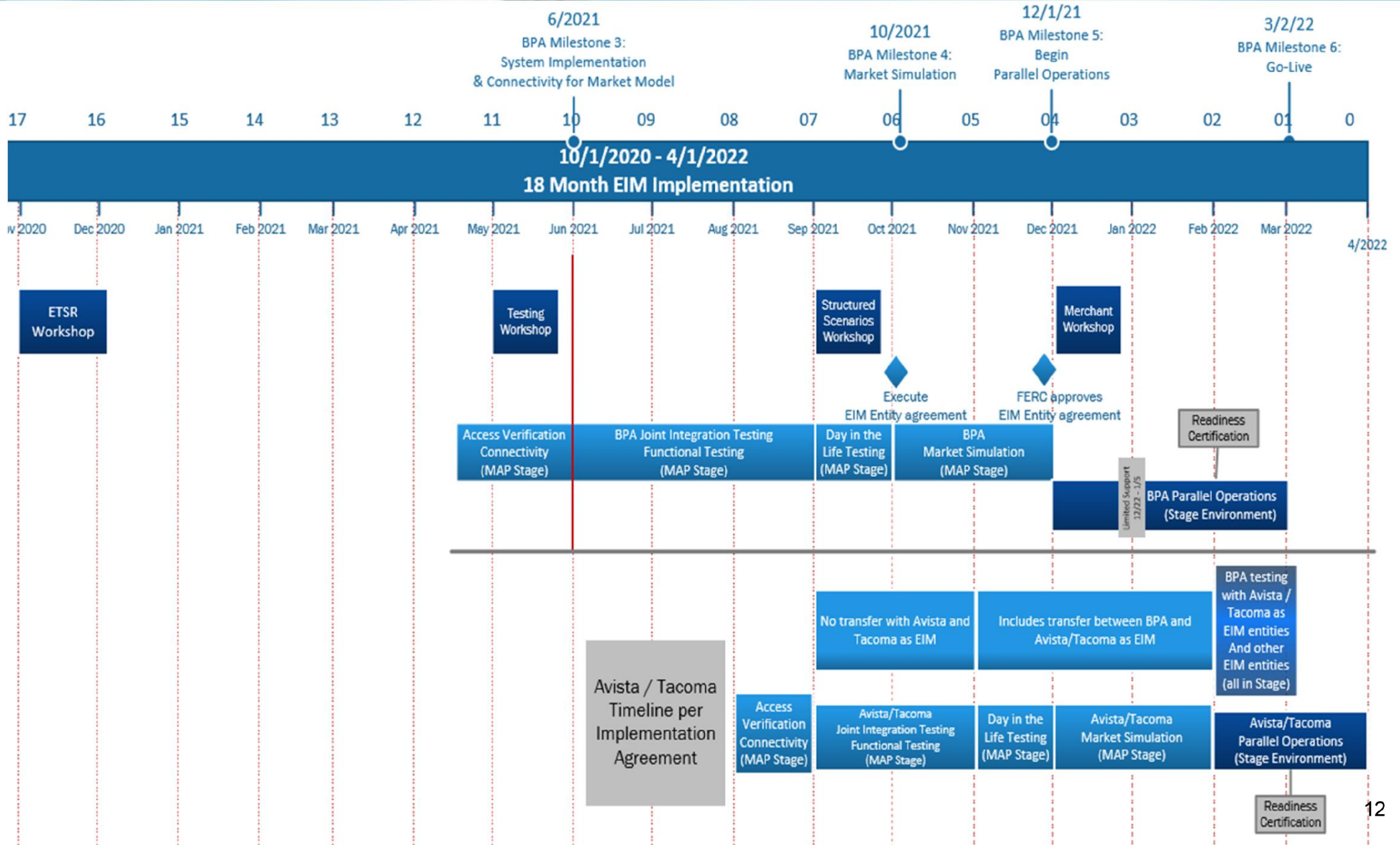
BP22 Rate Case

- Status
 - Completed final pre rate-case workshop
 - Active customer comment period
 - Preparing for Initial Proposal
- Key Power Issues
 - Updating losses: Updating loss factor to improve accuracy. Introducing fair compensation for services associated with in-kind, delayed loss returns.
 - Building toward long-term value – options introduced:
 - Revenue financing potential to support BPA's long-term access to capital *and* control Power's debt obligations
 - Reserves management
 - Delivering stable, affordable rate outcome

Accomplishments & Priorities

- 2020 Accomplishments
 - Excellent financial results.
 - Market Initiative work
 - Completed full year public pre-case workshop process with customers to develop approaches to EIM Policy, Rate and Tariff Case issues.
 - Collaborated with region to complete NWPP Resource Adequacy Program Conceptual Design.
 - Significant advancement in GridMod – Eight projects completed and 23 in Delivery, including six EIM projects launched this year.
- 2021 Priorities
 - Initiate and complete BP22 and TC22 cases.
 - Conduct public process to address remaining EIM Implementation issues.
 - Complete NWPP Resource Adequacy Detailed Design with regional partners.
 - Hydro costs allocation process.
 - Continue improvement in capital asset strategy execution.
 - Continue Grid Mod projects and EIM Readiness
 - Continue customer engagement for Provider of Choice

Appendix - EIM Implementation



From: Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2

Sent: Thu Nov 05 16:51:11 2020

To: Wilson, Scott K (BPA) - PSW-6; Largo, Jay (BPA) - TPCV-TPP-4; Gary Huhta (Ghuhta@cowlitzpud.org); 'bessex@cowlitzpud.org'; 'rjohnson@cowlitzpud.org'; dcarlson@cowlitzpud.org; 'mlarsen@cowlitzpud.org'; Barbara Taylor (btaylor@cowlitzpud.org); Christopher Allen

Subject: RE: BPA/Cowlitz Meeting

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Thanks everyone for a great (and quick) meeting today! Here are the few quick take-aways that I had on my list.

- I will send a redline of the NOA to Cowlitz with cleanup items.
- Cowlitz will follow up separately with Scott on possible post-2028 discussions.
- I promised to send the summary from the proposed loss settlement presentation yesterday: <https://www.bpa.gov/Finance/RateCases/BP-22-Rate-Case/Documents/BP-TC-22-Tx-Losses-Settlement-Proposal.pdf>
- Jay will set up a separate meeting with Mike and Doug to discuss steps for LUAA process and application for 230 kV line rebuild.
- Mike will send email on outstanding paperwork needed from BPA for AT&T Comms Upgrade (Mike sent and I have contacted Chris Williams). Jay and I will get any feedback to Mike.

· I will get the next meeting scheduled for end of January.

Let me know if I missed anything. Thanks!

Melanie Jackson

Transmission Account Executive | Transmission Sales

Bonneville Power Administration

mmjackson@bpa.gov | P 360-619-6012 | C(b)(6)

From: Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2

Sent: Tuesday, November 3, 2020 2:09 PM

To: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Largo, Jay (BPA) - TPCV-TPP-4 <jrlargo@bpa.gov>; Gary Huhta (Ghuhta@cowlitzpud.org) <Ghuhta@cowlitzpud.org>; 'bessex@cowlitzpud.org' <bessex@cowlitzpud.org>; 'rjohnson@cowlitzpud.org' <rjohnson@cowlitzpud.org>; dcarlson@cowlitzpud.org; 'mlarsen@cowlitzpud.org' <mlarsen@cowlitzpud.org>; Barbara Taylor (btaylor@cowlitzpud.org) <btaylor@cowlitzpud.org>; Christopher Allen <callen@cowlitzpud.org>

Subject: BPA/Cowlitz Meeting

Greetings all, here is the draft agenda for our meeting this Thursday, Nov. 5. Let me know if you have any additional updates.

- COVID-19 Impacts/Updates
- Check in on Financial Impact Considerations
- BPA plans for return to work
- General Power Updates
- Post-2028 considerations
- Gearing up for BP/TC/EIM-22
- Load Forecast prep/key load & resource questions
- NOA Status
- TOP In-flight Project
- Long-range planning, 230 kV line rebuild project
- LLIR Status Check-ins
- Pacific Coast Fertilizer
- Lexington LURR for Cowlitz PUD's line work project
- Westrock Gen Re-configuration/13.8 kV project and possible generator replacement
- AT&T Comms Upgrade Status

- Other items?
- Next Meeting

Regards,

Melanie Jackson

Transmission Account Executive | Transmission Sales

Bonneville Power Administration

mmjackson@bpa.gov | P 360-619-6012 | C (b)(6)

-----Original Appointment-----

From: Martinez, Geneva C (CONTR) - TSES-TPP-2 **On Behalf Of** Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2

Sent: Thursday, August 27, 2020 9:09 AM

To: Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2; Wilson, Scott K (BPA) - PSW-6; Largo, Jay (BPA) - TPCV-TPP-4; Gary Huhta (Ghuhta@cowlitzpud.org); 'bessex@cowlitzpud.org'; 'rjohnson@cowlitzpud.org'; dcarlson@cowlitzpud.org; 'mlarsen@cowlitzpud.org'; Barbara Taylor (btaylor@cowlitzpud.org); Christopher Allen

Subject: BPA/Cowlitz Meeting

When: Thursday, November 5, 2020 2:30 PM-3:30 PM (UTC-08:00) Pacific Time (US & Canada).

Where: Phone Bridge: 503-230-4000 Call Id: 751383911 #

From: Bob Essex

Sent: Thu Nov 05 16:55:03 2020

To: Wilson,Scott K (BPA) - PSW-6

Subject: [EXTERNAL] RE: Post-28

Importance: Normal

I should have added... to see if we can coordinate a time for a call to discuss...

From: Bob Essex

Sent: Thursday, November 5, 2020 4:54 PM

To: Wilson,Scott K (BPA) - SR-7 (skwilson@bpa.gov) <skwilson@bpa.gov>

Subject: Post-28

Scott,

We would like to set up a call to discuss post-28 products with you. I'll try to give you a call tomorrow.

Have a good evening!

Bob

From: Wilson,Scott K (BPA) - PSW-6

Sent: Fri Nov 06 17:47:42 2020

To: 'Bob Essex'

Subject: RE: Post-28 meeting

Importance: Normal

Thanks Bob

It was nice hearing from you this afternoon. Let's go with 11/18 at 2:00. I think an hour will do it but I don't have anything on the backside of the hour if we end up wanting to continue our discussion. Hope you enjoy the weekend.

--Scott

From: Bob Essex <Bessex@cowlitzpud.org>

Sent: Friday, November 6, 2020 2:46 PM

To: Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Cc: Gary Huhta <Ghuhta@cowlitzpud.org>; Deanna Carlson <dcarlson@cowlitzpud.org>; Christopher Allen <callen@cowlitzpud.org>; Chris Velat <cvelat@cowlitzpud.org>

Subject: [EXTERNAL] Post-28 meeting

Scott,

Following up on our phone conversation;

based on calendars here, it looks like the following times would work for a call to discuss post-28 products. Do any of these work for you?

11/18 between 2:00 and 4:00

11/20 at 3:00

11/17 at 10:30

Thanks

Bob

REQUIREMENTS MARKETING AE REPORT
Customer Report to the Administrator
11/12/20

CUSTOMERS

Eugene Water and Electric Board (EWEB)

This week I had a good meeting with Matt Schroettig and Megan Capper from EWEB. We checked in on a number of topics including EIM implementation, EDAM, the BPA Administrator position, BP22 rates, Post-2028 contracts, and others. On markets, EWEB continues to fully support BPA's path toward joining the EIM in 2022. They do, however, continue to have market-design and governance related concerns around the EDAM. On rates, we discussed some of the factors likely to affect the BP22 rate case, including the financial tools being considered such as revenue financing. At this point EWEB understands and supports BPA's consideration of revenue financing in B22. They continue to support BPA's longer-term strategic interests of improving its financial leverage position and extending its borrowing authoring, and see revenue financing as a piece of that. This is particularly true when times are good and there are opportunities to incorporate these actions while maintaining minimal rate impact. Regarding Post-2028 contracts, EWEB commends BPA on the recently issued Engagement Summary and agrees that the major themes generally seem appropriate. Looking ahead, EWEB is keenly interested in conversations around carbon, and urges BPA to continue to evaluate options around a 100% carbon-free product and alternatives to the traditional "one-system" fuel mix approach (particularly when considering Slice versus the other products). (*K. Farleigh, 503-230-4055*)

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB

Sent: Fri Nov 13 09:24:14 2020

To: 'Megan Stratman'

Subject: RE: Post-2028 check-in on 11/19

Importance: Normal

Thank you!

Have a nice weekend,

Nancy

From: Megan Stratman <mstratman@nru-nw.com>

Sent: Friday, November 13, 2020 9:09 AM

To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Subject: [EXTERNAL] RE: Post-2028 check-in on 11/19

Dec 9th 1-2pm would work great, in lieu of both the Nov & Dec meetings.

Thanks!

Megan Stratman

Rates and Policy Director

Northwest Requirements Utilities

mstratman@nru-nw.com

Cell: (b)(6)

This email may contain confidential or privileged information. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient or have received this email in error, notify the sender immediately and destroy the material in its entirety, whether in electronic or hard copy format. Any unauthorized copying, disclosure or distribution of the material in this email is strictly forbidden. Thank you.

From: Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>

Sent: Friday, November 13, 2020 8:34 AM

To: Megan Stratman <mstratman@nru-nw.com>

Subject: FW: Post-2028 check-in on 11/19

Hi Megan,

Would Dec 8 from 9-10 or Dec 9 from 9-10 or 1-2 pm work for NRU to meet?

We can then combine the Nov 19 and Dec 17 meetings into one.

Please let me know what works for you and we'll update calendars accordingly.

Thank you!

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB
Sent: Thursday, November 12, 2020 11:00 AM
To: 'Megan Stratman' <mstratman@nru-nw.com>
Subject: RE: Post-2028 check-in on 11/19

Hi Megan,

I'm checking with the team and will get back to you soon. Thanksgiving week may be difficult to schedule something. I'm thinking either the first week of December or possibly the following week of December 10th (ish) and combine the Nov/Dec meetings into one. Thoughts?

Nancy

From: Megan Stratman <mstratman@nru-nw.com>
Sent: Thursday, November 12, 2020 10:30 AM
To: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>
Subject: [EXTERNAL] Post-2028 check-in on 11/19

Hi Nancy, BPA has scheduled its QBR technical workshop for the morning of 11/19, which conflicts with our recurring check-in. Could we reschedule it to a different time? Please let me know what times work for BPA staff and I'll coordinate with NRU staff.

Thanks!

Megan Stratman

Rates and Policy Director

Northwest Requirements Utilities

mstratman@nru-nw.com

Cell (b)(6)

This email may contain confidential or privileged information. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient or have received this email in error, notify the sender immediately and destroy the material in its entirety, whether in electronic or hard copy format. Any unauthorized copying, disclosure or distribution of the material in this email is strictly forbidden. Thank you.

From: Bob Essex

Sent: Wed Nov 18 11:24:58 2020

Required: Christopher Allen; Chris Velat; Gary Huhta; Deanna Carlson; Wilson, Scott K (BPA) - PSW-6

Subject: [EXTERNAL] Post-28 discussion

Location: Microsoft Teams Meeting

Start time: Wed Nov 18 14:00:00 2020

End time: Wed Nov 18 15:00:00 2020

Importance: Normal

Attachments: post 28 111820.docx

Attached is a word document with some suggested topics for discussion

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 323-484-8960,,908491785#](#) United States, Los Angeles

Phone Conference ID: 908 491 785#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)

Topics for discussion;

- Staggered Terms
 - We would like to have a layered approach with staggered terminations and flexible quantities in the layering
- Increase / Decrease PF purchases with shorter notices
 - Accommodate changes in customer owned resources (wind, solar, SMR) or large load variances
- Get rid of RSO
 - Unnecessary
 - Utilities need flexibility more now than ever with carbon requirements (CETA), renewable requirements, need to meet many competing requirements will make RSO impossible.
- Block with capacity;
 - BPA familiar with proposal?
 - BPA have thoughts on this?
 - Any thoughts on equity (with load following or otherwise)
 - Customers pay for % of system, additional capacity priced at cost of adding capacity?
 - Reminder of Load Following treatment for capacity needs: CDQ then marginal cost of CT?
 - Similar treatment for post-28?
 - Other “fair and equitable” capacity ideas for those that have shortages in capacity or excess?
- NLSL - change methodology and NLSL service?
 - What are BPA’s thoughts on this?
 - We don’t want to change 10+ = NLSL and once NLSL, always NLSL
 - Does BPA think there is any real potential for this to happen (serve NLSL’s with PF?)
- Resource Adequacy – have BPA provide and they will pay for it
 - What influence will PF customers have on BPA’s decision making process to join program or not? Foregone conclusion?
 - Interested in BPA offering product(s) that help customers achieve resource adequacy if they are in need of assistance (at appropriate cost)
- Secondary Slice
 - BPA heard about this concept?
 - Thoughts, concerns?
- Method for determining Fed Syst. Allocation – should recognize that some customers have loads that may be low one year but can instantly increase to much higher level.
 - CFCT loads?
- Prioritize PF load and needs over other out of region revenue opportunities

From: Bob Essex

Sent: Wed Nov 18 11:32:02 2020

To: Wilson, Scott K (BPA) - PSW-6

Subject: [EXTERNAL] RE: Post-28 discussion

Importance: Normal

Actually Scott, I think we would prefer just a power side discussion for this round if that's alright with you.

From: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Wednesday, November 18, 2020 11:31 AM

To: Bob Essex <Bessex@cowlitzpud.org>

Subject: RE: Post-28 discussion

EXTERNAL: Think Before You Click!

Thanks Bob. I look forward to talking with you about these topics and maybe a few others like thoughts around the initial proposal that BPA tipped out last week and whether I can expect Gary to become my boss as the new administrator. I am also going to reach out to Melanie Jackson to see if she would like to join us but don't know if she will or won't.

--Scott

-----Original Appointment-----

From: Bob Essex <Bessex@cowlitzpud.org>

Sent: Wednesday, November 18, 2020 11:25 AM

To: Christopher Allen; Chris Velat; Gary Huhta; Deanna Carlson; Wilson, Scott K (BPA) - PSW-6

Subject: [EXTERNAL] Post-28 discussion

When: Wednesday, November 18, 2020 2:00 PM-3:00 PM (UTC-08:00) Pacific Time (US & Canada).

Where: Microsoft Teams Meeting

Attached is a word document with some suggested topics for discussion

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 323-484-8960,,908491785#](#) United States, Los Angeles

Phone Conference ID: 908 491 785#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)



From: Wilson,Scott K (BPA) - PSW-6

Sent: Wed Nov 18 12:00:55 2020

To: 'Bob Essex'

Subject: RE: Post-28 discussion

Importance: Normal

No problem. I talked with Melanie to let her know about the meeting and she agreed just a power discussion made sense too.

From: Bob Essex <Bessex@cowlitzpud.org>

Sent: Wednesday, November 18, 2020 11:32 AM

To: Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Subject: [EXTERNAL] RE: Post-28 discussion

Actually Scott, I think we would prefer just a power side discussion for this round if that's alright with you.

From: Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Wednesday, November 18, 2020 11:31 AM

To: Bob Essex <Bessex@cowlitzpud.org>

Subject: RE: Post-28 discussion

EXTERNAL: Think Before You Click!

Thanks Bob. I look forward to talking with you about these topics and maybe a few others like thoughts around the initial proposal that BPA tipped out last week and whether I can expect Gary to become my boss as the new administrator. I am also going to reach out to Melanie Jackson to see if she would like to join us but don't know if she will or won't.

--Scott

-----Original Appointment-----

From: Bob Essex <Bessex@cowlitzpud.org>

Sent: Wednesday, November 18, 2020 11:25 AM

To: Christopher Allen; Chris Velat; Gary Huhta; Deanna Carlson; Wilson, Scott K (BPA) - PSW-6

Subject: [EXTERNAL] Post-28 discussion

When: Wednesday, November 18, 2020 2:00 PM-3:00 PM (UTC-08:00) Pacific Time (US & Canada).

Where: Microsoft Teams Meeting

Attached is a word document with some suggested topics for discussion

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 323-484-8960,,908491785#](#) United States, Los Angeles

Phone Conference ID: 908 491 785#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)

From: Wilson, Scott K (BPA) - PSW-6

Sent: Wed Nov 18 13:21:03 2020

To: (b)(6)

Subject: FW: for cowlitz

Importance: Normal

Attachments: post 28 111820.docx; Post-2028 slides_11_20.pptx

From: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Sent: Wednesday, November 18, 2020 1:17 PM

To: Wilson, Scott K (BPA) - PSW-6 <skwilson@bpa.gov>

Subject: for cowlitz

Provider of Choice (Post-2028) Update

Power Connection Meeting
November 18, 2020

PROVIDER OF CHOICE

— POST-2028 —

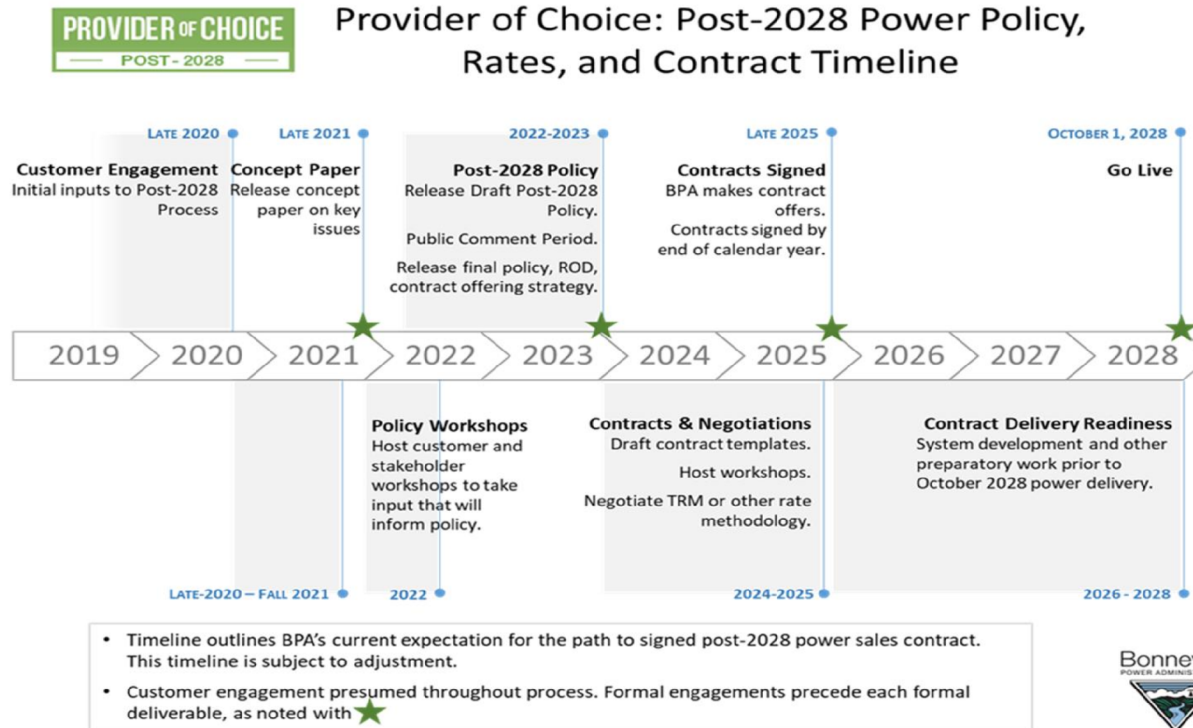


Marcus Elkenberry 2002

Content

- Timeline
- 2020 Customer engagement
- Engagement Summary document
- Next steps
- Other activities

Timeline



2020 Customer Engagement

- In anticipation of the expiration of current long term power sales agreements with Preference customers at the end of FY2028, BPA formally kicked off its “Provider of Choice” (post-2028 contracts) initiative in late 2019.
- Customer-Centric Engagement: Initial phase of conversations served to identify elements of current contracts that are working well, identify elements that bear improvement, and gain insight into what customers value most in future contracts.
- These discussions were led by BPA Power Account Executives and concluded in August 2020.

Customer Engagement Summary Document

- In early October BPA released a “Customer Engagement Summary” document that memorializes key findings from these conversations
- Key Themes:
 - This is a time of great uncertainty in our industry and region.
 - Most of the foundational principles/interests of Regional Dialogue are still relevant.
 - Customers generally feel that the current contracts and rate structure are working well, but would like to see certain key adjustments.
 - Preservation of the current “clean” system mix and customers’ ability to comply with low carbon legislative requirements is critical.

Next Steps

- BPA will continue conversations with customers and representatives to clarify if we heard utility's concerns and interests correctly, or if the pandemic, economy, legislative environment, or other recent factors have changed perspectives.
- In 2021 BPA plans to start the iterative process (internal and external) of formulating the policy framework that will set the foundation for Post-2028 Provider of Choice contracts and rates.
- BPA is targeting late 2021 for the release of a Concept Paper, and beyond that a path toward contract offers in 2025.
- Tough Issues Ahead: Transfer service, Irrigation Rate Discount, Low Density Discount, capacity sales, fuel mix, rules for applying non-Federal Resources, Residential Exchange Program, and many others.

Other Activities

- **Educational Materials:** Based on customer feedback, BPA developed a roster of education materials (Fact Sheets) to help ensure customer leadership has reference materials on the products and services BPA currently provides
- **Provider of Choice Website:**
 - BPA recently launched a “Provider of Choice” [website](#)
 - The website houses all Provider of Choice materials including Fact Sheets, as well as reference materials such as Regional Dialogue resources

From: Klumpp,Elizabeth C (BPA) - DIR-WSGL

Sent: Fri Nov 20 14:05:59 2020

To: Thompson, Kim T (BPA) - PS-6; Cook, Joel D (BPA) - P-6; James, Daniel M (BPA) - D-7; Cooper, Suzanne B (BPA) - PT-5; Connolly, Kieran P (BPA) - PG-5; Spain, Alex J (MFE)(BPA) - PTF-5; Federovitch, Eric C (BPA) - PTM-5; Wellschlager, John D (MFE)(BPA) - PTL-5; Johnson, Anders L (BPA) - TPLE-TPP-2; Kaseweter, Alisa D (BPA) - DI-7; Kitali, Salah H (BPA) - TP-DITT-2; Malin, Debra J (BPA) - PTL-5; Olive, J Courtney (BPA) - LP-7; Patton, Kathryn B (BPA) - PSS-SEATTLE; Bleifuss, Lindsay A (BPA) - PSW-6; Farleigh, Kevin S (BPA) - PSW-6; Hobson, Claire A (BPA) - PSW-6; Kruse, Pontip K (BPA) - PSE-MEAD-GOB; Munz, Paul G (BPA) - PSW-SEATTLE; Normandeau, Mike (BPA) - PSE-ROAN; Perry, Marcus I (BPA) - PSW-SEATTLE; Rimmer, William T (BPA) - PSE-MEAD-GOB; Ross, Hope E (BPA) - PSE-MEAD-GOB; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB; Watts, Kirsten (BPA) - PSW-SEATTLE; Wilson, Scott K (BPA) - PSW-6

Subject: Washington Report: SCL conversation on BPA -CETA product; cap and trade bill in 2021

Importance: Normal

Wishing you a good weekend!

Washington Report November 20, 2020

Customer Conversations: How to Develop a BPA Power Product that Complies with CETA

At SCL's request, Paul Munz and I met with 13 managers and staff, including two officers – Emeka Anyanwu and Tom DeBoer to discuss how BPA plans to navigate CETA, in particular the 2026 no-coal requirement and our post-

2028 contracts. It's pretty early to have any substantive answers and I emphasized that we don't yet. In part the conversation indicated that some of us are thinking along similar lines. CETA's no-coal requirement means BPA, as well as each Washington utility, will buy unspecified power in terms no longer than a month or will buy specified, non-coal resources - if BPA sells a compliant product. Washington utilities will pay \$150/MWH for any power that is demonstrably not coal. SCL indicated that it will be looking for a BPA product to comply with CETA's 2045 carbon-free standard as its leadership will insist on SCL meeting the law. They asked about how we are going to handle our non-Washington customers' potential concerns about BPA's power product. We also discussed the potential for increased revenues from surplus sales to PSE, PAC, and Avista from selling a cleaner product. We discussed potential methods to approach compliance, and possible longer-term changes to the law, as well as the need to get resource planning and operation minds together to analyze possible pathways, and the need to discuss terms in contracts. Layered on top of this conversation is the reality that Washington legislators will re-introduce an economy-wide cap and trade bill in 2021. It's easy to imagine many more customer conversations along these lines.

Washington Legislators Expected to Re-introduce Economy Wide Cap and Trade Bill

The Washington legislature is expected to re-introduce an economy-wide cap and trade bill in January, 2021, and a Clean Fuels Standard for vehicles. Alisa Kaseweter and I have initiated conversations with PGP to start sorting out possible interactions between CETA and a cap and trade bill. Many of us can see *potential* value in having carbon regulations that 1. link to California's, and 2. establish economy-wide carbon regulations in Washington rather than just electricity regulations. Practically speaking, I hope a complex bill like cap and trade doesn't pass in a virtual legislative session given there have been no conversations among the parties on the language during the preceding months. Another update: the lead state lobbyists from PSE and Tacoma Power have left for new private sector lobbying positions.

Liz Klumpp

Washington Liaison | Bonneville Power Administration | o 360-943-0157 | m (b)(2)

From: Farleigh, Kevin S (BPA) - PSW-6

Sent: Wed Nov 25 07:29:10 2020

To: Farleigh, Kevin S (BPA) - PSW-6

Subject: BPA Updates: EIM and Post-2028 Fact Sheets, Fitch Credit Rating

Importance: Normal

Good morning,

For your information, I wanted to pass along a note regarding several BPA-related publications that may be of interest. This includes a new fact sheet on BPA's considerations around joining the EIM, new educational fact sheets associated with BPA's Provider of Choice (Post-2028) initiative, and a link to a recent credit rating assessment published by Fitch. Details on all this below.

Hope you have a happy Thanksgiving (2020-style),

Kevin

EIM Fact Sheet

A new [fact sheet](#) is now available on BPA's preparation for potential changes that could enable joining the Western Energy Imbalance Market. The fact sheet provides an overview of what the EIM is, what it is not, why BPA would join, and potential changes BPA and customers may expect along with next steps.

- BPA continues to evaluate potentially joining the Western Energy Imbalance Market in March 2022 and is preparing for potential changes to its systems, rates and transmission tariff that could enable participation if it decides to join.
- BPA's 2018–2023 Strategic Plan recognizes the importance of grid modernization. EIM implementation would allow BPA to take a more active role in evolving energy and capacity markets, while meeting its long term firm power obligations in the Pacific Northwest consistent with statutory preference requirements.
- EIM participation could increase BPA's efficiency and visibility into the dispatch and marketing of federal power and transmission assets, which could support maintaining BPA's financial strength, enabling the agency to continue to provide competitive power products and services, and meeting transmission customer needs efficiently and responsively — all key strategic plan goals.
- BPA will continue to participate and evaluate the outcomes of regional initiatives, such as the California Independent System Operator's Western EIM Governance Review Committee initiative, that could impact how it might participate in the EIM.
- Since 2018, BPA has been using a collaborative, five-phase decision-making process to determine whether to join the EIM. The next step is Phase IV, the BP-22 Rate Case and TC-22 Terms and Conditions Tariff Proceeding, starting in December. In Phase V, BPA will issue a closeout letter that will determine whether joining the EIM aligns with the six participation principles presented in the September 2019 record of decision.

More information is available on BPA's [EIM website](#).

Provider of Choice (Post-2028) Website and Educational Fact Sheets

As a reminder, BPA has launched an [external webpage](#) for the Provider of Choice (Post-2028 Contracts) initiative. Among other resources, this site contains a series of short educational “fact sheets” that provide background information on a range of foundational topics. BPA continues to add to this collection of fact sheets, which now covers topics including: BPA Statutes, Products, Tiered Rate Methodology, Transfer, Residential Exchange Program, New Large Single Load policy, and others.

Fitch Ratings - updates BPA’s credit outlook from negative to stable

Fitch Ratings has revised the rating outlook for BPA from negative to stable and affirmed BPA’s ‘AA-’ Issuer Default Rating. The IDR reflects the overall credit quality of BPA’s repayment of all its fixed obligations, including federal and non-federal debt and lease obligations.

Fitch Ratings assigned an ‘AA’ rating to approximately \$200 million transmission facilities revenue bonds scheduled to be issued by the Port of Morrow, Oregon in December.

For more information, please see [Fitch Ratings’ commentary](#).

From: Randy Payne

Sent: Mon Nov 30 11:16:08 2020

To: Farleigh, Kevin S (BPA) - PSW-6

Subject: [EXTERNAL] RE: Transfer Service

Importance: Normal

Perfect, thanks.

From what I've seen thus far, it looks like BPA is doing their best to protect full preference customers in the post-2028 contract. This is good for us.

From: Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>

Sent: Monday, November 30, 2020 10:52 AM

To: Randy Payne <rpayne@skamaniapud.com>

Subject: RE: Transfer Service

Morning Randy,

The Thanksgiving weekend was nice. Good food. Good times with the immediate fam, though we missed our traditional larger gathering. Oh well... Hope you had a nice one as well.

Regarding transfer service, sounds like you're looking for some basic background info on the subject? The first resource I would recommend is the recently published Fact Sheet on the topic: <https://www.bpa.gov/news/pubs/FactSheets/fs-202009-History%20of%20transfer%20service.pdf> .

If you need more in-depth information on transfer (including background on concerns from transfer customers), I do have some additional recommendations. Please let me know if you're interested. And just to confirm, Skamania PUD is of course not a transfer customer. You are a full "directly connected" customer, located entirely within the BPA Transmission Balancing Authority Area.

As a side note, the "History of transfer" fact sheet is one from our growing collection of post-2028 fact sheets on various BPA subjects. In case you get similar questions on other subjects (e.g. NLSLs, Tiered Rates, etc.), this collection is available at: <https://www.bpa.gov/providerofchoice/Pages/Educational-Materials.aspx>

Kevin

Kevin Farleigh
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: Randy Payne <rpayne@skamaniapud.com>
Sent: Monday, November 30, 2020 10:19 AM
To: Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>
Subject: [EXTERNAL] Transfer Service

Hi Kevin,

Hope you had a nice Thanksgiving. I was asked for my perspective on “transfer service” and don’t recall sure exactly what that is as it pertains to BPA?

Thanks,

Randy

From: Turner,Kristel L (BPA) - DKP-7

Sent: Tue Dec 01 12:42:22 2020

To: Hairston,John L (BPA) - K-7

Cc: Klumpp,Elizabeth C (BPA) - DIR-WSGL; Wilson,Scott K (BPA) - PSW-6; Johnson,G Douglas (BPA) - DK-7; Hannigan IV,Benjamin R (BPA) - A-7

Subject: WPUDA talking points

Importance: Normal

Attachments: WPUDA Annual Meeting_Hairston speaking points.docx

Hi John,

Here is the latest draft of your WPUDA talking points for our discussion at 1. Talk to you soon!

Kristel

Talking Points
WPUDA Annual Meeting
Dec. 3, 2020

Introduction

- Thank you for inviting me to attend your annual meeting. It's an honor to participate as acting administrator of the Bonneville Power Administration. I look forward to meeting you in-person in the future.
- Since taking on this role, I've been reaching out to customers, doing a lot of listening and a lot of learning. I've had a chance to talk to some of you, not just in my current role but also as Bonneville's chief operating officer.
- 2020 has brought difficult challenges to many of our communities. The reliable power and services you provide in Washington have enabled your customers to make dramatic shifts in their ways of life that we could not have fathomed just a year ago. For the people you serve, affordable, reliable power is one thing they've been able to depend on during these uncertain times.
- And I believe Bonneville has been a reliable partner to you during these times as well. Despite the difficult conditions, we continued to deliver on our mission and strategic goals. I'm extremely proud of how our people performed, especially when you consider the uncertainty and vulnerability we have all felt this year.
- The results we've delivered over the last year demonstrate that we are up to the task of partnering with our customers – with all of you – to meet the challenges of a changing energy landscape.
- At BPA we plan for a variety of contingencies, and all of that planning and preparation paid off this year when COVID-19 struck our communities. We were ready to respond quickly and effectively to rapidly changing conditions.
- We developed COVID practices, based on guidance from national, state and local health officials that enabled us to work while we prioritized the health of our workforce. We have emphasized the well-being of our mission essential employees, with the goal of preserving our ability to meet your needs and continue delivering reliable power to the region.
- We also remained flexible as your needs changed. An example is the suspension of the financial reserves surcharge, which provided some swift, tangible rate relief.

Wildfires

- Another challenge we faced in 2020 was, of course, an unprecedented wildfire season. For many in your communities, it will be a year they never forget.
- I spoke directly with some of you back in early September while we were managing the crisis. These devastating events impacted many of you, and some of you are still repairing and rebuilding. Fortunately, we were able maintain service to most of our customers and repair our damaged equipment sooner than expected. And, most importantly, we were able to perform that restoration work safely and without injuries to our crews.
- Back in June, we released our Wildfire Mitigation Plan. With concerns about the increasing frequency and severity of wildfires, we developed this multi-pronged plan that leverages our leading vegetation management program and elevates wildfire mitigation in our asset planning strategy. The goal of the plan is to ensure we can continue to serve our utility customers safely and effectively when wildfires threaten BPA lines or substations, as well as to reduce the likelihood of BPA equipment being a source of ignition.
- While it served us well during this challenging and intense wildfire season, we continue to apply the lessons we learned during this wildfire season to further strengthen an already sound wildfire mitigation plan. I'm confident we will be even better prepared for future events.

FY 20 Financial Performance:

- On a positive note, BPA had quite a remarkable year when it came to our finances.
- We met all of our financial targets in 2020. This includes meeting our agency debt-to-asset ratio target of 82%, exceeding our target for available Treasury borrowing authority, and maintaining strong, investment-grade credit ratings. These are all critical elements of our strategy to sustain financial strength.
- I'd also add that we recently concluded the first phase of the Regional Cooperation Debt program with Energy Northwest. Through this multiyear collaboration we have been able to extend maturing low-cost debt associated with the region's three nuclear projects. Revenues that we would have used to pay off nonfederal bonds were instead used to pay off higher interest rate U.S. Treasury debt, providing about \$2.8 billion in gross debt-service savings. This has been such a successful program for the region. We're now entering phase two, which will XYZ
- We also ended the year with positive agency net revenues of \$246 million, well above our rate case expectation of \$12 million.
- Our power net revenues were \$255 million against a target of at least \$48 million.

- Because Power's secondary revenues are so volatile, in good years the additional revenue is added to cash reserves so that in bad years BPA doesn't have to reduce budgets. So with this additional revenue, we've increased our days cash on hand to 95 days compared to our target of 60 days.
- Healthy cash reserves are a part of our long-range financial plan to ensure low, competitive power rates, so this is great news.
- On the Transmission side, we also exceeded our revenue target and added to our cash reserves. Because both the agency and Transmission upper thresholds of 60 days cash on hand were exceeded, the reserves distribution clause for Transmission has triggered.
- This clause of the Financial Reserves Policy allows the administrator to repurpose financial reserves. In this case, BPA has proposed using the reserves, in the range of \$65 to \$80 million, for debt reduction. We've accepted comments on this proposal and will make a decision no later than Dec. 15.
- Also in FY 2020 we completed our first virtual Integrated Program Review. With your input we published final spending levels for the next rate period in line with our strategic goal to keep spending levels flat or below inflation.
- These IPR costs are a key input into the BP-22 rate case, which we kicked off Dec. 1 with our initial proposal.

BP-22 Rate Case initial proposal

- BPA's proposed rates reflect the progress we've made toward our strategic plan. They represent program cost reductions that offset upward rate pressures while allowing us to invest in the most valuable work, including grid modernization, and continuing to strengthen financial health.
- Our proposed rates also reflect the fact that BPA is still a highly leveraged organization, which is why our proposal includes revenue financing for both power and transmission. This means we would pay for a portion of our capital program with revenues rather than borrowing. This will dampen the impact of rising debt on future power rates and preserve BPA's Treasury borrowing authority.
- On the Power side, BPA is proposing to keep its average power rate flat relative to current rates. Under our current secondary revenue projections, BPA is able to propose up to \$190 million of revenue finance in the BP-22 power rates while holding the Tier 1 rates flat.
- For transmission, BPA is proposing a weighted average increase of approximately 11.6% relative to current rates. This reflects the expiration of the use of financial reserves for BP-20 rates, as well as the use of revenue to finance part of the Transmission capital program.

- Historical transmission rates have reflected a 100% financing approach for transmission capital, and we have paid back less than we've borrowed on annual basis.
- Without significant changes in capital spending and capital funding, like the revenue financing proposed, BPA expects it will drop below a healthy amount of remaining borrowing authority by 2024 and would completely exhaust its federal U.S. Treasury borrowing authority by 2032. The measures included in today's proposal help to start addressing the access to capital challenge and gives BPA time to have conversations with customers to develop a long-term strategy.
- Including revenue financing in our rates now helps mitigate the significant upward rate impacts that running out of borrowing authority would have on future rates.
- We are taking comments from rate case participants on our initial proposal through March 1. As a reminder, the release of the initial proposal initiates ex parte, which prohibits communications between BPA employees and others regarding the merits of any substantive issue in the rate proceeding.

TC-22

- Ex parte also applies to the Transmission tariff proceeding, known as TC-22, which is running concurrently with the BP-22 process. BPA's tariff sets the terms and conditions for using BPA transmission. Our initial proposal reflects the extensive discussions BPA has conducted with the region since October 2019.
- The proposed tariff changes would clarify and reflect customer obligations, improve customer service through study and planning processes and prepare BPA for possible participation in the Western EIM.

EIM

- We're about a year away from making the decision to join the EIM. If we do join, it would be mid-rate period, which is why our rate case and tariff proceeding both consider EIM impacts.
- The decision about whether to join will require a lot more discussion among all the parties affected and serious consideration over the next several months.
- We know governance is extremely important. BPA is actively involved in the review of the EIM's governance through our involvement on the Governance Review Committee. This is an important foundation for BPA's participation and the addition of market functions in the future.
- Bottom line: I want all of you to know that I'm fully committed to ensuring whatever decision we make is in your best interests.

BPA's strategy on market design engagement

- The EIM decision and implementation effort are part of our overall grid modernization effort to increase automation, improve accuracy and enhance visibility into real-time federal power and transmission operations.
- This key strategic initiative will ultimately enhance the optimization and reliability of the grid, reduce costs and enable us to take advantage of new market opportunities.
- In addition to the EIM, BPA is also exploring CAISO's extended day-ahead market, or EDAM, and the Northwest Power Pool Resource Adequacy effort.

EDAM

- EDAM would extend the CAISO day-ahead market to EIM entities, a fundamental for both the sale of power and transmission. BPA is exploring if EDAM could provide value for our clean, carbon-free capacity and ensure our transmission system is appropriately compensated.
- BPA is helping to drive the development of the EIM Entities' positions on the first bundle of issues being discussed, including Resource Sufficiency, Transmission and Congestion revenue.

NWPP RA program

- More urgently, the region needs to ensure utilities and other load serving entities in the Northwest Power Pool footprint have resources that are adequate to serve load and the associated firm transmission that's needed. That's the goal of the NWPP Resource Adequacy program.
- While BPA is actively engaged in the development of these initiatives, we will make a decision once the program is fully designed.
- BPA will evaluate if the program is in the best interests of our customers and the load residing within our balancing authority area for assuring reliability of service.
- Our goal and focus is to position BPA to be competitive and maximize the value of BPA's surplus power and transmission system.

The impact of California's recent capacity shortages on BPA's view of these initiatives:

- The capacity shortages in California last summer heightened the interest in RA and market initiatives.
- We do not expect to change our overall approach to CAISO markets, but any market design flaws that we discover based on the recent events will inform our positions on market design elements.
- We are committed to continuing dialogue with California on these issues.

CRSO and Columbia Basin Collaborative

- Now I'll turn to the Columbia River System Operations environmental review, which I'm sure many of you followed carefully. I believe the outcome of this effort will benefit fish while providing clean, dependable, affordable power to the people of the Northwest. At the same time, we'll preserve the many other benefits of the system that you rely on, including

irrigation and navigation.

- Our analysis shows that if we continue to manage our costs and leverage additional revenue opportunities, we can limit or avoid financial impacts for BPA ratepayers. Our goal, of course, is to remain your provider of choice for low-cost, reliable, and responsible low-carbon power for decades to come.
- We are disappointed about the prospect of litigation over the CRSO, but we remain committed to working with our federal, state, tribal and other non-governmental partners to mitigate the impacts of the system on fish and wildlife in the region.
- The states of Washington, Oregon, Idaho and Montana are engaged in a process called the Columbia Basin Collaborative, with the goal of taking a broader, more collaborative view on regional solutions that can improve conditions for fish and wildlife.
 - This state-led effort is still in the early design phase. We have made no commitments about formally participating in the process or funding it.
 - At this stage, there's a lot more we need to understand and consider before we know what our role might be. But I've been clear about my desire for us to remain very well coordinated with PPC on how this 4-state process develops and BPA's potential involvement. We should know more in the next few weeks.

Looking ahead:

- I'd like to point out that BPA recently released a progress update on our 2018-2023 Strategic Plan. This mid-point review documents achievements and reaffirms our commitment to existing strategic goals. We believe that our strategic goals and objectives are still the right ones to continue moving the agency forward.
- The progress update also calls out areas where we will be increasing our focus in the years to come. That includes the Provider of Choice initiative, which is designed to lay the foundation for the development of policies and contracts BPA will offer beyond 2028 when current contracts expire.
- In October we released a summary of customers' views related to your post-2028 interests, contracts and rate structure.
- In releasing this summary paper BPA wanted to reaffirm to preference customers that we hear your interests and concerns, and assure you that it is BPA's goal to be your Provider of Choice post 2028. We have continued to engage with customers through AE-led discussions to give further opportunity to confirm or refine our key findings.
- In early 2021, the focus will turn toward the development of a Concept Paper, which will require extensive outreach and partnering with customers.

- We look forward to the thoughtful conversations, collaboration and healthy Provider of Choice policy debates in the coming years so that we can extend the Pacific Northwest’s rich history of low-cost, reliable and low-carbon public power for the region.
- To close, I’d just like to say how much Bonneville appreciates our partnerships with you – whether we’re shaping power policies, repairing lines after wildfires, or keeping our employees safe while running the grid amidst a pandemic. I look forward to seeing what we can achieve together in 2021. Thank you once again for inviting me to join you today.

Talking points for potential Q&As

Southern Resident Killer Whales: NOAA is the science and regulatory lead among the federal agencies on orcas and their health

Washington Clean Energy Transformation Act law (pronounced see’ – tuh)

CETA and BPA

Short Q&A response: We have BPA staff engaged with the state agency CETA implementation processes and those employees are working with utility customer representatives as the state implements its new carbon-neutral power standard.

Longer Q&A response: I’m aware that Washington is implementing its law to have utilities serve their loads with carbon-neutral power by 2030 and with carbon-free by 2045. We’ve had an internal team engaged with the CETA rulemaking processes conducted by multiple state agencies. Our focus has been to ensure that BPA will have the ability to sell a power product to Washington utilities in the future and to use or expand the existing transmission system efficiently. Our leads are engaged with utility customer groups and with individual utility representatives to discuss potential paths forward. We understand that some of the requirements in the Washington law may alter how BPA buys power in wholesale markets, with a notable focus on power purchase contracts that exceed a month in length. We’re prepared to work with our customers and interested parties to ensure BPA has a power product that our Washington customers want to purchase to serve future loads.

CETA Background

Key criteria

1. Jan. 1, 2026 – no coal costs in retail rates.
 - a. This effectively means any unspecified power purchase contract for a term longer one month has to demonstrate that it is not coal (including a multi-year power contract with BPA). This may mean, for example, that BPA moves to bi-lateral contracts for power from natural gas or renewable generators for contract terms longer than one month.
 - b. Coal penalty: \$150/MWH.

2. Jan. 1, 2030-2044: Each utility serves retail loads with 100% *carbon-neutral* power. This means each utility serves 80% of retail load with bundled carbon-free power and may mitigate for relying on fossil fuels to serve up to 20% of loads.
 - a. Mitigation can include buying unbundled RECs from hydro, wind, solar, etc.
 - b. Penalty/fees range from \$60/MWH for a CCT to \$100/MWH for unspecified power to \$150/MWH for coal.
 - c. The law includes numerous, complex processes for Washington's 65-68 utilities to address social justice, social cost of carbon in resource planning, setting targets and achieving energy efficiency, demand response, and renewable resource acquisition.

3. Jan. 1, 2045: Each utility serves retail loads with 100% carbon-free power. The law includes no penalties as of now.
 - a. Separately, the state is producing a 2021 State Energy Strategy (a policy position document at this point) whose focus is to decarbonize the state economy by shifting fossil fuel loads to electricity, using hydrogen and renewable natural gas, and reducing vehicle use. Some of us think that as the state moves to economy wide decarbonization, some flexibility will open up in CETA standards for electric utilities (for example, that could mean the requirement would maybe drop from requiring 100% carbon-free to 95% carbon-free power).

From: Wilson, Scott K (BPA) - PSW-6

Sent: Thu Dec 03 12:18:52 2020

To: Wilson, Scott K (BPA) - PSW-6

Subject: For Tomorrow AE call.

Importance: Normal

Nod to Provider of Choice and the AE role.

Noted that BPA system starts green compared to alternatives and said BPA would work to find a way that our system can be looked at in future contracts that will allow them to meet their state requirements. Did not talk about how but that he understood and meeting their needs is important to him

Governance on EIM and EDAM is important. John was very clear we have not decided we ARE joining the EIM. He will want to be convinced that it makes sense for BPA and the Region. Expressed measured concern about the governance and its California leaning.

Dam breaching is a nonstarter for us.

Appreciation from Customers, particularly about the good financial news and keeping rates steady.

I thought he did a nice job with the prepared remarks and questions and was certainly a plus if he wants to be the Administrator of Choice.

Handwritten:

★ Data by next Tues

8/6 PPL mtg - Michael Deen - Policy Lead
Irene Sinays

Customer engagement

Concept Paper release in ~ Oct 2021
Workshops, iterative process, through summer
2022 - release draft policy

comment periods

init 2023 final policy RFP

2024 - 2025 contract negotiations & drafting

Late 2025 offer K

Oct 1

2026 - 2028

→ preparations, systems,

From: Kathryn McMahan

Sent: Tue Dec 08 14:45:39 2020

To: Farleigh, Kevin S (BPA) - PSW-6; Bleifuss, Lindsay A (BPA) - PSW-6

Cc: Dan Bedbury; Tom Haymaker; Lena Wittler; John Eldridge; 'Ryan Neale'

Subject: [EXTERNAL] Dedication of the River Road Generating Plant under §5(b)(1)

Importance: Normal

Attachments: image001.jpg; bpa ltr RRGp 5(b)(1) dedication 12 8 2020.pdf

Please see attached correspondence.

Kathryn McMahan

executive assistant to dan Bedbury, director of ENERGY RESOURCES

kmcmahan@clarkpud.com | **DIR:** 360-992-3462 | **FAX:** 360-992-3140



Commissioners

Nancy E. Barnes
Jim Malinowski
Jane A. Van Dyke

*Chief Executive Officer/
General Manager*

Lena Wittler

December 8, 2020

Mr. Kevin Farleigh
Account Executive, Requirements Marketing
Bonneville Power Administration
Via email to ksfarleigh@bpa.gov and lableifuss@bpa.gov

RE: Dedication of River Road under §5(b)(1)

Dear Kevin:

On the behalf of Clark Public Utilities (“Clark”), I want to extend our thanks to you and the rest of the team from the Bonneville Power Administration (“BPA”) for meeting with us regarding the interaction between Clark’s new obligations under Washington’s Clean Energy Transformation Act (“CETA”) and its ongoing obligations to BPA under §5(b)(1) of the Northwest Power Act with respect to Clark’s River Road Generating Plant (“River Road”). We greatly appreciated the open dialogue of our meeting and are looking forward to further sharing ideas and collaborating with BPA on this issue.

In response to your suggestion, we have prepared for BPA’s analysis and consideration a proposal for River Road’s post-2028 §5(b)(1) treatment. As explained in more detail in Section 4 of this letter below, the two main thrusts of the proposal are (1) that the BPA Administrator would consent to a reduction of River Road’s §5(b)(1) annual energy dedication to an amount equal to 20 percent of Clark’s retail load, or 101 aMW, so that Clark can comply with CETA’s 2030 greenhouse gas neutral standard; and (2) Clark would continue to commit River Road’s full generation capacity (nameplate 248 MW) to meet Clark’s post-2028 peak requirements.

To aid BPA in its evaluation of Clark’s proposal, this letter is divided into four sections as follows:

Section 1 provides background information regarding River Road and identifies the important load service and reliability benefits currently provided by the plant and/or that the plant could provide in the future to Clark, BPA, and/or the region.

Section 2 shares our understanding of Clark’s opposing obligations under CETA and §5(b)(1) of the Northwest Power Act.

Mr. Kevin Farleigh
Bonneville Power Administration
Page 2
December 8, 2020

Section 3 explains Clark's future intentions with respect to River Road in light of Clark's new CETA obligations.

Section 4 includes Clark's proposal for BPA's consideration on how to balance Clark's obligations under both CETA and §5(b)(1) of the Northwest Power Act.

We welcome BPA's input on the understandings and information provided and are prepared to address any questions BPA may have.

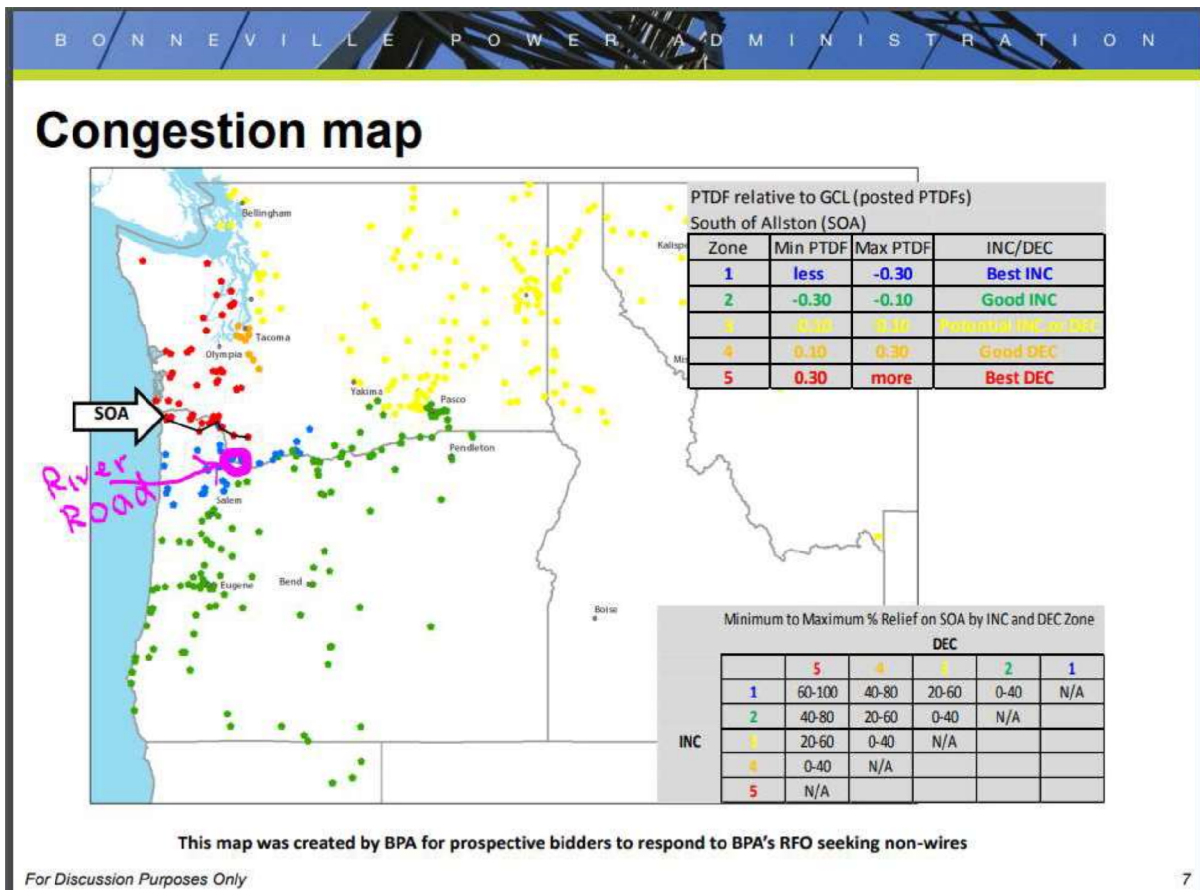
1. Description of River Road and the Benefits it Provides.

(b)(4)



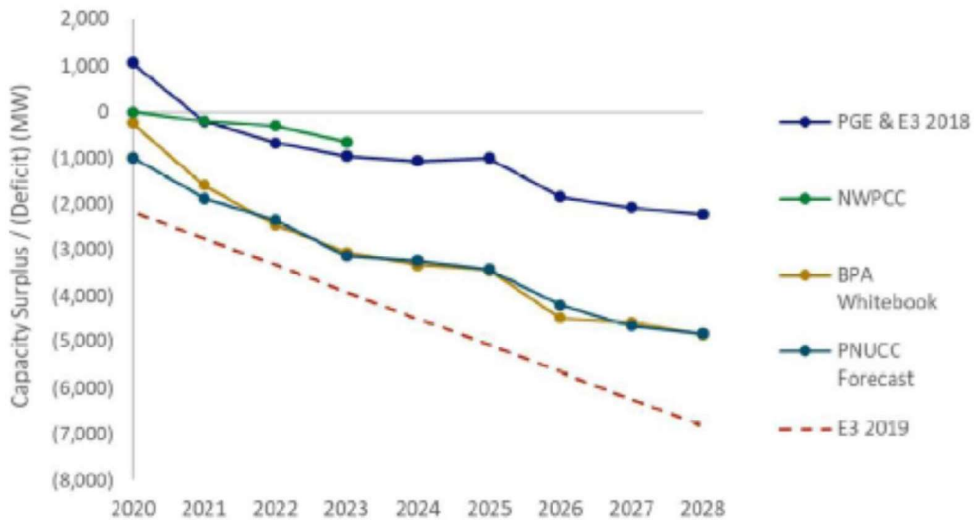
¹ Non-Wires SOA Pilot Summary Results (December 10, 2018) available at <https://www.bpa.gov/transmission/CustomerInvolvement/Non-Wire-SOA/Documents/SOA-Pilot-Customer-Workshop-120518.pdf>.

(b)(4)



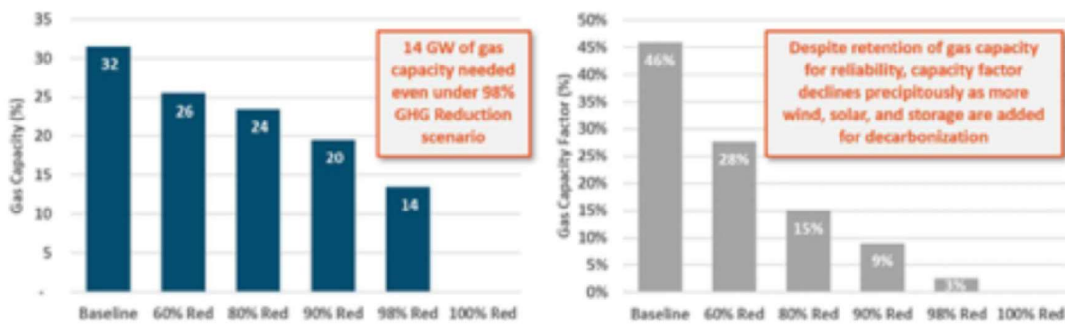
From a power supply perspective, River Road's importance to Clark, BPA, and the region is likely to only increase in the future—even under CETA. The Northwest Power Pool and others have concluded that the Pacific Northwest could experience very slim reserve margins in meeting load into the future increasing the likelihood of widespread short to long-term duration power outages. The chart below illustrates the consensus.²

² Northwest Power Pool Exploring a Resource Adequacy Program for the Pacific Northwest: An Energy System in Transition at 76 (Oct. 2019).



In addition, every responsible study performed that envisions a path to GHG-free electricity indicates that natural gas-fired generation, like River Road, will be needed at times for reliability.³ For example, as shown in the figure below, in its 2019 study on Resource Adequacy in the Pacific Northwest, E3 determined that 14 GW of gas capacity would be needed in the Greater Northwest even in a 98 percent GHG reduction scenario.⁴

Figure 6. Natural gas capacity and capacity factors under various GHG reduction scenarios (E3 study)



River Road’s size, dispatchability, and strategic location make it uniquely situated to help Clark, BPA, and the greater region meet the above power supply challenges, as well as emerging Resource Adequacy requirements.

³ *Id.* at 90-91 (discussing the conclusions of E3’s study Resource Adequacy in the Pacific Northwest (2019)).

⁴ *Id.* at 91 (discussing the conclusions of E3’s study Resource Adequacy in the Pacific Northwest (2019)).

2. The Interplay Between CETA and §5(b)(1).

CETA will require Clark to become greenhouse gas (“GHG”) neutral beginning in 2030. The GHG-neutral standard will require Clark to meet 80 percent of its retail load using renewable resources and/or non-emitting electric generation.

Clark will be able to serve the remaining 20 percent of its retail load with GHG-emitting generation so long as Clark makes use of one or more of CETA’s alternative compliance options (e.g., the use of unbundled renewable energy credits). CETA’s GHG-neutral standard will be replaced beginning January 1, 2045 with a more restrictive GHG-free standard that will require Clark to use renewable resources and/or non-emitting electric generation to serve 100 percent of its retail load.

Clark’s annual retail load is currently around 530 aMW. In 1997, Clark dedicated approximately 225 aMW of annual energy and 248 MW of capacity from River Road to serve its total retail load. These dedicated amounts are sufficient to serve approximately 42 percent of Clark’s retail load on average.⁵ In addition, Clark uses the full capacity of 248 MW on many hours each year to serve Clark’s retail load.

Clark’s dedication of River Road to serve its total retail load has important statutory implications under §5(b)(1) of the Northwest Power Act. Specifically, pursuant to the statute, the amount of firm power Clark is entitled to purchase from BPA is limited to the difference between Clark’s total retail load less the amount of Clark’s Dedicated Resources, i.e., River Road and Packwood. The amount of federal power so calculated is referred to as Clark’s “Net Requirements.”

Because River Road is an identified §5(b)(1)(B) resource dedicated to serve Clark’s total retail load prior to October 1, 2006, it is identified as an Existing Resource under BPA’s Regional Dialogue power sales contract and is within the meaning of Existing Resource as used in BPA’s Revised 5(b)/9(c) Policy (March 25, 2009). This means that, in its calculation of Clark’s Net Requirements, BPA will apply River Road’s approximately 225 aMW of output toward serving Clark’s retail load for energy and 248 MW of output for peak. The statutory treatment of applying a customer’s dedicated non-federal resource does allow for its discontinuance if one of the following conditions occurs: obsolescence, retirement, loss of resource, loss of contract rights, or the BPA Administrator’s consent.

Beginning in 2030, Clark’s obligation under CETA to ensure that 80 percent of its retail load is served with renewable resources and/or non-emitting electric generation will

⁵ During the operating year, Clark uses a combination of River Road’s output, Slice output, and market purchases to meet this obligation. Over the 5 years of 2014-2018, output from River Road generated power equivalent to roughly 31 percent of Clark’s annual average load requirements.

come into direct conflict with its obligation under §5(b)(1) to serve approximately 42 percent of its retail load using the GHG-emitting River Road. CETA will limit Clark's use of River Road to serve no more than 20 percent of its retail load. This equates to around 45 percent of the energy capability currently declared for River Road for §5(b)(1) purposes, a reduction of approximately 124 aMW from the current dedicated amount of 225 aMW to 101 aMW.

Clark believes that the above reduction would qualify, at the very least, for a partial reduction of River Road's §5(b)(1) annual energy dedicated amount under either the Revised 5(b)/9(c) Policy's obsolescence or loss standards. As currently stated in the Revised 5(b)/9(c) Policy, both standards would require the amount of River Road so reduced to be permanently discontinued so that it is unable to ever be used to serve load again, whether by Clark or a third party. However, it was not contemplated when the Revised 5(b)/9(c) Policy was developed that a new state law would effectively bifurcate the energy and capacity capabilities of a Dedicated Resource in such a manner that the dedicated amount of the former could be partially lost for purposes of serving a utility's total retail load while the dedicated amount of the latter could remain unchanged, but that is what will happen to River Road under CETA. For the reasons discussed in Section 1 above and Section 3 below, permanently discontinuing River Road's ability to continue to provide reliable, dispatchable capacity (as well as short-term energy above River Road's §5(b)(1) annual energy dedicated amount), as would be required under either the obsolescence or loss standards, is not in the best interest of Clark, BPA, or the region. However, such an outcome is not necessary if the Administrator gives her or his consent to a partial removal of River Road's §5(b)(1) annual energy dedicated amount as recommended in Clark's proposal below.

(b)(4)



(b)(4)



4. Clark's §5(b)(1) Proposal for BPA's Analysis and Consideration.

All of the above potential load service and reliability benefits would be lost to Clark, BPA, and the region if River Road were to be deemed partially obsolete or lost under the Revised 5(b)/9(c) Policy because it would mean the permanent discontinuance of that portion of plant determined to be obsolete or lost. In order to explore solutions with BPA that would avoid such an outcome, Clark respectfully requests that BPA analyze the following proposal for a partial reduction of River Road's §5(b)(1) annual energy dedicated amount:

- (1) For purposes of calculating Clark's Net Requirements, the Administrator would consent to a reduction of River Road's §5(b)(1) annual energy dedication to 101 aMW beginning commensurate with a new firm power sales contract offered pursuant to §5(b)(1) in 2028;
- (2) Clark's River Road §5(b)(1) annual energy dedicated amount would be 101 aMW and BPA would agree to serve Clark after expiration of Clark's existing Regional Dialogue power sales contract with firm power to replace River Road's undedicated amount if requested by Clark pursuant to §5(b)(1);
- (3) Clark's River Road §5(b)(1) dedicated capacity amount for meeting peak requirements would remain 248 MW under the new firm power sales contract offered pursuant to §5(b)(1) in 2028;
- (4) After ensuring that its own long-term and mid-term needs are met, Clark would be able to offer to sell, on a short-term (typically less than 1-month

Mr. Kevin Farleigh
Bonneville Power Administration
Page 8
December 8, 2020

duration) basis, surplus power (energy and capacity) that may be supported by River Road's capabilities. These offers will be consistent with the requirements of BPA's Revised 5(b)/9(c) Policy or its replacement if River Road is specifically identified as the resource; and

- (5) BPA and Clark would acknowledge that River Road's dedication as a §5(b)(1) resource will need to be revisited prior to 2045 when CETA's GHG-free standard commences or if, prior to 2045, (i) another applicable law further restricts Clark's ability to use River Road to serve its retail load, or (ii) the remaining dedicated amount of the plant otherwise becomes obsolete, lost, or retired in accordance with BPA's Revised 5(b)/9(c) Policy or its replacement.

This proposal balances Clark's GHG-neutrality requirements under CETA with the purpose and intent of §5(b)(1) of the Northwest Power Act. The proposal does not seek to place more load on BPA through the reduction of River Road's §5(b)(1) annual energy dedicated amount or its peak requirement obligations than is required for Clark to comply with CETA's GHG-neutral requirement. The proposal also intends to signal to BPA that, at a time when other utilities may be indicating that they wish to remove all or a portion of their load from BPA come 2028, Clark is interested in potentially increasing its firm power demand on BPA.

We offer the above alternatives for BPA's analysis and consideration in order to start what we hope will become a constructive conversation. Please let us know if there are other iterations of the above alternatives, or different alternatives altogether, that BPA believes should also be part of the discussion. We are open to all possibilities that would help Clark meet its obligations under CETA at the lowest possible cost to its customers.

We look forward to further discussions regarding this matter. If you have any further questions, please feel free to contact me.

Sincerely,



Dan Bedbury
Director of Energy Resources

DB:th

cc: Tom Haymaker
Lena Wittler
John Eldridge
Ryan Neale

**ACTING ADMINISTRATOR HAIRSTON'S MEETING WITH TACOMA POWER
DECEMBER 10, 2020, 10 AM**

POWER SERVICES' ADDITIONS TO AGENCY TALKING POINTS

Submitted by R. Kirsten Watts on December 3, 2020

Updated: December 9, 2020

Post-2028 Contract and Business Relationship

- Tacoma Power is very interested in making BPA its provider of choice post-2028, but is keeping its options open.
- The utility's 2020 Integrated Resource Plan (IRP) reflects maintaining a strong business relationship with BPA and purchasing a modified Slice/Block product would be the best fit for the utility after the current power sales contract expires. However, the utility wants BPA to improve its Slice/Block product post-2028
- Desired Slice/Block product modifications articulated to date (expect additional iterations):
 - Increase flexibilities in both the Slice and Block elements

Block

- Choice - Allow the utility to choose which Block option to pair with Slice (i.e. flat annual, flat monthly, monthly diurnal or monthly diurnal with shaping capacity).
- Energy - Refresh Block shaping factors each rate period to better track a utility's load shape changes over time.
- Energy/Capacity -Remove the restriction of 60% energy maximum in the HLH monthly diurnal period. By removing the 60% restriction, more energy could be provided in certain months better matching a utility's actual net diurnal load shape (i.e. after considering the capability of its non-federal resources).
- Capacity - Consider allowing shaping capacity in the LLH diurnal periods –If a utility has LLH ramping issues for load service, LLH ramping could be beneficial.
- Capacity -Allow shaping capacity up to a level that meets the utility's P90 peak load requirements

Slice

- Allow choice of the Slice/Block ratio that better fits individual utility needs; the current ratio is approximately 50%/50% for all customers

- Consider allowing short term (annual, seasonal, or rate period) Tier 1 “Slice % Exchanges” between customers in response to load loss/increase so long as total Tier 1 System level of Slice remains the same.
- Consider offering shorter term Slice “Tier 2” products
 - Rate period, annual, or seasonal product that is incremental to Tier 1 “base” Slice.
 - Incremental Slice % of system at an incremental fixed price provides BPA revenue certainty on secondary sales while leveraging existing Slice implementation.
- Provide assurance that peak loads can be met, address potential capacity issues
- Reflect changes in Western energy markets
- Facilitate customer operation and competitiveness in emerging Western market
- The majority of the members of the Slice Implementation Group expressed support for Tacoma Power’s Slice/Block product modification concepts before it was presented to BPA in September 2020. (Copy of presentation provided under separate cover.)
- To date, BPA has promised Tacoma nothing relative to its product modification proposal other than to welcome on-going dialogue about it, given the agency recently concluded the Post-2028 customer engagement process and is nowhere announcing any concrete future product decisions.

Resource Adequacy

Tacoma Power believes BPA’s continued involvement in the regional RA effort/discussions is critical to the success of the regional process. Having the Administrator tell Tacoma Power representatives that the agency will remain engaged as long as it continues to make sense for itself and customers would be a reassuring message.

Possible New Large Single Load for Tacoma Power

Tacoma Power may not raise this issue but in case they do, below are some highlights and background

- Puget Sound Energy is building a liquefied natural gas plant in the Port of Tacoma. Commercial energization is expected as soon as January 2021. Tacoma Power will serve the load that could commence at 13.7 MW.
- In late November 2020, Tacoma submitted a formal request for BPA to complete a Facility Determination per the agency’s NLSL policy to ultimately decide whether or not the load meets the criteria of a new, large single load and how the load should be served after a 12 consecutive month monitoring period.
- BPA Power is in the process of evaluating the request. Reaching final decision will take months.

- Potential costs to Tacoma Power depend on which treatment option the utility selects and whether the load grows slowly or fast. As has been explained to Tacoma Power, the “Planned” option would be the less financially risky option.
- Scenarios:
 - If Tacoma elects the **“Planned” NLSL option** (requires the exhibit D language update) and the load grows slowly during the first monitoring period, for a total of 6.877 aMW between 1/1/2021 – 12/31/2021, this would result in BPA assessing Liquidated Damages per section 1.9 of the new exhibit D language for an estimated total of **\$89,677.00**.
 - Caveats for this analysis:
 - This is an estimated load forecast for the Planned NLSL. It could be higher and result in a higher Liquidated Damage amount.
 - Liquidated Damages are based on actual market indexes and an after the fact calculation. If the market goes down significantly, the Liquidated Damage would be greater. If the market goes up, the Liquidated Damage could go down or be zero.
 - Uses BP-22 Initial Proposal rates for the Priority Firm Power Tier One Equivalent Rates.
 - It includes assumptions about the customer’s FY 22 Net Requirement calculation because certain variables have not been finalized (e.g., the Adjusted Annual RHWMTier 1 System Capability (AARTISC) is not set, BP-22 rates are not final, no final FY 2022 load forecast for Tacoma Power)
 - If Tacoma Power elects the **“Potential” NLSL option** and the load maxes out growth during the first monitoring period (1/1/2021-12/31/2021), this would result in an estimated **\$6.8 million** back billing because the load should have been served at the NR rate not at PF.
 - Caveats for this analysis:
 - It includes assumptions about the customer’s FY 22 Net Requirement calculation because certain variables have not been finalized (e.g., the Adjusted Annual RHWMTier 1 System Capability (AARTISC) is not set, BP-22 rates are not final, no final FY 2022 load forecast for Tacoma Power).
 - Uses BP-22 Initial Proposal rates for the NR Rates.
 - **This scenario is the worst case scenario.** It is unlikely that the load will be at 13 MWs all at once and on full load factor for the whole 12 month monitoring period.

(Full analysis provided under separate cover)

- Messages to Tacoma
 - Thanks for your patience and continued cooperation as we work through the facility determination process
 - We continue to welcome your questions and comments about the Planned and Potential NLSL contract language that will have to be added to the current Slice/Block contract. We want you as the customer to clearly understand the language and its intent.

Tacoma Notes for Administrator

Transmission Topics

12/4/2020

1. This year, was a milestone for Tacoma in addressing their Tx inventory needs sufficient to satisfy their load and export needs and using their diversity of generating resources to maximize their potential. It was the culmination of several years of efforts between BPA and Tacoma.
 - a. Prior to the successes we experienced, Tacoma was extremely limited in their ability to access Tx for periods when resources exceeded their loads. This was exacerbated by BPA's limiting the availability of hourly firm Tx.
 - b. They were limited by South of Allston (SOA).
2. Several efforts contributed to that success
 - a. Completing an Operating Agreement that helped with availability of ST ATC. The Agreement helped BPA by focusing Tacoma's response to curtailments with specific generators as opposed to what our systems generically called upon
 - b. Helping Tacoma appreciate the value of LT Firm Tx requests, getting in the queue and participating in TSEP
 - c. Tacoma's receiving Conditional Firm on SOA which resulted because
 - i. They were in the LT queue
 - ii. The Operating Agreement helped BPA get comfortable with offering CF on SOA
3. There were also a number of collaborative projects with Tacoma's Tx side of the house
 - a. Support on their EIM efforts
 - b. Addressing reliability regulatory requirements
 - c. Improving communications systems
 - d. Modernizing our respective Tx systems in a coordinated fashion
4. BPA created a Puget Sound Area Initiative, bringing together Tacoma, SCL, PSE, and Snohomish collaboratively addressing needs they shared. This last year the initiative accomplished helping BPA better understand their resource mixes and how they deployed them across BPA's system, a discussion about ATC, and a discussion about BPA's outage processes. There has been a discussion about a joint Tx planning initiative and working to continue effective Tx operations.
5. Tacoma and BPA continue to work together on challenges
 - a. A vintage 1966 Exchange Agreement, before there was a split between P&T, is responsible for enabling Tacoma to most effectively use and manage their key hydro resources – Mayfield and Mossyrock to serve load and balance their system at prices

that have not kept up with today's Tx rates. This Agreement is due for a 30-year renewal in 2021.

- i. The challenge with this Agreement is that things have evolved since its inception. The Agreement needs to be modernized and more explicitly account for the evolutions of Tacoma's needs and BPA's system AND regulatory requirements
 - ii. We have made a lot of progress but it is a challenge because it represents an important resource for Tacoma, because the Agreement has some ambiguities, gaps, and inconsistencies
- b. BPA's and Tacoma's Tx systems are inextricably linked. BPA has a number of Power customers served over Tacoma's Tx system, specifically the Pierce County Mutuals and BPA pays Tacoma for its Tx use of its system through an Open Access Tariff Agreement (Transfer Service). We have mutually worked together to provide the Mutuals good service.
- i. Steilacoom is one of those Mutuals with an issue we are working on. It is served as a radial feed off of Tacoma's system to a BPA Substation.
 1. BPA Transmission is required to take a roughly 8-hour outage every two years for required maintenance at Steilacoom Substation. This is a single point of delivery, which means it puts Steilacoom in the dark. In today's climate of energy needs, Steilacoom finds this unacceptable. BPA and Tacoma determined that the most cost effective approach was to not bring in major new equipment or build a new substation. We determined that we would work with Tacoma to use its Distribution system during limited outages.
 2. Challenges we are working through:
 - a. Determining the best plan of service
 - b. Agreeing on a "fair" rate for use of its facilities during the outage
 - c. Establishing an agreement that might be used for future applications and possibly other customers that are similarly situated.



Department of Energy

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

POWER SERVICES

«mmm dd, yyyy»

In reply refer to: «Org»-«Location»

«Mr./Ms. _____ »
«Title»
«Customer Name»
«P.O. Box #####»
«City, State, Zip»

Dear Executive Committee of the Public Power Council:

The Bonneville Power Administration appreciates the thoughtful perspectives provided in your letter dated February 6. We too value the tremendous partnership and legacy we have built together over the decades. We share common missions and many mutual goals and interests. As Bonneville has demonstrated through the implementation of our strategic plan, we are committed to responding to public powers' concerns and interests. As such, we will work with public power to develop a path forward for post-2028 contracts. Unsurprisingly, the COVID-19 pandemic has emerged as a significant factor and is requiring near-term flexibility in our approach, but this initiative is receiving our full attention.

In your letter you stressed the importance of public power's preference rights to the clean, reliable, cost-based power delivered from the Federal system. Bonneville fully acknowledges and accords public preference and priority in the selling of federal power. I assure you that our first priority in offering new long term power sales is done consistent with preference.. We also heard your call for a customer-centric approach to developing the next set of contracts. As was done in the development of our Regional Dialogue Policy, contracts, and the Tiered Rate Methodology, we wholeheartedly agree that understanding our customer needs is fundamental to developing the products and services Bonneville offers. Without thoroughly understanding and prioritizing our customers' needs and concerns, we cannot hope to reach a mutually agreeable outcome.

Thank you for outlining some of the common interests of Bonneville's preference customers. We agree that our alignment on these issues – affordability, price certainty, environmental attributes, reliability, flexibility and optionality, term of contract, and risk management – will be critical to ensuring the success of post-2028 contracts. We also agree that much more discussion and exploration is needed around these, and other, issues. Bonneville will be looking to PPC and other trade associations to help in this assessment with the region's preference customer utilities.

Before Bonneville offers new long term contracts for post-2028 service, we believe we need to fully understand public power's standing on these issues to negotiate agreeable terms and conditions. Separate from the contract is the topic of price certainty. Bonneville welcomes ideas customers are willing to discuss. For instance, a key cost factor affecting Bonneville's rates and price certainty is reliance on secondary marketing revenues as a credit offsetting Bonneville's costs. Bonneville could significantly stabilize rates through a different treatment, such as an after-the-fact rebate based on actuals. However, such a treatment could have initial rate impacts.

Environmental attributes will also need further exploration before Bonneville can offer a proposal. By virtue of its system mix, federal power already features a very low carbon-emission profile. We are interested in defining the other environmental attributes customers are interested

in and the tradeoffs customers are willing to consider as we differentiate between products with varied emission profiles.

We hear PPC's requests for flexibility, optionality, stability and certainty. We want these things for our customers, too. But of course, the details matter, as these concepts can mean different things to different customers. And, they must also provide BPA with the necessary certainty and stability to sustain the capital investments necessary to preserve the tremendous value of the federal system.

To that end, while we appreciate PPC's desire for a high-level product proposal by June, we believe it would be premature to offer a single without sitting down and receiving greater input from preference customers by June. Each design feature should be carefully crafted with full consideration of the trade-offs between and among them. To take on a truly customer-centric approach, we need to work in partnership to navigate multiple design considerations, many of which you identify in your letter.

We have set aside the formal customer survey at your urging. But we continue to listen to and engage with customers, including through listening sessions facilitated by account executives through the summer. The COVID-19 pandemic has emerged as a significant disruption in this effort, but we are adjusting by offering additional time and flexibility to AEs and our customers for these important discussions.

Following these engagements, we plan to produce a summary report this fall that will highlight core themes, issues, and specific topics for further exploration. The release of that report will also signal a shift to the next working phase aimed at achieving internal and external alignment around post-2028 goals and principles.

This phase will include close coordination with customers, PPC and other trade associations, and will culminate in the development of a post-2028 concept paper. This concept paper will provide a high-level framework for post-2028 contracts, addressing key issues, providing leanings when available, and highlighting areas for additional attention going forward. We are currently targeting late 2021 for the concept paper release.

Bonneville remains committed to the goals of our strategic plan, which is positioning the agency as modern and responsive to customer needs and poised to deliver valuable services for our customers for years to come. We are advocates for long-term contractual relationships that deliver clean, reliable, cost-based power to our customers, yield benefits of stability and lower capital costs, and satisfy both community interests and state regulatory requirements of our customers.

Bonneville looks forward to continuing our close coordination and will work to leverage PPC's convening, aligning, and consensus-building capabilities. Together we can define Bonneville's path as public power's provider of choice beyond 2028.

Sincerely,

Elliot Mainzer

bcc:

«Revenue Analyst»

«Contract Administrator»

«Account Specialist»

CCM_Support - KSC-4 («Customer Name», «Contract #»)

Official File - «insert Official File info»

(PS«X/LOC»- «File Name with Path».docx) «mm/dd/yy» *{Drafter's Note: Insert date of finalized contract here}*

From: Farleigh, Kevin S (BPA) - PSW-6

Sent: Fri Dec 11 06:19:08 2020

To: Farleigh, Kevin S (BPA) - PSW-6

Subject: FW: Head's up on NRU letter coming re: Customer Engage. Doc

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

From: Farleigh, Kevin S (BPA) - PSW-6

Sent: Friday, December 11, 2020 5:38 AM

To: Olive, Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>; Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>

Cc: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Mohamoud, Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>

Subject: RE: Head's up on NRU letter coming re: Customer Engage. Doc

I don't expect their letter to be overly specific, and they said they do not plan to take positions in it. It's more in the spirit of teeing several topics up for further discussion. And EE is one of those. The overall message around EE was, 'don't just assume a rollover of today's EE approach'. As an example, Megan posed the question- 'where do EE dollars go? Tier1 or somewhere else?'

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Thursday, December 10, 2020 4:39 PM
To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Cc: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud, Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>
Subject: RE: Head's up on NRU letter coming re: Customer Engage. Doc

Not that I recall, not that I have in my notes; Megan covered a lot of ground. I'll look to others if they recall more details.

From: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Sent: Thursday, December 10, 2020 4:21 PM
To: Olive, Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Cc: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud, Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>
Subject: RE: Head's up on NRU letter coming re: Customer Engage. Doc

Hi Kelly – Thanks for sharing.

Did they share what they mean about the “current EE program?” Funding approach? Program support? Something different? This comment piques my curiosity.

Thanks in advance for the steering committee email update. It’s a good, practical approach.

And, while we’re speaking of NRU, I received a re-prompt from John Francisco requesting a response to NRU’s input on B2H – while it isn’t *directly* a Post-2028 topic, NRU had requested that we finalize transfer policies before making any B2H decisions. The draft response letter is being circulated under review and I hope to have it ready soon. Paul may have looped you into the review process already. Spoiler – we’re stating that we need to approach the contract development holistically and are unlikely to finalize transfer policy decisions in advance.

PS – The steering committee meeting is still on calendars J

Best Regards,

Kim Thompson

Northwest Requirements Marketing | 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: Thursday, December 10, 2020 3:56 PM
To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Cc: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud, Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>
Subject: Head's up on NRU letter coming re: Customer Engage. Doc

Hi Kim,

Nancy, Kevin, Farah and I had our monthly check-in with NRU yesterday and we wanted to relay that NRU is planning to send a letter to us by the end of the calendar year responding to the Customer Engagement Summary document. It sounds like they'll mostly be taking the opportunity to outline some of the issues they want to make sure are addressed in the year ahead and also ask for more clarification around certain vague concepts we introduced (ie. What do we mean by infrastructure development? How will we address system allocation and define firm water?).

They also previewed a few specific issues that will be included in the letter that we didn't want you (or Danielle) to be surprised by when the letter is received.

1. They plan to convey that they 'do not feel the current EE program fits well in a tiered rates world.' They do not just want the current approach to roll forward. There wasn't much conversation in the Summary document related to EE, they felt, and wanted to make sure it is teed up for further discussion.
2. They plan to stress that P and T need to work closely together on Provider of Choice throughout the process. They stated that this did not happen in RD. (In response the core team will be working to seek out the best point

person in T to loop in; this is consistent with what we'd planned in our Charter, just adjusting the timing of their on-board.)

In lieu of a Steering Committee meeting this month, we'll be sending an email out to summarize the NRU meeting for the rest of that team, as well as report out on the last EGC meeting and provide a progress report on our short-term objectives.

Thank you and please let us know if you have any questions,

Kelly and team

From: Schimmels,Nancy M (BPA) - PSE-MEAD-GOB

Sent: Fri Dec 11 11:54:43 2020

To: Thompson, Kim T (BPA) - PS-6; Walker, Danielle N (BPA) - PEH-6

Cc: Olive, Kelly J (BPA) - PSS-6; Farleigh, Kevin S (BPA) - PSW-6

Subject: RE: Head's up on NRU letter coming re: Customer Engage. Doc

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg

Hi –

I wanted to share my takeaway from the meeting as I think it's a bit different than what Kelly shared.

It seemed to me that NRU was sharing with us that since EE wasn't really addressed in the summary document they were going to highlight in their comments to us that EE in the next contract cycle is an integral part of the post-2028 conversation – and that it's not an afterthought. I didn't get the sense that NRU was being critical of our current program, rather they were suggesting that, in the next contract cycle, we look at it holistically.

Thanks,

Nancy

From: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Sent: Thursday, December 10, 2020 4:41 PM
To: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>
Cc: Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Olive, Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Subject: RE: Head's up on NRU letter coming re: Customer Engage. Doc

Thanks Danielle. I have a normally-scheduled meeting with John Francisco on Wednesday. I could ask for his perspective and relay that you'd like to follow-up. (I just don't know your availability as we get farther into December).

If you're limited on availability, my gut tells me it would be fine for you to engage Meghan – it demonstrates that we care about the alignment and NRU's perspective.

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | C (b)(6)

From: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>
Sent: Thursday, December 10, 2020 4:32 PM
To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Cc: Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Olive, Kelly J (BPA) - PSS-6 <kjimason@bpa.gov>
Subject: RE: Head's up on NRU letter coming re: Customer Engage. Doc

Hi Kim –

This is coming as a huge surprise to me. We've been meeting with NRU on a very regular basis (related to the Power Plan) and there's been zero mention of this. I have a pretty close relationship with Megan so I guess I'm surprised she didn't share it. Not to mention that NRU has been publically singing EE's praises recently with all of our efforts with the Resource Program, rate period IM, etc.

Do you think it's appropriate for me to reach out informally to her to see if I can understand more of the context on this? Given my time in EE is winding down, I could try and at least collect some information to pass along to the next person (I'm hoping Dave Moody takes over as the EE rep on this team, but haven't confirmed with Nita).

Happy to also just sit back and wait for the letter.

DW

From: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Sent: Thursday, December 10, 2020 4:21 PM
To: Olive, Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Cc: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud, Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>
Subject: RE: Head's up on NRU letter coming re: Customer Engage. Doc

Hi Kelly – Thanks for sharing.

Did they share what they mean about the “current EE program?” Funding approach? Program support? Something different? This comment piques my curiosity.

Thanks in advance for the steering committee email update. It's a good, practical approach.

And, while we're speaking of NRU, I received a re-prompt from John Francisco requesting a response to NRU's input on B2H – while it isn't *directly* a Post-2028 topic, NRU had requested that we finalize transfer policies before making any B2H decisions. The draft response letter is being circulated under review and I hope to have it ready soon. Paul may have looped you into the review process already. Spoiler – we're stating that we need to approach the contract development holistically and are unlikely to finalize transfer policy decisions in advance.

PS – The steering committee meeting is still on calendars J

Best Regards,

Kim Thompson

Northwest Requirements Marketing | 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: Thursday, December 10, 2020 3:56 PM

To: Thompson, Kim T (BPA) - PS-6 <ktthompson@bpa.gov>

Cc: Walker, Danielle N (BPA) - PEH-6 <dnwalker@bpa.gov>; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Farleigh, Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Mohamoud, Farah A (BPA) - PSS-6 <famohamoud@bpa.gov>

Subject: Head's up on NRU letter coming re: Customer Engage. Doc

Hi Kim,

Nancy, Kevin, Farah and I had our monthly check-in with NRU yesterday and we wanted to relay that NRU is planning to send a letter to us by the end of the calendar year responding to the Customer Engagement Summary

document. It sounds like they'll mostly be taking the opportunity to outline some of the issues they want to make sure are addressed in the year ahead and also ask for more clarification around certain vague concepts we introduced (ie. What do we mean by infrastructure development? How will we address system allocation and define firm water?).

They also previewed a few specific issues that will be included in the letter that we didn't want you (or Danielle) to be surprised by when the letter is received.

1. They plan to convey that they 'do not feel the current EE program fits well in a tiered rates world.' They do not just want the current approach to roll forward. There wasn't much conversation in the Summary document related to EE, they felt, and wanted to make sure it is teed up for further discussion.
2. They plan to stress that P and T need to work closely together on Provider of Choice throughout the process. They stated that this did not happen in RD. (In response the core team will be working to seek out the best point person in T to loop in; this is consistent with what we'd planned in our Charter, just adjusting the timing of their on-board.)

In lieu of a Steering Committee meeting this month, we'll be sending an email out to summarize the NRU meeting for the rest of that team, as well as report out on the last EGC meeting and provide a progress report on our short-term objectives.

Thank you and please let us know if you have any questions,

Kelly and team

From: Wilson,Scott K (BPA) - PSW-6

Sent: Fri Dec 11 14:08:27 2020

To: ADL_DIN_ONLY; ADL_DIR_ONLY; ADL_DKE_ONLY; ADL_PEJB_ALL; ADL_PSE_ONLY; ADL_PSS_ALL; ADL_PSSE_ALL; ADL_PSST_ALL; ADL_PSW_ALL; ADL_TSE_ALL; Bryan,Jason C (TFE)(BPA) - TORW-DITT-1; Conley,Mick E (BPA) - PEK-MEAD-GOB; Cook,Joel D (BPA) - P-6; Cooper,Suzanne B (BPA) - PT-5; Davis,Reed C (BPA) - KSL-4; Fisher,Daniel H (BPA) - PSR-6; Goodwin,Summer G (BPA) - DKC-7; Hairston,John L (BPA) - K-7; Hilliard Creecy,Jamae (BPA) - PTK-5; James,Daniel M (BPA) - D-7; Johnson,Tim A (BPA) - LP-7; Ko,Tina G (BPA) - TS-DITT-2; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB; 'Mainzer,Elliot E (BPA) - A-7'; Manary,Michelle L (BPA) - F-2; Mohamoud,Farah A (BPA) - PSS-6; Oberhausen,Elizabeth S (BPA) - PD-5; Parker,Nancy (BPA) - PSR-6; Reller,Mark D (BPA) - DIR-MSGL; Shelton,Valerie M (BPA) - PSSE-MEAD-GOB; Thompson,Kim T (BPA) - PS-6; Warner,Joshua P (BPA) - DIR-7; Weekley,Annamarie E (BPA) - PTL-5; Whalen,Michelle E (BPA) - DKE-7

Subject: Power AE Bi-Weekly Administrator's Report

Importance: Normal

Attachments: AE Bi-Weekly Rept to Admr_20201211.doc

Good Afternoon

In this report you will see that Kirsten Watts is retiring at the end of the month after over 35 impactful years at BPA and 25 stellar years as an AE. She is closing strong and has held introductory meetings with all of her customers and their new AEs. Drop her a note of congratulations while you still can.

Happy Holidays

--Scott



According to [SpaceWeather.com](https://www.spaceweather.com), auroras could be sighted in northern-tier U.S. states from Maine to Montana to Washington this week.

REQUIREMENTS MARKETING AE REPORT

Customer Report to the Administrator

December 11, 2020

CUSTOMER SPECIFIC

Eugene Water and Electric Board (EWEB)

This week I had a good meeting with Matt Schroettig and Megan Capper from EWEB. We checked in on a number of topics including EIM implementation, EDAM, the BPA Administrator position, BP22 rates, Post-2028 contracts, and others. On markets, EWEB continues to fully support BPA's path toward joining the EIM in 2022. They do, however, continue to have market-design and governance related concerns around the EDAM. On rates, we discussed some of the factors likely to affect the BP22 rate case, including the financial tools being considered such as revenue financing. At this point EWEB understands and supports BPA's consideration of revenue financing in B22. They continue to support BPA's longer-term strategic interests of improving its financial leverage position and extending its borrowing authoring, and see revenue financing as a piece of that. This is particularly true when times are good and there are opportunities to incorporate these actions while maintaining minimal rate impact. Regarding Post-2028 contracts, EWEB commends BPA on the recently issued Engagement Summary and agrees that the major themes generally seem appropriate. Looking ahead, EWEB is keenly interested in conversations around carbon, and urges BPA to continue to evaluate options around a 100%

carbon-free product and alternatives to the traditional “one-system” fuel mix approach (particularly when considering Slice versus the other products).

(K. Farleigh, 503-230-4055)

Lewis County PUD

I introduced AE Lindsay Bleifuss to the PUD’s leadership team on December 8, 2020. When she asked about the PUD’s top concerns regarding its continued relationship with BPA, the general manager, power manager, and senior power analyst shared a number of issues. All but one had been previously discussed.

- Cowlitz Falls Project and the potential impact the future handling of the project could have on the current and post-2028 relationship with BPA
- Resource adequacy and its possible impacts on BPA customers
- Post-2028 contracts
- CETA and its potential impacts on BPA customers and incremental generation
- Managing structural deficits during three winter months
- Monthly RSO testing and the desire to end or significantly modify it now and into the future
- Improve the efficiency of customer access to average water
- Optimal management of growth at TransAlta site
- (b)(4)

Lindsay will set up a meeting to further discuss the aforementioned issues.

(R.K. Watts, 206-220-6762)

Ravalli County Electric Cooperative, Inc.

The board voted to join PNGC no later than October 1, 2021. The GM noted that the board was motivated to make some long term strategic decisions based on its current make up. Ultimately, the value proposition (EE support, non-federal resource expertise and joint-purchasing/risk mitigation) for joining PNGC outweighed remaining independent or pursuing other alternatives. There is no expected impact to the Western Montana G&T in the near term. The G&T spent the last two years evaluating alternatives to purchasing Federal Power to meet load growth but has been unable to coalesce around a single strategy. BPA will work with PNGC and Ravalli to make the necessary adjustments to their contracts between now and the end of FY 2021.

(M. Normandeau, 406-676-2669)

Tacoma Power

This customer appreciates the opportunity to have a one hour “meet and greet” on December 10, 2020, with John Hairston in his new role as acting BPA Administrator. TX AE Melanie Jackson and I briefed Administrator Hairston on some Tacoma specific insights in areas such as post-2028 product interests and successfully addressing transmission inventory needs. *(R.K. Watts, 206-220-6762)*

Other – Account Transition

All meetings to introduce AEs Lindsay Bleifuss, Paul Munz, and Marcus Perry to the customers they will start serving after I retire have been completed.

(R.K. Watts, 206-220-6762)

From: Thompson, Kim T (BPA) - PS-6

Sent: Mon Dec 14 16:27:44 2020

To: John Francisco

Cc: Cook, Joel D (BPA) - P-6; Cook, Jeffrey W (BPA) - TP-DITT-2; Ko, Tina G (BPA) - TS-DITT-2; Kitali, Salah H (BPA) - TP-DITT-2; Schimmels, Nancy M (BPA) - PSE-MEAD-GOB

Subject: Responding to NRU's B2H Conditional Support Letter

Importance: Normal

Attachments: image001.jpg; image002.jpg; image003.jpg; image004.jpg; image005.jpg; image006.jpg; 2020 December NRU letter.pdf

Hi John – Thank you for your patience regarding Bonneville’s response to your B2H Conditional Support Letter, which is attached. I believe you and I will be meeting mid-week, and I look forward to connecting with you then.

Best Regards,

Kim Thompson

Northwest Requirements Marketing | Vice President

Bonneville Power Administration

bpa.gov | P 503-230-3408 | C (b)(6)



Department of Energy

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

POWER SERVICES

December 14, 2020

In reply refer to: PS-6

John Francisco
Northwest Requirements Utilities
825 NE Multnomah St., Suite #1135
Portland, OR 97232

Dear John,

Thank you for your September 23rd letter and subsequent follow-up regarding the Boardman to Hemingway (B2H) Transmission Corridor Project and the collaborative discussions that preceded that letter. Your organization and its members are important stakeholders in Bonneville's ongoing process to plan for long-term service to deliver federal power to preference loads in Southeast Idaho. We appreciate your support of Bonneville's continued exploration for reliable firm power service to these customers.

In your letter, NRU states that a robust public process is required to understand the potential arrangement and ramifications related to Bonneville giving up its ownership share of B2H, in exchange for reserving long-term, firm transmission rights under Idaho Power's Open Access Transmission Tariff to serve Southeast Idaho preference customers. We agree that a public process is necessary. Prior to finalizing arrangements on B2H, or long-term service to Southeast Idaho, Bonneville will conduct public meetings, furnish materials describing the plan of service and its financial implications, and take comment on these plans. In addition to NRU, several other organizations and individuals with diverse interests and perspectives are tracking this effort closely; all are keen to provide their input.

Your letter also requests that BPA hold a public process to show the potential benefits of the proposed approach compared to the original ownership plan and provide legal analysis of how those costs may be allocated between the two business lines. We recognize cost functionalization and its potential rate impacts as topics of interest. As such, cost allocation decisions associated with BPA's Southeast Idaho load service decision would be taken up during one or more future rate case proceedings, when such costs are incurred and must be recovered. While BPA may discuss potential options in advance, we are not viewing cost allocation as a key decision factor for any B2H decisions that would precede the relevant rate case proceeding.

Finally, your letter speaks to the need for a transfer policy, or similar framework, informing principles under which transfer service would be offered in the Post-2028 Power Sales Contracts. Transfer service is a significant interest to a broad swath of Bonneville's customers and we recognize its unique importance for our customers in Southeast Idaho. We intend to have discussions about future transfer service policy and principles in the Post-2028 landscape. Our

customers have indicated a strong desire for Bonneville to be open to considering Post-2028 transfer service approaches. Given this, discussions about long-term transfer service can best be articulated and crafted in the context of the broader collaborative Post-2028 process that will lead to the next set of power contracts.

I recognize that this does not address your letter's request for certainty before customers would consider the OATT-service assignment agreements we have contemplated. As options for Southeast Idaho load service solidify, we will better understand what is essential to protect our customers' and Bonneville's interests and will work collaboratively to satisfy both.

Bonneville is committed to actively seeking solutions to ensure long-term firm power service to our customers in Southeast Idaho. B2H is one key path to that firm service, and, if completed, would improve reliability, providing long-term certainty for the region, and provide Southeast Idaho customers with firm access to federal power. But even if B2H is ultimately not pursued, BPA remains dedicated to seeking cost-effective ways of delivering firm federal power service, thereby continuing the long-standing relationship between BPA and its Southeast Idaho power customers.

Thank you, once more, for your letter and for your interest and partnership. I look forward to continuing to work closely with you and your members – our customers – moving forward.

Sincerely,

Kim Thompson

cc:

Joel Cook – P-6

Jeff Cook – TP-DITT-2

Tina Ko – TS-DITT-2

Salah Kitali – TP-DITT-2

Paul Garrett – PSS-6

Nancy Schimmels – PSE-MEAD-GOB

bcc:

Mary Bodine-Watts – LP-7

Rich Greene – LP-7

Beth Loebach – LT-7

Mike Normandeau – PSE-RONAN

Nancy Schimmels – PSE-MEAD-GOB

Celeste Schwendiman – PSE-Boise

Kelly Olive – PSS-6

Kevin Farleigh – PSW-6

Claire Hobson – PSW-6

Eric Carter – TSE-TPP-2

Official File – PS-6

From: Farleigh, Kevin S (BPA) - PSW-6

Sent: Wed Dec 16 07:04:10 2020

To: Thompson, Kim T (BPA) - PS-6

Cc: Olive, Kelly J (BPA) - PSS-6; Mohamoud, Farah A (BPA) - PSS-6

Subject: January 7 PPC Meeting - Draft Slides for Provider of Choice update

Importance: Normal

Attachments: Draft Jan 2021 PPC_Post-2028 slides_ksf12_14.pptx

Good morning Kim,

You are scheduled to present to the PPC Executive Committee on January 7. As you may recall, we approached PPC about this shortly after we released the Provider of Choice Engagement Summary doc. Our thinking at the time was to have you share highlights from the document. Unfortunately, they were not holding their normal meetings through the balance of 2020, but offered us this January slot instead.

So to that end, please find attached some draft slides covering the Provider of Choice material. We wanted to put this on your radar and provide you some material now so as to not be caught by surprise the first week of January after the holidays. It also occurs to us that you may want to take this opportunity to cover other topics as well (e.g. rates), but we wanted to get you some post-2028 material to work from as a start.

Please let us know if there's more we can help with on this. Thanks!

Kevin

503-230-4055

Provider of Choice (Post-2028) Update

PPC
January 7, 2021

PROVIDER OF CHOICE

— POST-2028 —

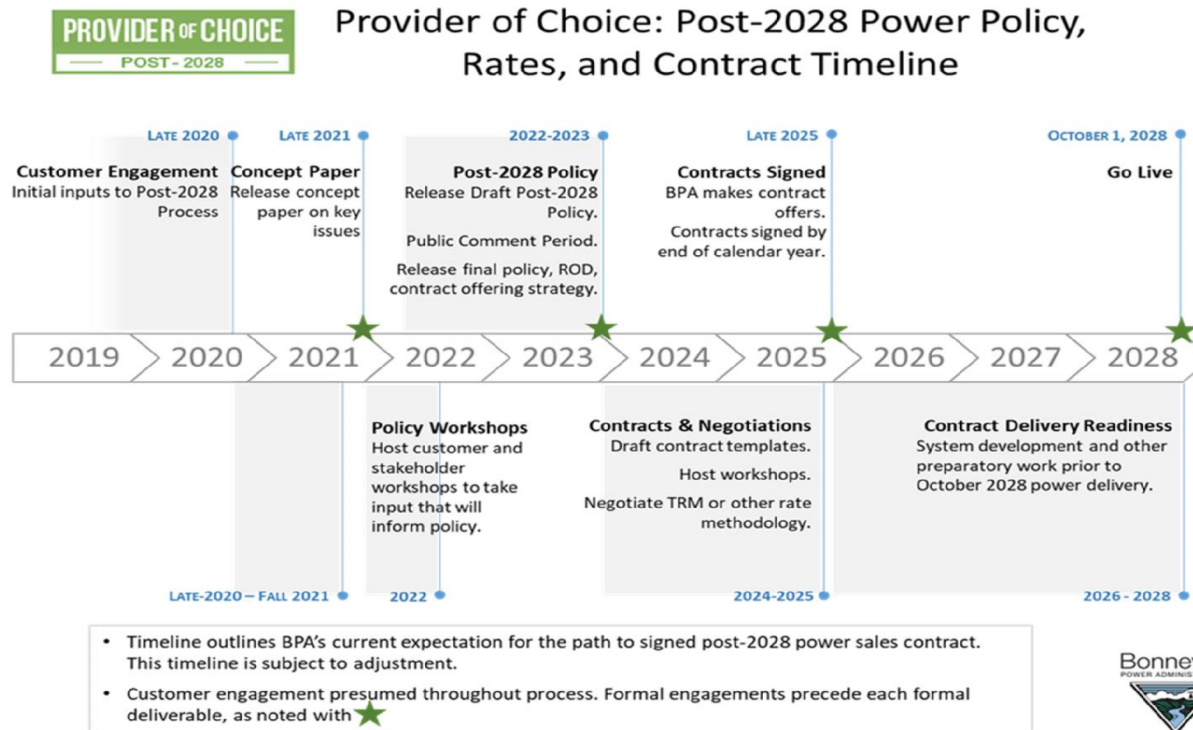


Marcus Elkenberry 2002

Content

- Takeaways from 2020 customer engagement
- The plan for 2021—getting to the Concept Paper
- Tools and resources available to utilities

Timeline



2020 Customer Engagement

- BPA formally kicked off its “Provider of Choice” (post-2028 contracts) initiative in late 2019.
- AE-led Customer-Centric Engagement: Initial phase of conversations served to identify elements of current contracts that are working well, identify elements that bear improvement, and gain insight into what customers value most in future contracts.
- Customer Engagement Summary paper shared in October 2020, with AEs looking to customers to test: Did we hear you correctly? Have any sentiments changed?



Engagement Summary

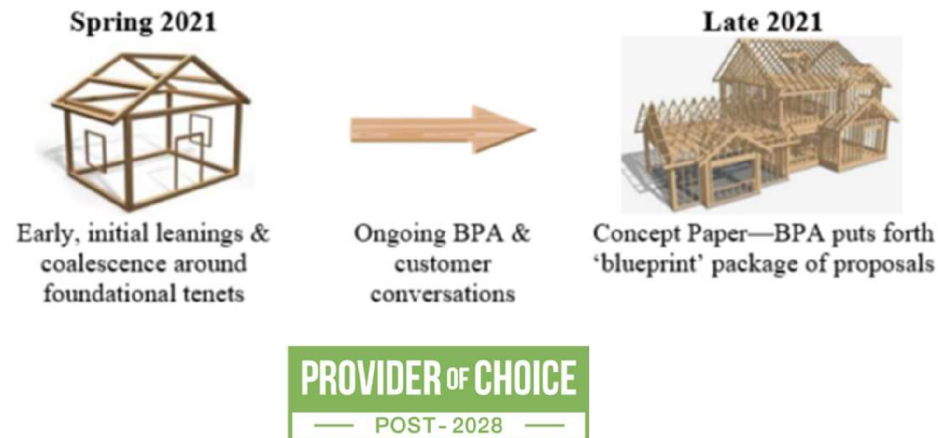
- Feedback received since the October release of “Customer Engagement Summary” indicates customers’ general agreement with Summary’s key themes:
 - This is a time of great uncertainty in our industry and region.
 - Most of the foundational principles/interests of Regional Dialogue are still relevant.
 - Customers generally feel that the current contracts and rate structure are working well, but would like to see certain key adjustments.
 - Preservation of the current “clean” system mix and customers’ ability to comply with low carbon legislative requirements is critical.

- With affirmation of key themes, BPA will move forward into substantive 2021 conversations.



The Plan for 2021

- In 2021 BPA will start the iterative process (internal and external) of building out the proposed framework for the Provider of Choice contracts and rates policy.
- In early spring 2021, BPA anticipates starting discussions around principles and some initial leanings on the foundational tenets of Provider of Choice.
- BPA is targeting late 2021 for the release of a Concept Paper.



How to Participate and Stay Informed

- AEs will continue to serve as a primary point of contact, continuing the customer-centric engagement with utilities.
- BPA also envisions working group meetings with preference customers and customer representatives, including PPC, to discuss the foundational tenets and other key topics to be addressed in the Concept Paper.

Resources for Customers on Post-2028

- **BPA Account Executives:** Primary and constant resource for customers. Your conduit of information to and from BPA and can provide topic-specific refresher trainings.
- **Educational Materials:** BPA has developed a roster of Post-2028 Fact Sheets to help ensure customer leadership has reference materials on the products and services BPA currently provides.
- **Provider of Choice Website:**
 - The [website](#) houses all Provider of Choice materials and Regional Dialogue reference materials such as policy, RODs and related documents



Post 2028 Meetings

- Nature of load profile is industrial.
- Any growth would be large industrial loads
 - Want to be able to buy a firm product from BPA for entire load
 - A competitive NR rate or “Tier 2” type BPA served option needs to be competitive and carbon free
- Not sure if TRM is designed to work for adding large loads
- 10-20 year term with offramps seems reasonable
 - Their industrial customer planning horizon is 5 years for capital investment decisions
 - The world is still changing and hard to make long term commitments
- Would like the contract to be able to easily blend federal and non-federal resources into their power supply
- TRM not necessarily straight forward.
 - They end up breaking the bill up after the fact to bill their customer
 - Simplicity in rate design should be the goal
- Longer rate periods provide savings in terms of BPA resources for putting on rate cases
 - A term greater than 2 years might be an opportunity to use BPA resources elsewhere in the changing environment
- Modify the LDD to just applicable to residential meters
 - Avoids unintended consequences of applying LDD to large discrete loads
- Expand the use of EEI funds to be used on renewables or DR
 - Reduced load effect is similar to conservation
- Worries the Residential Exchange will only get larger with Carbon legislation and retirements of thermal resources. IOU ASC’s seem likely to increase.
- OK with the current inclusion of nuclear in fuel mix but unsure about adding more (if that’s even on the table?)
 - We still need base load resources given the planned retirements of NW thermal
- A small city performing multiple functions has limited bandwidth for weighing in power issues
 - It’s difficult to meet with Power, TX, Energy Efficiency
- Hoping the contract looks out for the smaller utilities
 - Best way is through simplicity
- 2 year rate period is not a problem
 - Rate period should mesh well with the term of the contract
- Wish EEI funds weren’t use or lose after 2 years – so if rate period was longer or carryover was more easily transferable to longer range planning for projects
 - Don’t have bandwidth for marketing, hitting up businesses, canvassing residential
 - Grouping smaller utilities for EE opportunities
- EE is taxing...Want to pursue energy efficiency but they spend a lot of time on tracking down information for audits, the low income program they tried to partner on fell flat.
- Organizing the contract by grouping like utilities under the same contracts
 - Separate utilities in the contact by size or consumers type
 - These folks could have lower complexity
- Open to a long term with offramps or renewal rights

- utility has a Green Planning initiative
 - Would likely support a 100% carbon free product
 - Likely OK with paying a slight premium as long as the product provided is economical
- Competitive rates are the most valuable aspect to the city
- Workshops need to travel if you want to weigh in from smaller utilities
- Adding small resources without Tier 2 restrictions
- #1 focus is meeting state legislation
- Want a product that allows them to meet their state requirement
 - Guarantee no less than 20% coal in 2030 in BPA Fuel Mix
- Acquiring resources to meet CETA
 - How does that work within the construct of the contract
- Differentiate system mix based on customer preferences
 - Customers could pay less/more for their preferred mix (i.e. 100% carbon free or not)
- If keeping tiered rates then a Tier 2 product that is carbon free is a must
- Offer different contracts for customers own requirements and carbon tolerance
- TRM issues
 - With the RHWL changing every 2 years it exposes them to different levels of Tier 2
 - Fixing the system and by extension the HWM allows for long term planning acquisitions
 - Don't want the desire to add resources to dilute their BPA take each contract
 - Don't look at one single year for the CHWM determination – maybe 3yr average
- CETA has EE requirements for all utilities to achieve cost effective conservation
- What does EIM participation mean for the federal system and its carbon attributes?
- Long term contract with off-ramps might work
- Could BPA focus its market purchases on carbon free resources?
- Grouping contracts together by offering (small 100% BPA customers get a certain contract; those that want flexibility get a different one...with different off-ramps/prices)
- Get away from subsidies (REP, LDD, & IRD) – or modify the program (i.e. LDD is statutory)
- Set an off-ramp tied to a particular rate increase (like 10%) so that BPA has incentive to actively pursue managed rate increases to avoid losing customers and still maintains an option for customers to get out of the contract.
- Products and services
 - Meeting the state mandates are top priority
 - That said the cost of meeting the mandate is important too
 - Keep in mind there may be a difference in the customers who would and those who would not pay additional amounts for carbon free power
 - Want a product that eases the ability for customers to add resources...particularly resources needed to meet state requirements
- FCRPS Allocation and Rate Structure
 - TRM is a very difficult rate methodology to understand
 - A more traditional billing structure is preferred
 - kWh X rate = bill
- Rate Case Frequency and Contract Term

- Two year cycle is OK and seems to be working but if there are cost savings to longer rate periods that should be explored
- Contract term of 20 years with off-ramps might be workable
 - Don't know how state rule making will pan our or change over time
 - Off-ramps provide flexibility to make adjustments with power supply on the midstream
- Carbon Free Products
 - Contractually carving out a differentiation of system supply for those that are willing to accept more coal/natural gas in their fuel mix
- Top Concerns
 - Setting their budget based on solid projections and certainty...minimize surcharges
 - Lights turning on reliably is most important
- Carbon free product would be nice - with a small premium is OK
 - Likes the EE credit rollover ability
- Term of 20 years is OK. Want at least 10 – the longer the better
- Must haves are reliable and cost effective power

- Advocates for the NRU principles outlined below in developing the next contract.

NRU's Post-2028 Principles

- BPA must maximize the value of the federal system for the benefit of its preference customers.
- It is essential for BPA to control costs while delivering safe and reliable power to preference customers.
- The post-2028 contract and rate structure must allow preference customers to be responsive to changes in market conditions, regulatory conditions and the needs of end-users. This includes the ability to easily and cost-effectively use non-federal resources, including distributed energy resources.
- The power products, contract structure and duration, and rate designs must balance the needs for stability, certainty, flexibility and optionality for preference customers.
- Power products must include the allocation of environmental attributes of the federal system to preference customers.
- BPA must provide equivalent treatment to both directly-connected preference customers and preference customers served by transfer.
- Irrigation rate mitigation and the Low Density Discount must be retained as essential components of any power product and corresponding rate design.
- Any rate shock resulting from a shift to a new contract or rate structure must be avoided or mitigated.

2

Rate Cases

- 2-3 year cadence of rate cases seems manageable. 5 years is too long given the changing regulatory environment.

Tiered Rate Methodology

- TRM does work but could be better
- Recognize the stability of keeping the Tier 1 system pegged to critical water but are open to evaluating alternatives to setting the Tier 1 system size on average water. Provides more Tier 1 but reduces surplus sales.
 - Leaning toward rolling over CHWM but open to re-setting the base year to something else
- One addition would be to allow new non-federal resources to serve load first as opposed to only in Above HWM load scenarios. Then let BPA Tier 1 fill in the rest with a Load Following product. They understand that their resources are scheduled to load but contractually they are receiving remarketing credits from BPA at a lower rate than they pay for the resource.
- Purchase period elections need to go away. Very difficult to commit to elections in 5 year increments so many years out from the actual fiscal year. And things change (i.e. CETA)

Term

- WANT to be able to purchase as much BPA power as possible for as long as possible.

- This is subject to meeting their needs for CETA. As long as the BPA product comports with CETA, the longer the better.
- 20 years is OK but want flexibility particularly for regulatory constraints that pop up

Resource Adequacy

- Will it further reduce our pool of renewable resources and cause increased market purchases?

Costs

- Protect Preference
- Resource Support Services 2.0
 - Make RSS better for non-federal integration
 - Make RSS more cost competitive to 3rd party providers of RSS products
- Generally supportive of IRD and LDD but are open to methodology changes
- RSS; Residential Exchange – REP settlement needs to be scrutinized
- Fish Costs
 - Power CANNOT carry all the social costs of fish for the Pacific Northwest
 - Defining what is Administrator discretion for fish spending and what is not discretionary would be helpful
- Products
 - All power products (Slice, Block, & Load Following) should be scrutinized and analyzed to confirm product is cost beneficial.

Energy Efficiency

- Interested in maintaining current allocation...with as much reduced overhead as possible.
- OK with the 70%/30% split between BPA and Customer Self-funding
- They value and see merit in the BPA EE program but feel it can be improved
- They like the evolution of the Resource Program to determine needed EE achievements and not doing only what the council reports as a target.

Demand Response

- Want the contract to have flexibility to implement Demand Response since it will be a requirement under CETA

100% Carbon Free

- Can BPA be 100% carbon free by 2045? This is a requirement
 - Need to be able to meet CETA's 100% carbon free standard and still be a Load Following customer of BPA
 - Can't accept the unspecified market purchases in BPA fuel mix and try and true it up later.

Topmost Concerns:

- Costs
- Can we be 100% carbon free and be a BPA customer
- Single system mix issues

From: Olive,Kelly J (BPA) - PSS-6

Sent: Thu Dec 17 11:07:31 2020

To: Farleigh,Kevin S (BPA) - PSW-6; Mohamoud,Farah A (BPA) - PSS-6

Subject: FW: PNUCC SPC December 16 Meeting Materials

Importance: Normal

Attachments: PNUCC SPC packet 12.16.2020.pdf

Fyi, slides attached.

From: Wellschlager,John D (MFE)(BPA) - PTL-5 <jdwellschlager@bpa.gov>

Sent: Thursday, December 17, 2020 11:00 AM

To: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>

Subject: RE: PNUCC SPC December 16 Meeting Materials

Kelly,

Here you go. They were not attached to Steve's email, but were on the first email Suzanne sent out about this to staff. I hope you and you're family are staying positive, while testing negative during these crazy times. J

Cheers

John

From: Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>
Sent: Thursday, December 17, 2020 10:52 AM
To: Wellschlager,John D (MFE)(BPA) - PTL-5 <jdwellschlager@bpa.gov>
Subject: RE: PNUCC SPC December 16 Meeting Materials

Thanks John. Were the slides attached to Steve's original email? If so, would you mind forwarding to me; they've dropped off of the forwards. Thank you! Kelly

From: Wellschlager,John D (MFE)(BPA) - PTL-5 <jdwellschlager@bpa.gov>
Sent: Thursday, December 17, 2020 7:37 AM
To: Farleigh,Kevin S (BPA) - PSW-6 <ksfarleigh@bpa.gov>; Gillins,Christine A (CONTR) - PSW-SEATTLE <cagillins@bpa.gov>; Hobson,Claire A (BPA) - PSW-6 <cahobson@bpa.gov>; Munz,Paul G (BPA) - PSW-SEATTLE <pgmunz@bpa.gov>; Perry,Marcus I (BPA) - PSW-SEATTLE <miperry@bpa.gov>; Watts,Kirsten (BPA) - PSW-SEATTLE <rkwatts@bpa.gov>; Wilson,Scott K (BPA) - PSW-6 <skwilson@bpa.gov>; Bleifuss,Lindsay A (BPA) - PSW-6 <lbleifuss@bpa.gov>; Kruse,Pontip K (BPA) - PSE-MEAD-GOB <pkkruse@bpa.gov>; Lonyo,Cynthia L (BPA) - PSE-MEAD-GOB <clonyo@bpa.gov>; Miller,Andrew J (BPA) - PSE-6 <ajmiller@bpa.gov>; Normandeau,Mike (BPA) - PSE-RONAN <mrnormandeau@bpa.gov>; Rimmer,William T (BPA) - PSE-MEAD-GOB <wtrimmer@bpa.gov>; Ross,Hope E (BPA) - PSE-MEAD-GOB <heross@bpa.gov>; Schimmels,Nancy M (BPA) - PSE-MEAD-GOB <nmschimmels@bpa.gov>; Schwendiman,Celeste M (BPA) - PSE-BOISE <cmschwendiman@bpa.gov>; Weinstein,Jason C (BPA) - PSS-6 <jcweinstein@bpa.gov>; Olive,Kelly J (BPA) - PSS-6 <kjmason@bpa.gov>; Garrett,Paul D (BPA) - PSS-6 <pdgarrett@bpa.gov>
Cc: Thompson,Kim T (BPA) - PS-6 <ktthompson@bpa.gov>
Subject: FW: PNUCC SPC December 16 Meeting Materials

Thought you all might find this both interesting and useful. Below is a great summary by Steve Belcoff of Tacoma's presentation at the December PNUCC meeting regarding resource alternatives in their new Integrated Resource Plan. It's worth a moment of your time to read it.

Cheers

John

From: Wellschlager, John D (MFE)(BPA) - PTL-5

Sent: Thursday, December 17, 2020 7:27 AM

To: Bellcoff, Steve (BPA) - PGPR-5 <srbellcoff@bpa.gov>; Malin, Debra J (BPA) - PTL-5 <djmalin@bpa.gov>; Cooper, Suzanne B (BPA) - PT-5 <sbcooper@bpa.gov>; Federovitch, Eric C (BPA) - PTM-5 <ecfederovitch@bpa.gov>

Cc: Egerdahl, Ryan J (BPA) - PGPR-5 <rjegerdahl@bpa.gov>; Bergan, Mark T (BPA) - PGPR-5 <mtbergan@bpa.gov>; Neuls, Esther T (BPA) - PGPR-5 <etneuls@bpa.gov>

Subject: RE: PNUCC SPC December 16 Meeting Materials

Steve,

Thank you for the summary. (b)(4)

(b)(4)

Cheers

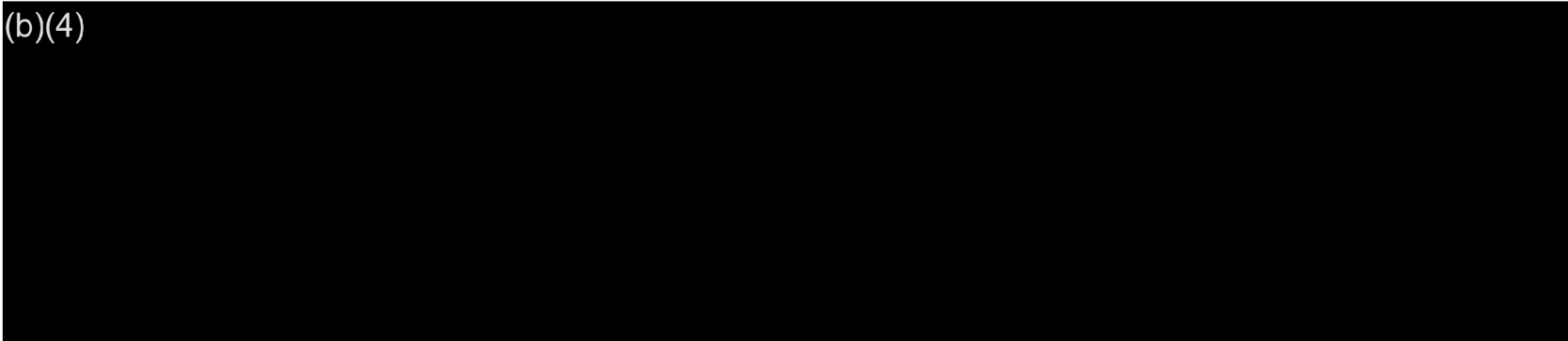
John

From: Bellcoff, Steve (BPA) - PGPR-5 <srbellcoff@bpa.gov>
Sent: Wednesday, December 16, 2020 3:28 PM
To: Malin, Debra J (BPA) - PTL-5 <djmalin@bpa.gov>; Cooper, Suzanne B (BPA) - PT-5 <sbcooper@bpa.gov>; Federovitch, Eric C (BPA) - PTM-5 <ecfederovitch@bpa.gov>; Wellschlager, John D (MFE)(BPA) - PTL-5 <jdwell Schlager@bpa.gov>
Cc: Egerdahl, Ryan J (BPA) - PGPR-5 <rjegerdahl@bpa.gov>; Bergan, Mark T (BPA) - PGPR-5 <mtbergan@bpa.gov>; Neuls, Esther T (BPA) - PGPR-5 <etneuls@bpa.gov>
Subject: RE: PNUCC SPC December 16 Meeting Materials

Suzanne and others,

Tacoma's presentation today was very good and probably one of the more robust presentation of the alternatives studied in an IRP that I have heard.

(b)(4)



(b)(4)

Note really described in the slides but noted;

Two primary objectives in studies: 1) determine what to do with Columbia Basin Hydro (renew/let expire), 2) best thing to do about BPA contract (do we need, Slice with block, or Block with load shaping).

They ran studies based on 4 different future scenarios, looking at 58 different water conditions

Studies included 50 aMW market dependency limit.

DR levels changed by study, and they noted that any DR above 50MW was very speculative and they actually do NOT believe achievable under current context.

CETA 80% rule was looked at on an average annual basis, and not a hourly basis... several questions about that indicates that the state of WA is still trying to decide how that should be calculated.

Resource Adequacy is simple LOLE and LOLH measure on normal load forecast – all RA issues are in the Winter

Preferred path includes DR, and they are working to have between 10-20 MW under contract by 2024

Lots of good information in Slides, as well but just wanted to highlight the main take-a-ways I had.

Steve



System Planning Committee

December 16, 2020
9:00 a.m. to 11:00 a.m. PST

Webinar Only

<https://global.gotomeeting.com/join/316541557>

United States: +1 (312) 757-3121

Access Code: 316-541-557

Agenda

1. **Welcome & introductions (9:00 to 9:15 AM)**
 - Acknowledge PNUCC Antitrust Compliance Statement
 - Member news
2. **Tacoma Power 2020 IRP (9:15 AM to 10:00 AM)**
 - *Ahlmahz Negash, Tacoma Power*
3. **Northwest trends project**
4. **Potential comments to the Northwest Power & Conservation Council**
5. **Committee projects in 2021 (may get moved to January meeting)**

Antitrust Compliance Statement

The purpose of this group is to discuss public policy issues in the Northwest energy field and not commercial transactions or arrangements. It is the policy of the Pacific Northwest Utilities Conference Committee that members shall not discuss prices; pricing policies; terms or conditions of the sale or distribution of products; volume of production or production quotas; allocation of territories or customers; boycotts of particular firms or products; or any other matter which might be considered a restraint on competition of any kind. Any member who may be concerned about the propriety of any agenda discussion items should consult their own counsel.

Minutes of each meeting will be recorded and kept.

PNUCC

Serving our customers



Tacoma Power 2020 IRP

PNUCC System Planning Committee

Ahlmahz Negash

Dec 16, 2020

TACOMA POWER
TACOMA PUBLIC UTILITIES

Major Focus Areas of 2020 IRP

What are the major questions we need to answer this time?
What major changes have occurred since last time?



TACOMA POWER
TACOMA PUBLIC UTILITIES

Columbia Basin Hydro (CBH) Contract Renewal

- 5 Irrigation Canals
- ~27 aMW in months of March through October
- 3% of portfolio on average
- Staggered contracts expiring 2022-2026
- 2020 IRP will ***make a recommendation*** on whether or not to renew



Key Questions

1. Should we renew the contracts?
2. If not, what resource (if any) will we need in order to replace them?

BPA Contract Renewal/Product Selection

- Federal Power Marketing Agency
- Power sold at cost
- Tacoma Power has been a BPA customer since 1940
- Over 50% of Tacoma's portfolio on average
- Current contract expires 2028
- 2020 IRP will conduct *preliminary analysis* on value of renewing current contract vs. alternative product selection



Key Questions

1. Given current product offerings and expected policy framework, which product(s) seem likely to meet Tacoma's needs in the future?
2. Is there any potential value in a more diverse portfolio (i.e. complementing BPA contract with another resource)?
3. What do we need to know before conducting a more definitive analysis?

How it works

- Run SAM in “Resource Adequacy” mode for 58 different weather years* and 4 different scenarios of the future
- Resource adequacy mode adds a check to make sure we have enough capacity + operating reserves to meet load and re-adjusts dispatch if not. Once we run out of capacity, we have a shortfall.

How we evaluate it

- **Probabilistic:** Look at expected outcomes across all runs (as opposed to deterministic metrics like LRB in a single Critical Water year.
- **Capacity focus:** Look at capacity position (takes into account reservoir levels).
- **Market availability:** Assume up to 50MW can be purchased from the market in all hours.

Metrics we use

- **Magnitude:** Expected shortfall of no more than 0.001% of load (**NEUE of 0.001%**)
- **Duration:** No more than 2.4 hours per year of shortage on average (**LOLH of 2.4**)
- **Frequency:** No more than 0.2 days of shortages (2 days in 10 years) (**LOLE of 0.2**)

***Weather year** is a term we made up. It encompasses historic water conditions and temperatures and is based

Portfolio Performance

How do our candidate portfolios perform according to our metrics?



TACOMA POWER
TACOMA PUBLIC UTILITIES

Candidate Portfolios

Renew BPA Slice/Block

- Tacoma Power Hydro + BPA Slice
- Tacoma Power Hydro + BPA Slice + *renew CBH (continue current portfolio)*
- Tacoma Power Hydro + BPA Slice + 60MW Solar
- Tacoma Power Hydro + BPA Slice + 100MWWA Wind
- Tacoma Power Hydro + BPA Slice + 100MWGorge Wind
- Tacoma Power Hydro + BPA Slice + 150MW Pumped Storage at Cowlitz
- Tacoma Power Hydro + BPA Slice + 150MW 3rd Generator at Cowlitz
- Tacoma Power Hydro + BPA Slice + 50MW Demand Response

Feasibility not certain due to licensing requirements

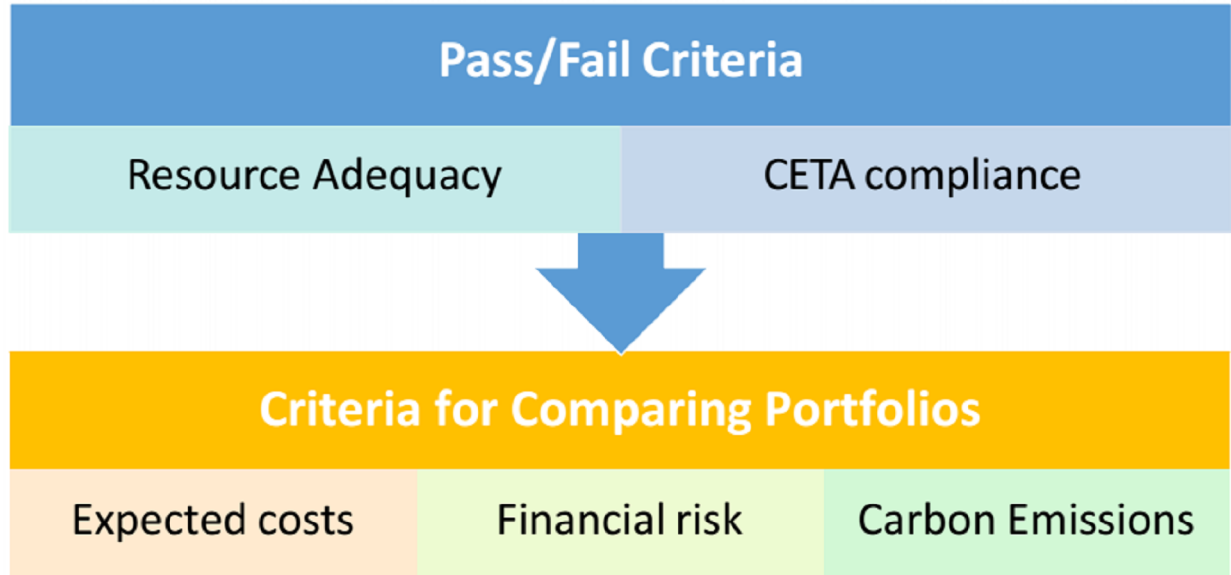
Renew BPA with Shapeable Block

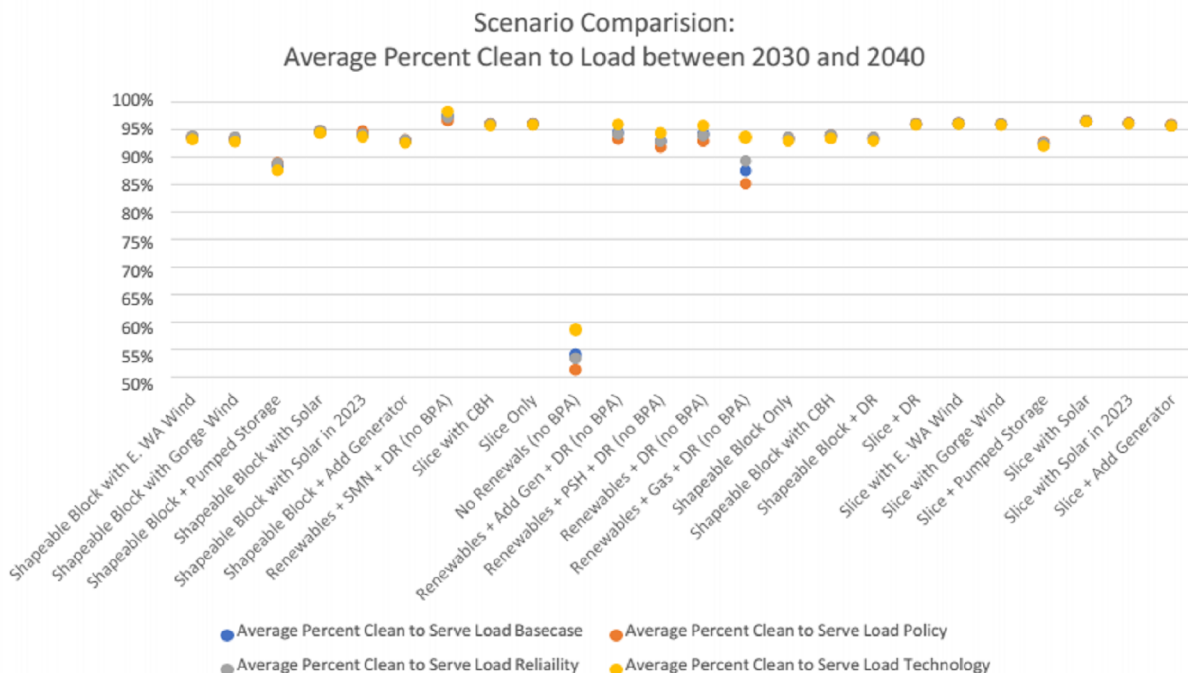
- Tacoma Power Hydro + BPA Block
- Tacoma Power Hydro + BPA Block + *renew CBH*
- Tacoma Power Hydro + BPA Block + 60MW Solar
- Tacoma Power Hydro + BPA Block + 100 MW WA Wind
- Tacoma Power Hydro + BPA Block + 100 MW Gorge Wind
- Tacoma Power Hydro + BPA Block + 150MW Pumped storage at Cowlitz
- Tacoma Power Hydro + BPA Block + 150MW 3rd Generator at Cowlitz
- Tacoma Power Hydro + BPA Block + 50MW Demand Response (DR)

Feasibility not certain, as 50MW of DR may be more than we can acquire

No BPA Renewal (not technically feasible at this time)

- Tacoma Power Hydro + 650MW WA Wind + 650MW Gorge Wind + 100MW MT Wind + 300MW DR
- Tacoma Power Hydro + 700MW WA Wind + 700MW Gorge Wind + 100MW MT Wind + 250MW DR + 150MW Pumped storage
- Tacoma Power Hydro + 700MW WA Wind + 700MW Gorge Wind + 100MW MT Wind + 250MW DR + 150MW Cowlitz Generator
- Tacoma Power Hydro + 700MW WA Wind + 700MW Gorge Wind + 100MW MT Wind + 200MW DR + 100MW Small Nucle5ar
- Tacoma Power Hydro + 650MW WA Wind + 650MW Gorge Wind + 100MW MT Wind + 100MW DR + 200MW Natural Gas

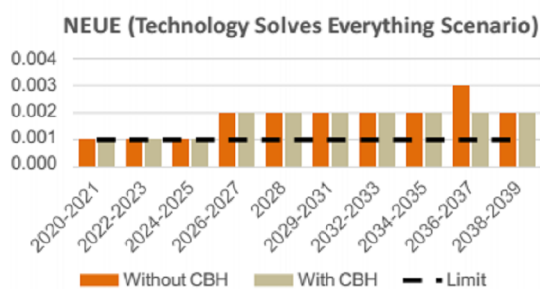
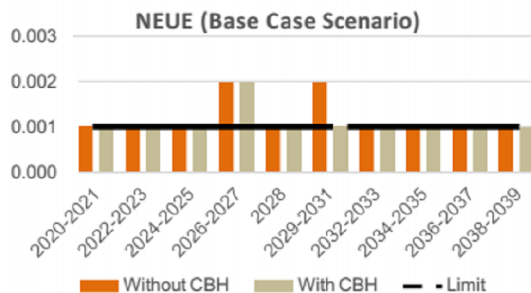




- Market purchases are comparable for the portfolios that include a BPA product resulting in little to no difference in Percent Clean values across scenarios.
- Market price and volatility (as reflected in scenarios) are more impactful to portfolios without BPA

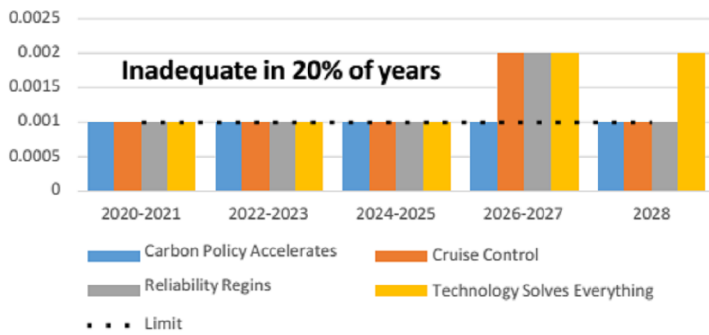
Resource Adequacy

- Capacity shortages under Slice/Block are concentrated in one very bad winter in one water year
- Because CBH provides energy in summer, **CBH does little to improve adequacy** and so is surplus to our needs
- To be of value to the utility and our customers, market value of CBH must exceed costs.

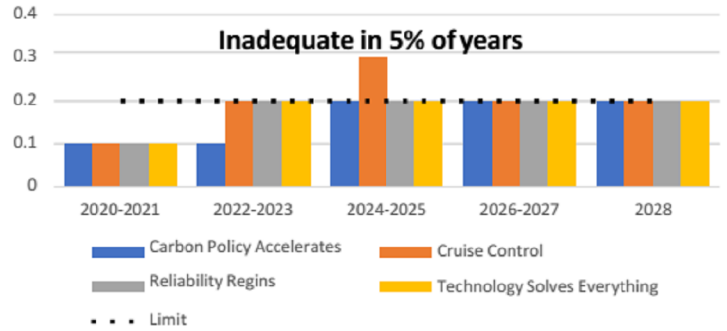


Resource Adequacy Before 2028 BPA Renewal Decision

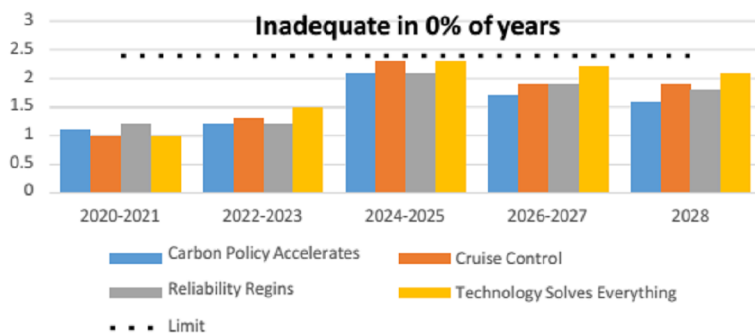
% Normalized Expected Unserved Energy (NEUE)
Current Portfolio w/out CBH Renewal



Loss of Load Expectation (LOLE)
Current Portfolio w/out CBH Renewal



Loss of Load Hours (LOLH)
Current Portfolio w/out CBH Renewal



We are **occasionally inadequate** in certain years under certain scenarios using certain metrics.

We will need to develop a strategy to prepare for these potential inadequacies.

Renewing our Columbia Basin Hydro (CBH) contract does not improve adequacy.

Summary of RA Performance Post-2028

Portfolio	Share of Years with Inadequacies			Consider Portfolio?
	NEUE	LOLH	LOLE	
Shapeable Block Only	0%	0%	0%	YES
Shapeable Block + DR	0%	0%	0%	YES
Shapeable Block + Pumped Storage	0%	0%	0%	YES
Shapeable Block + Add Generator	0%	0%	0%	YES
Shapeable Block with E. WA Wind	0%	0%	10%	YES
Shapeable Block with Gorge Wind	5%	0%	55%	NO
Shapeable Block with Solar	0%	0%	0%	YES
Shapeable Block with CBH	33%	0%	100%	NO
Slice Only	29%	5%	5%	YES
Slice + DR	0%	0%	0%	YES
Slice + Pumped Storage	0%	0%	0%	YES
Slice + Add Generator	0%	0%	0%	YES
Slice with E. WA Wind	95%	55%	50%	NO
Slice with Gorge Wind	81%	35%	45%	NO
Slice with Solar	29%	5%	10%	YES
Slice with CBH	95%	100%	100%	NO
Renewables + DR (no BPA)	33%	0%	20%	NO
Renewables + PSH + DR (no BPA)	5%	0%	0%	YES
Renewables + Add Gen + DR (no BPA)	5%	0%	5%	YES
Renewables + SMN + DR (no BPA)	38%	5%	15%	NO
Renewables + Gas + DR (no BPA)	33%	0%	20%	NO

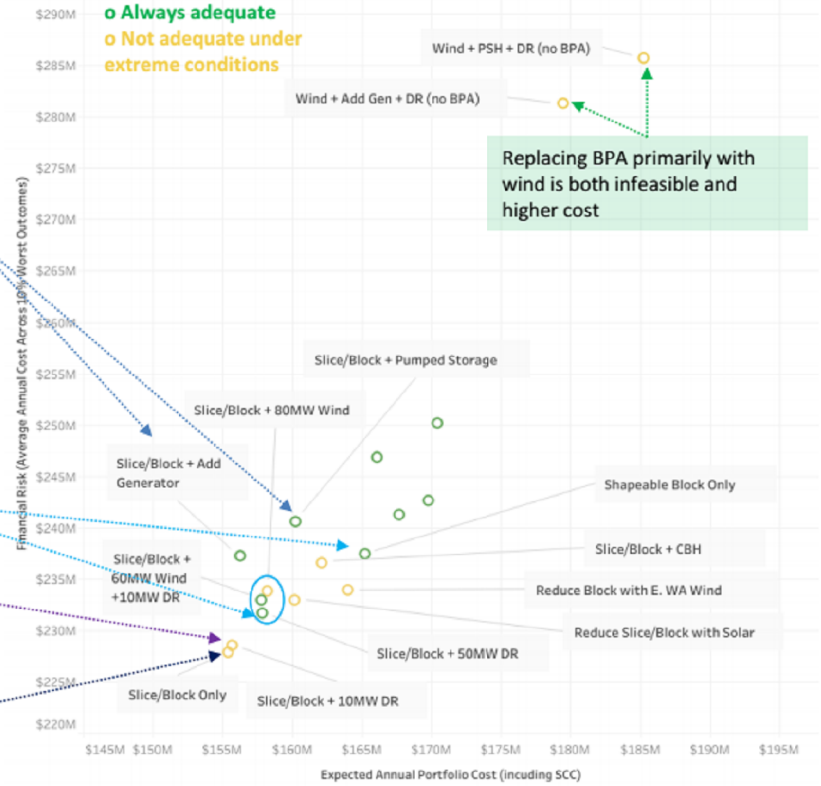
We are always adequate when we renew BPA with Shapeable Block and don't reduce the amount we get from BPA (our net requirement)

We are mostly adequate in portfolios where we renew BPA Slice and don't reduce our net requirement

We are mostly adequate in most portfolios when we renew BPA with Shapeable Block and "diversify" by reducing the amount we get from BPA slightly but mostly inadequate when we diversify with Slice.

It is very difficult to replace BPA primarily with renewables.

Cost Vs. Financial Risk



Adding pumped storage or a generator at Cowlitz presents higher financial risk, partially due to significant licensing cost risk

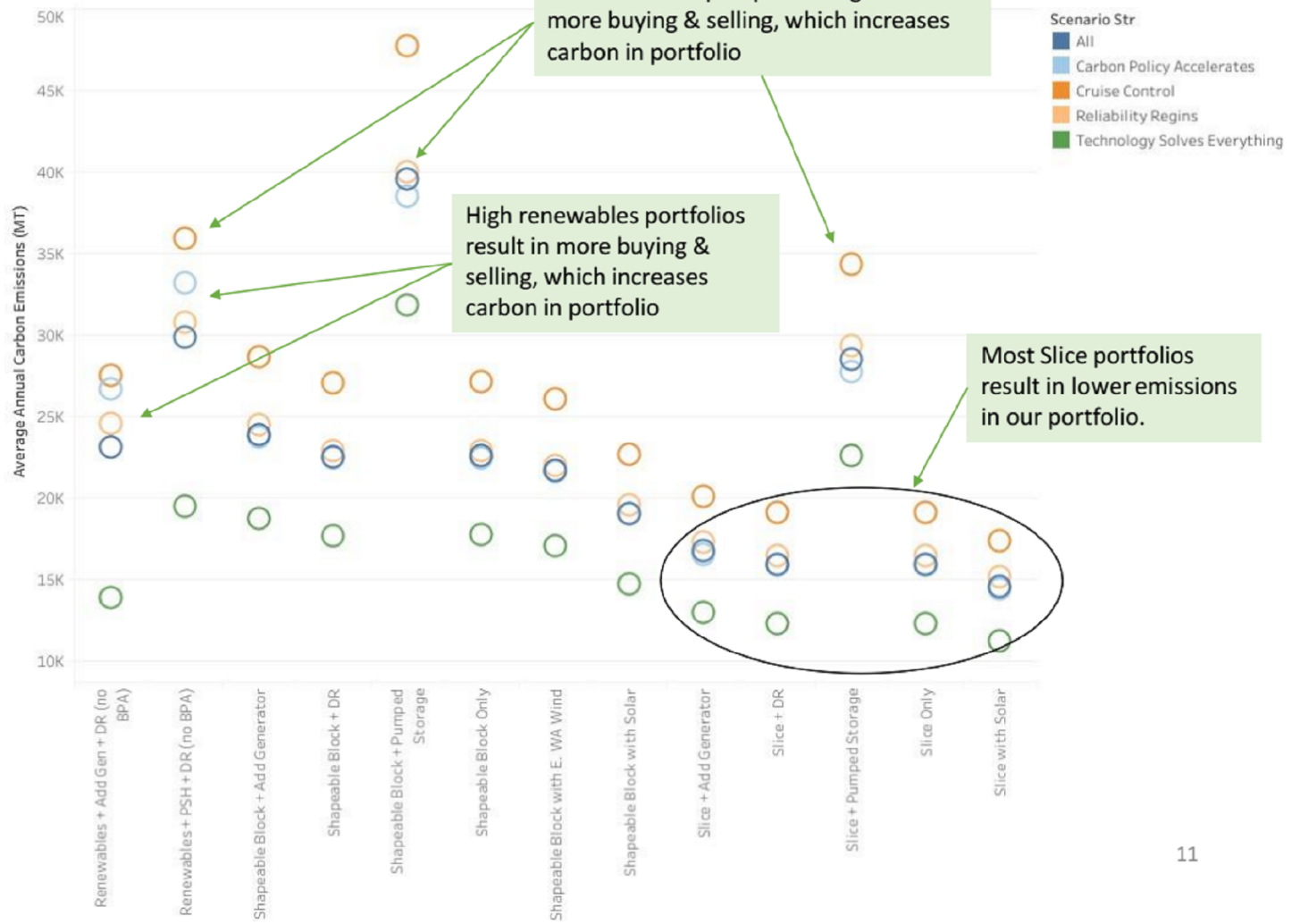
Replacing BPA primarily with wind is both infeasible and higher cost

Small adjustments to Slice/Block portfolio improve resource adequacy at a lower cost than switching to a Shapeable Block product.

Adding 10MW of DR is lowest cost and least risk way to improve adequacy

Slice/Block only is lowest cost & lowest financial risk.

Carbon Emissions



Preferred Portfolio

Which portfolio is the best fit for Tacoma Power?



TACOMA POWER
TACOMA PUBLIC UTILITIES

Portfolio Recommendations:

- ✓ Renew BPA Slice/Block contract if offered
- ✓ Don't renew Columbia Basin Hydro (CBH) contract
- ✓ Further explore feasibility of adding 10MW demand response
- ✓ Continue to evaluate options to diversify BPA with wind or solar but don't acquire anything now

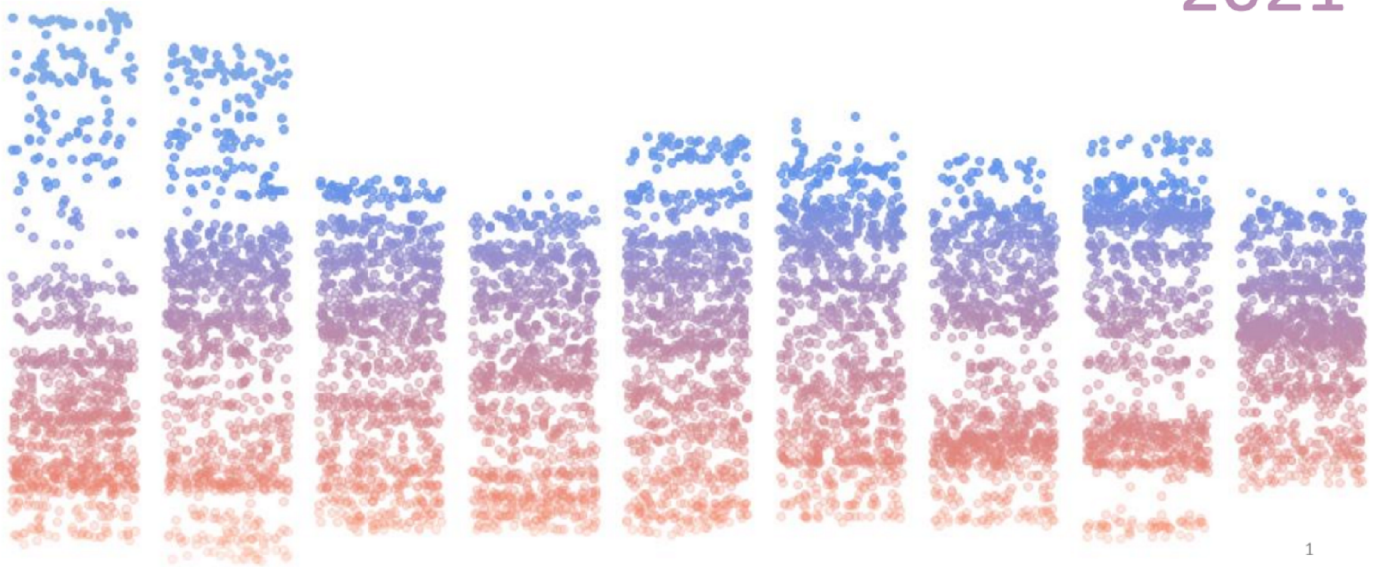
Questions



TACOMA POWER
TACOMA PUBLIC UTILITIES

Northwest Power System Trends

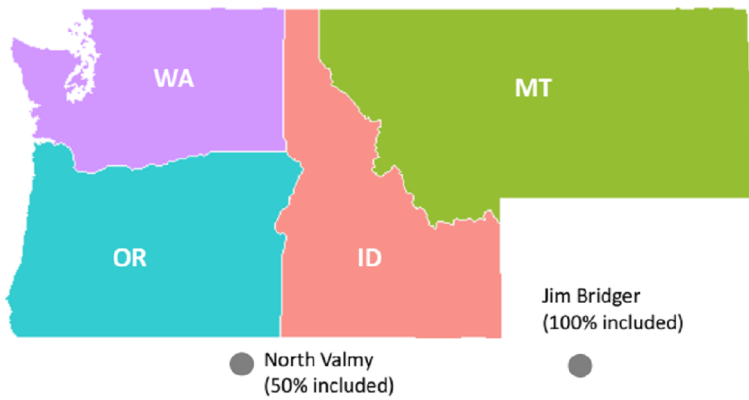
2021



Project background

- The goal is to collect and compile regional electricity data and view/examine trends
- The end product is a slide deck with graphs and sharable workbooks/data sources (so folks can make their own graphs too)
- Can be an education tool and provide background information on regional trends to PNUCC & utility studies
- PNUCC is already compiling these data, not a big lift to make into graphs and sharable workbooks

Northwest area

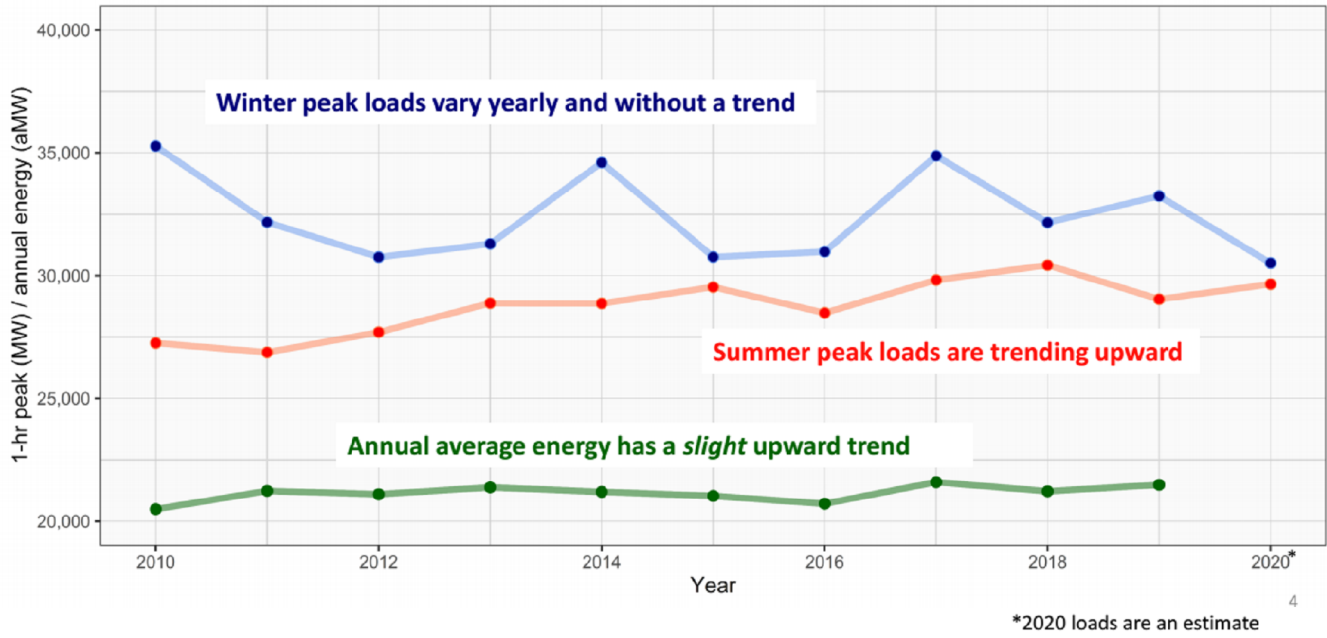


Focus is on all loads and resources inside of Idaho, Montana, Oregon, and Washington, plus 2 coal plants located in Nevada and Wyoming

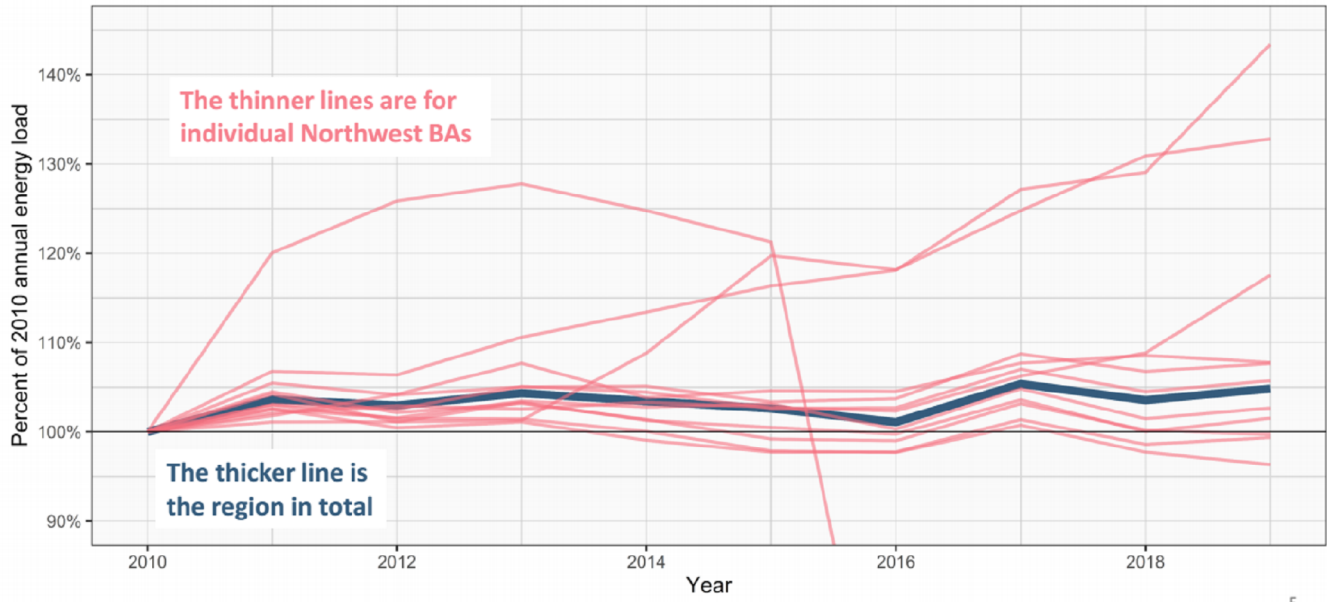
Slightly larger footprint than the Power Act of 1980 (it includes all of Montana), and smaller than the Northwest Power Pool footprint

A few slides look at the Western Interconnection as well

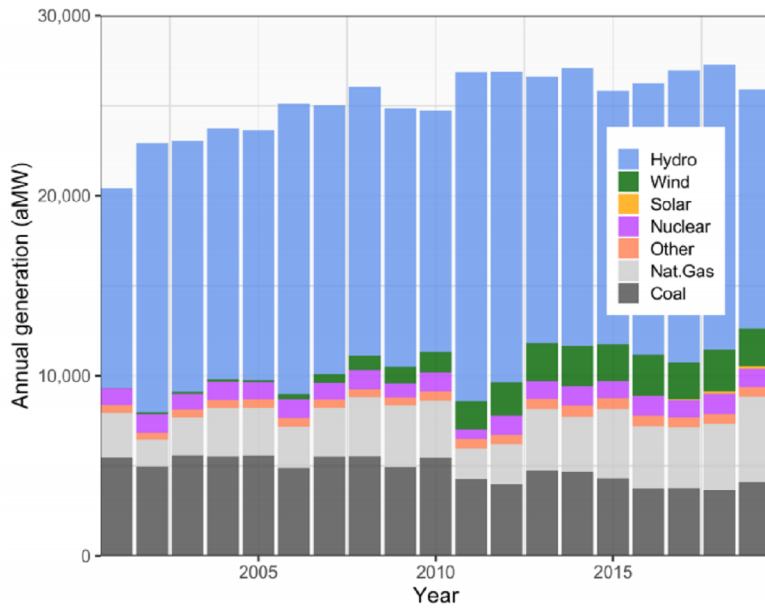
Load trends, 2010-20 (BA loads)



BA annual energy load trends, 2010-19



Annual Generation, 2001-19

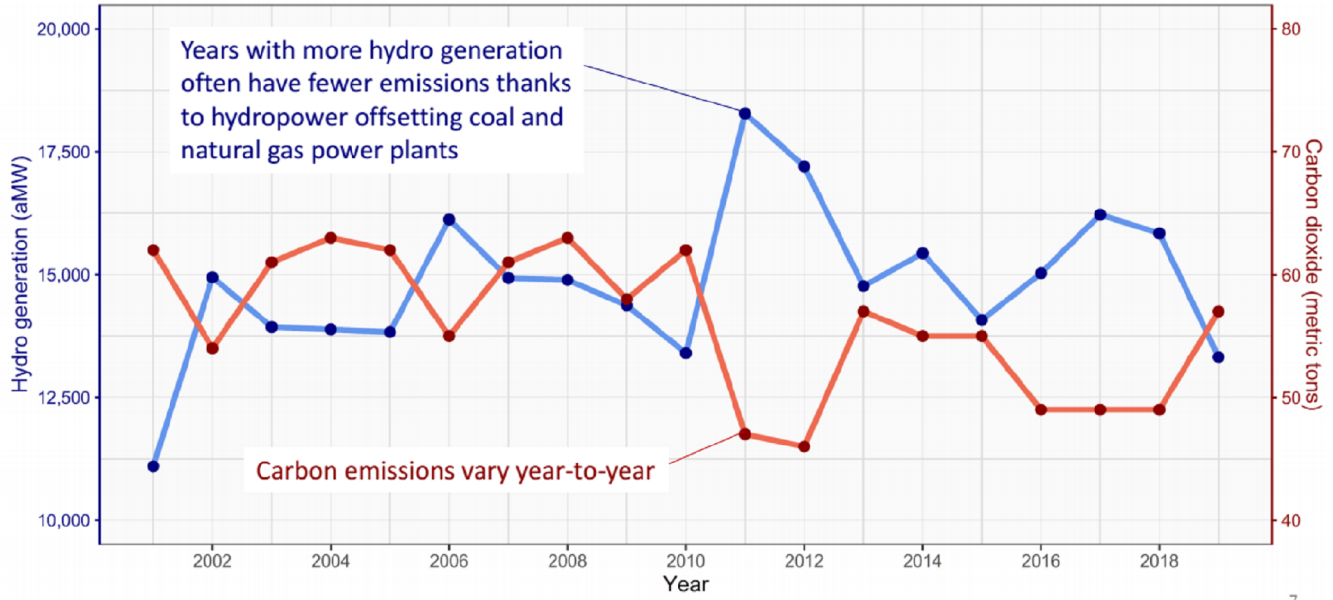


Hydro generation varies yearly

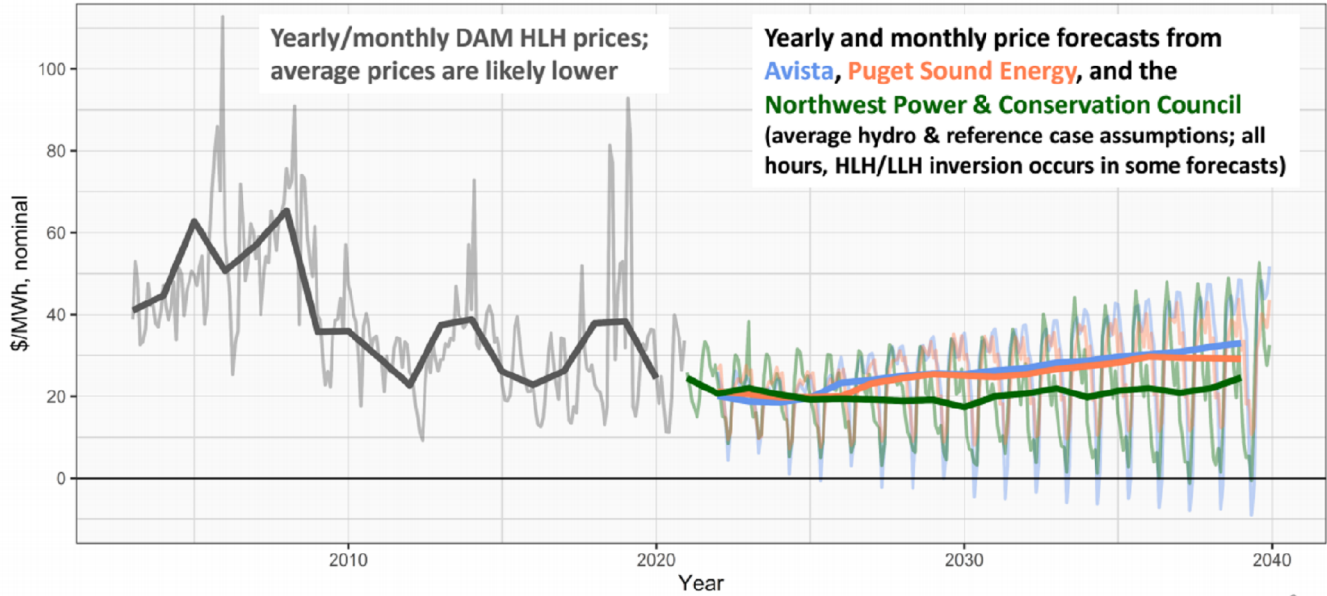
Coal generation is declining while natural gas and wind generation is increasing

The Northwest is a net exporter and has more generation than load on an annual basis

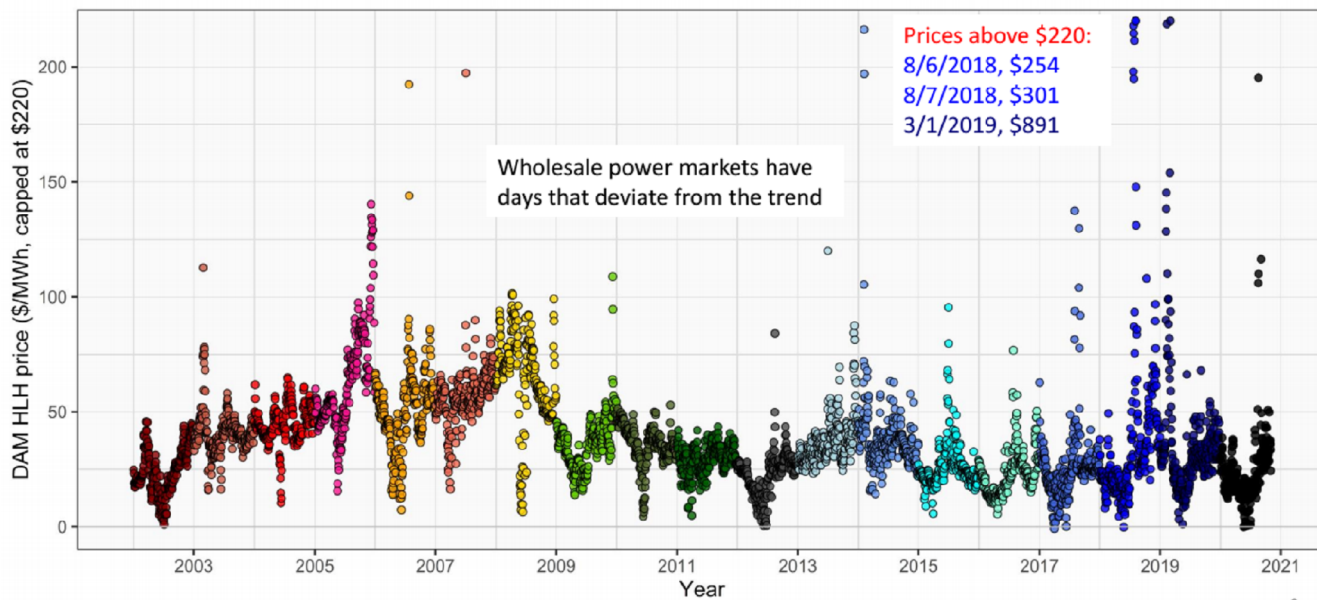
Annual carbon emissions, 2001-19



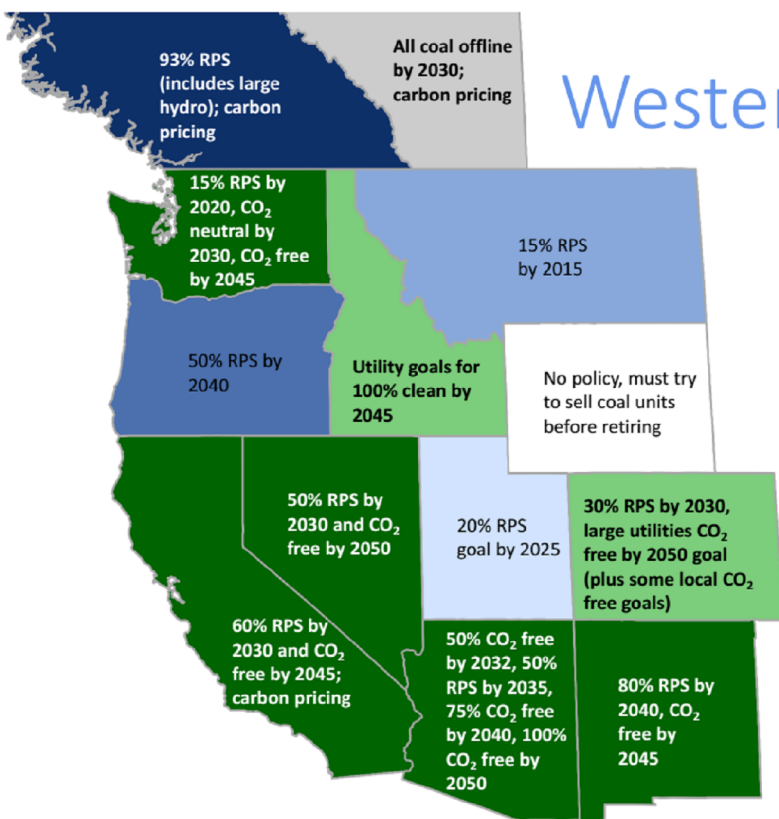
Power prices & forecasts at Mid-C



Mid-C prices (daily DAM HLH), 2002-20



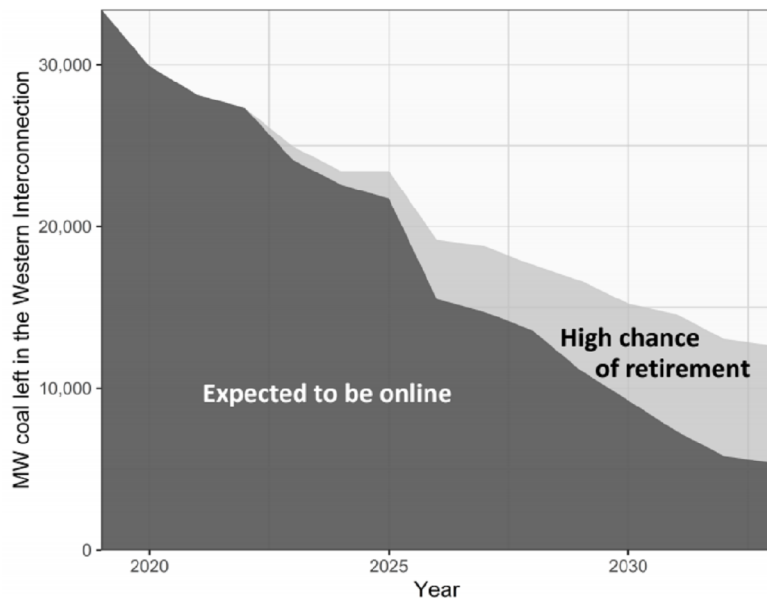
Western carbon policies



In spring 2018 zero states had a 100% clean policy in place. In 2020 5 states (dark green) have those policies, and 2 states have similar policies via utility and local goals (light green).

Shades of blue are for states/provinces with renewable portfolio standards (but no clean/carbon free policies). Darker blue shows higher standards.

Western coal retirement schedule

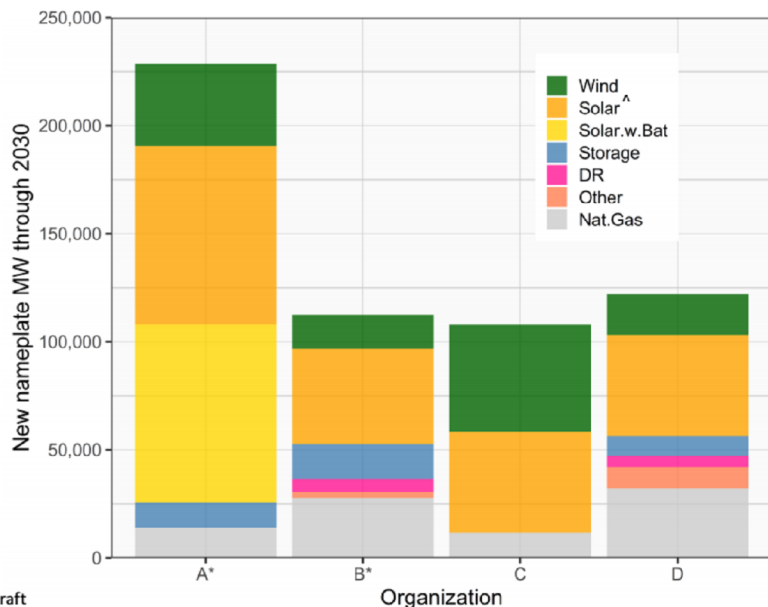


The Western Interconnection coal retirement schedule continues to become more aggressive

Some retirements include coal-to-gas conversions

Graph is coal only – does not include Diablo or OTC natural gas retirements

Projected New Western resources through 2030



Mostly wind, solar, and storage projected to come online

Some of the natural gas is from coal-to-gas (and likely in AESO)

For context total nameplate in WECC today is ~300,000 MW

These are reference case scenarios; some organizations see more renewables/storage under accelerated carbon policy scenarios

*Draft
^Includes BTM

Feedback

- Are having these graphs and data centrally located (with workbooks and links) helpful?
- Anything to add/remove?
- Other thoughts?

Sources

This section will be improved, include links to source data, and include data in a workbook

Loads: Mostly from FERC 714; estimates also incorporate BPA SCADA

NW Generation: EIA state level data from various forms

Price forecasts: Publicly available IRP/Power Plan files

HLH DAM prices: ICE via EIA

Coal retirements: Largely gathered through newspaper articles

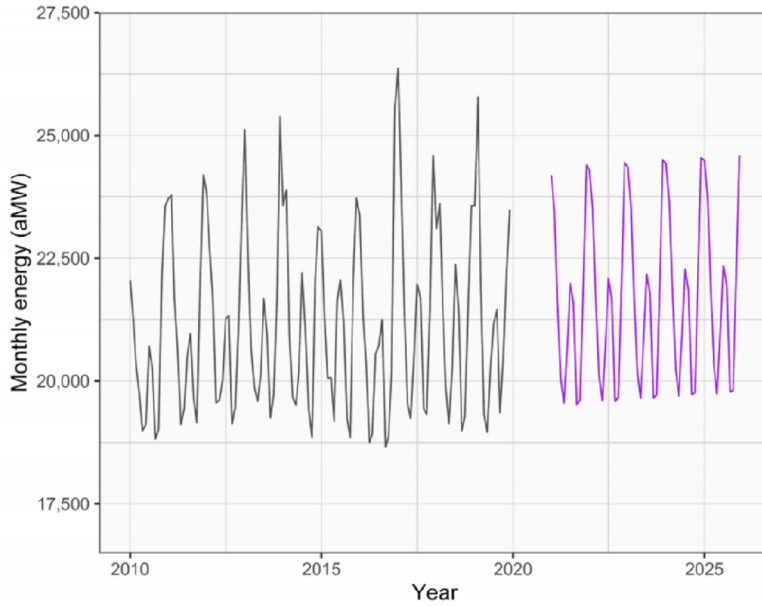
New western resources: Publicly available IRP/Power Plan files & WECC

New NW resources: 2020 PNUCC Northwest Regional Forecast

Intertie flows: BPA online postings

Extra slides

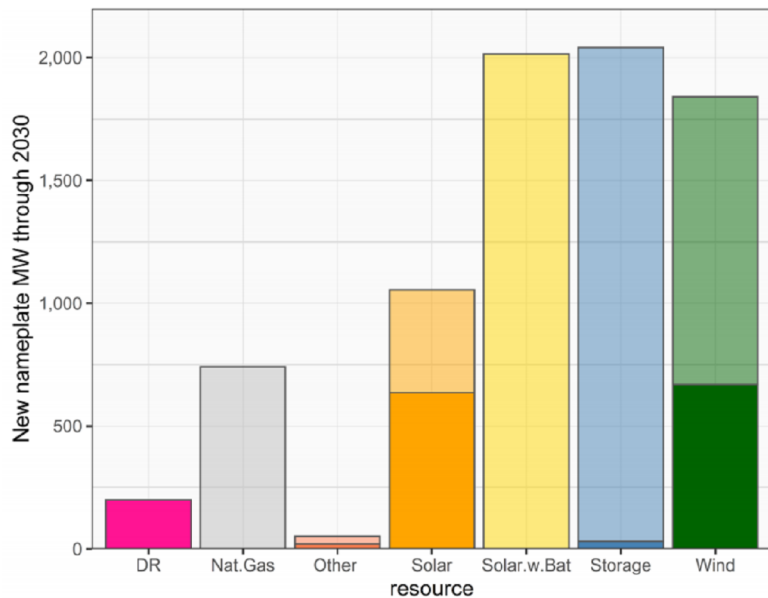
Monthly energy loads and forward trend



Trend is based on a timeseries model that also incorporates weather (HDD/CDD)

Very draft/conceptual, inputs and outputs will likely change if used in final

Forecasted new NW resources through 2030

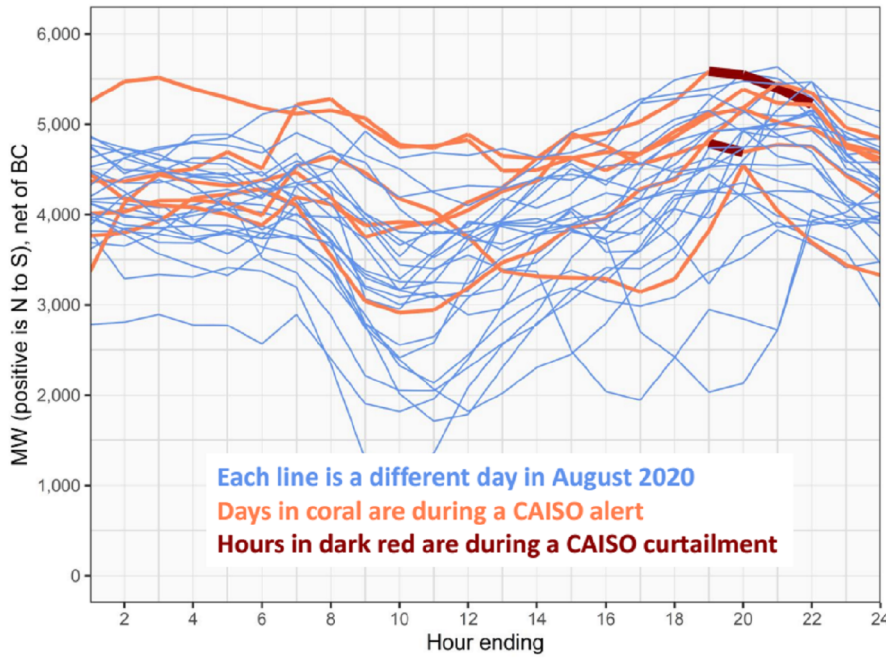


Data from the 2020 Northwest Regional Forecast – darker colors indicate higher likelihood of coming online

Mostly wind, solar, and storage projected to come online

Some of the natural gas is from pre-CETA IRPs and may change when the 2021 Northwest Regional Forecast is released

August AC+DC Intertie flows, 2020, net of BC

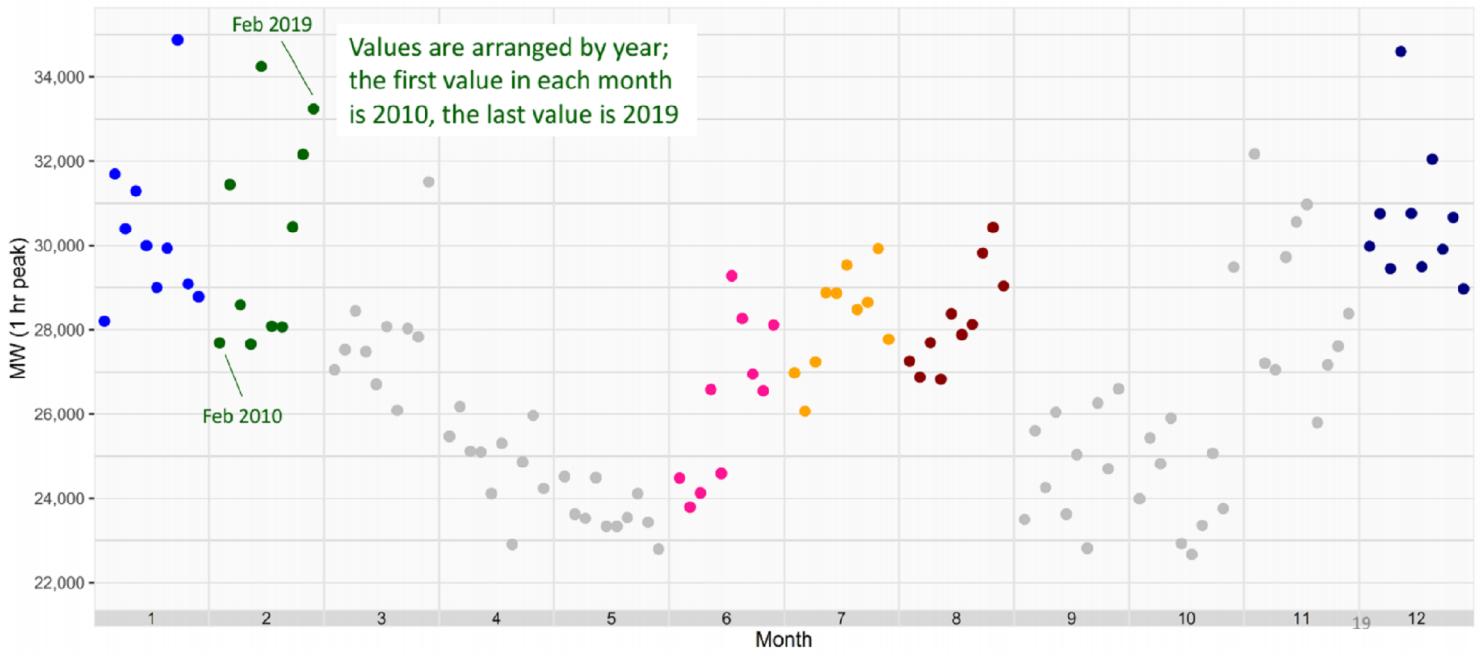


In August 2020 (and during most months) the Northwest exported power through the AC+DC interties into California

Flows are net of BC flows into the Northwest to better show Northwest power exports (rather than pass-through flow from BC)

PNUCC does not have insights into when the power was sold (or how difficult it would be to reduce or reverse flows in the event of a Northwest emergency)

Monthly peak loads; 2010-2019



Potential PNUCC Comments to the Northwest Power & Conservation Council

December 2020

Where we are in the process

- The Power Council is starting to solidify their 2021 Power Plan inputs
 - Initial portfolio modeling has started
 - A draft Plan is expected in summer 2021, final in fall 2021

- Today we will look at two items PNUCC can comment on:
 - 1) External market resources in GENESYS 2 (the redeveloped adequacy model)
 - 2) Natural gas power plant limitations in the Northwest

- There will be additional opportunities to comment in the future

External market/western buildout

The Council (and many other organizations) uses a model to add new resources to the Western Interconnection to simulate future years

Resources are added to maintain adequacy and meet renewable / carbon goals

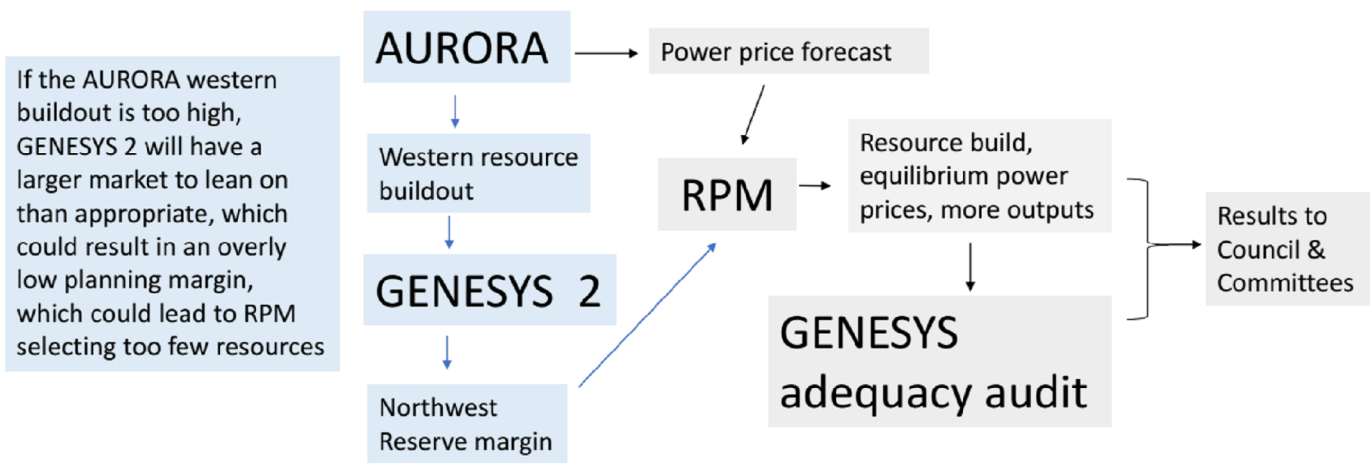


Western buildout, Power Council

Western Resource additions (from November 30 SAAC meeting)								
Year	Solar	Natural Gas	Wind	Solar + Battery	Offshore Wind	4 Hour Battery	Pumped Storage	Total
2025	51,538	11,351	16,775	46,600	-	6,004	-	132,268
2030	89,838	14,873	28,712	86,600	6,463	6,004	4,900	237,390

For context, total resources in the Western Interconnection today are around 300,000 nameplate MW

Power Council model flow



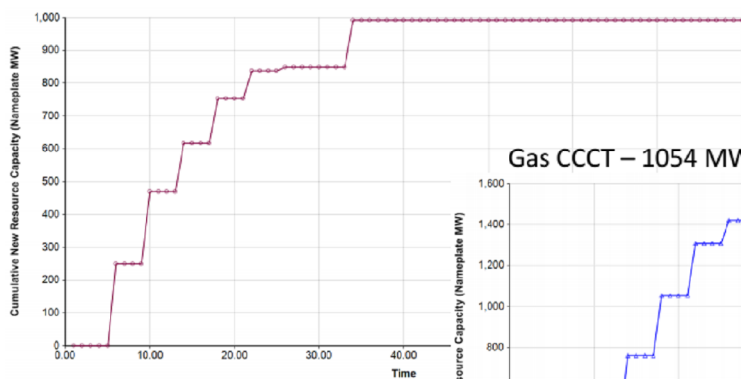
Potential comment on the AURORA build for adequacy

PNUCC staff are concerned that the Western Interconnection will build fewer resources than the Council is projecting. Should the Council:

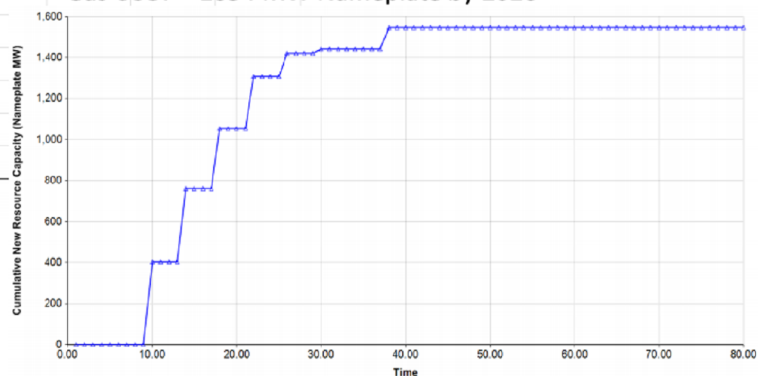
- a) Use a lower AURORA build in GENESYS 2 to set the reserve margin?
- b) Use import limits on GENESYS 2 (e.g. from the RAAC) to set the margin?
- c) Other?

Council Northwest Gas Build (DRAFT from RPM)

Gas Peakers – 753 MW Nameplate by 2026



Gas CCCT – 1054 MW Nameplate by 2026



Shared by the Council on 12.09.2020; these values will change (maybe dramatically) in the next couple months

Potential comments on NW gas build

The Council is seeking input on limiting gas resources in the region. Should the Council:

- a) Limit the total amount of gas built to reflect the current resource option paradigm?
- b) Limit the speed of the gas build to reflect the current resource option paradigm?
- c) Discuss new gas units in a broader sense (a resource that has the characteristics of a gas unit)?
- d) Other?

Other issues to comment on/discuss?