# Bonneville Power Administration: Stakeholder Question/BPA Responses:

*Date Document Updated May 10, 2022*

Bonneville Power Administration welcomes parties to provide questions/comments related to the April 11th, 2022 Request for Offers. Parties may contact Mark Miller at 503-230-4003, or memiller@bpa.gov.

The following are a summary of the questions received by BPA and BPA’s responses:

|  |  |
| --- | --- |
| Date Submitted/Question | 4/7/22 How does the RFO interplay with Customer’s potential request to switch from Slice to load following? |
| BPA’s Response | Since the RFO is limited to power that will be delivered during the current rate period and the potential option to switch to Load Following would not begin until BP-24, in the end the RFO would not impact a customer’s decision to exercise an option to change products.   Even though the processes are running in parallel, the timelines for delivery do not overlap. |
|  |
| Date Submitted/Question | 4/13/2022Can you confirm that per Section 16, the only entities allowed to bid are a) NW Public Preference Customers, b) NW IOUs and c) CA utilities? |
| BPA’s Response | BPA is not actively pursuing sales to market participants who are not NW Public Preference Customers, NW IOUs or CA utilities; however, BPA will consider all bids. All awards will be subject to Preference requirements. |
|  |
| Date Submitted/Question | 4/13/2022While you state this is WSPP Schedule C, you also state the e-tag will include ACS designation. This will ensure your federal system delivery and not any market deliveries? |
| BPA’s Response | When BPA performs ACS sales it includes the necessary data built into the e-tag. This identifies that the power is sourced from BPA’s system and the purchasing party receives the benefit of BPA’s clean power. This is especially beneficial to parties who have reporting obligations in California. BPA’s CARB emission factor for 2022 is 0.0160 MT CO2e per MWh. Next year’s emissions factors is not yet posted but it can be found at the link below when they become available. [https://ww2.arb.ca.gov/mrr-acs](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Fww2.arb.ca.gov%2Fmrr-acs&data=04%7C01%7CJim.Schroeder%40pacificorp.com%7C06a1db2829994415169c08da1e660b3c%7C7c1f6b10192b4a839d3281ef58325c37%7C0%7C0%7C637855720897569224%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=nOVyHp8DxUuOpuUUpBx4w5RPjRTT859a9rd7dVI96CA%3D&reserved=0) |
|  |
| Date Submitted/Question | 4/14/2021Will BPA accept a fixed price for Product 2 or only Mid-C index?  |
| BPA’s Response | BPA will review all bids but we are planning to evaluate only conforming bids.   |
|  |
| Date Submitted/Question | 4/27/2022How would BPA respond when both bidders are Preference Customers but only one has a Regional Dialogue contract? |
| BPA’s Response | Both entities will have the opportunity to exercise their preference rights. |
|  |  |
| Date Submitted/Question | 4/27/2022Will non-bidding Preference Customers be allowed to exercise their preference rights? |
| BPA’s Response | Yes. |
|  |
| Date Submitted/Question | 4/27/2022If a Preference Customer contacted BPA about purchasing power products during the RFO process, would that inventory amounts reduce the availability for the RFO? |
| BPA’s Response | BPA sells energy products everyday and encourages Preference Customers to contact BPA on pricing and availability. |
|  |
| Date Submitted/Question | 4/27/2022Will BPA Power Account Executives communicate to their customer’s that they have an opportunity to exercise their preference rights, if, after the RFO closes, a preference iteration is necessary? |
| BPA’s Response | Yes. Preference Customers does not need to bid in order to exercise their preference rights. BPA Power AEs will communicate to all of their customers if there is an opportunity to exercise their preference rights. |
|  |
| Date Submitted/Question | 4/27/2022How will BPA handle the following scenarios? An entity with no preference rights submits the highest value bid for 50 MW. A Preference Customer submits a bid with 5 MW that is the same value or higher. Would BPA grant the 5 MW to the Preference Customer then the remaining to the non-preference entity? |
| BPA’s Response | BPA would circle back with the outside entity to determine if they would accept a 45 MW award. In any case, the PF customer would be awarded the 5 MW. |
|  |
| Date Submitted/Question | 4/27/2022How will BPA evaluate each bid? |
| BPA’s Response | BPA will establish a minimum acceptable bid necessary to recover it’s cost. Next BPA will determine the highest value bid for the products in the RFO. |
|  |
| Date Submitted/Question | 4/27/2022Will there be a delineation between a network integration customer vs point-to-point customer? |
| BPA’s Response | BPA will consider its transmission cost when evaluating awards. Different points of delivery may affect the net value of the bid to BPA. |
|  |
| Date Submitted/Question | 4/26/2021Will bids for individual months be considered compliant with the RFO requirements?  |
| BPA’s Response | Yes. Bidders may submit a bid for a single month so long as the month is with the block of months offered. |
|  |
| Date Submitted/Question | 4/27/2022Can acting agents submit bids on behalf of another entity that is a Preference Customer? |
| BPA’s Response | Agents can submit bids on behalf of the Preference Customers; however, the final award and contract will be with the Preference Customer. |
|  |
| Date Submitted/Question | 4/29/2022After an entity has submitted a bid will it have the opportunity to submit a refresh bit so long as it’s before the close of the RFO? |
| BPA’s Response | BPA will accept refreshed bids.  |
|  |
| Date Submitted/Question | 4/29/2022Can you confirm that all bids will be “blind” when being offered for the first right of refusal process? |
| BPA’s Response | Yes, bidders will be anonymous to each other. |
|  |
| Date Submitted/Question | 5/3/2022When the NW utilities are offered a right of first refusal look at a higher valued bid, can they match any months in the offer or just the complete offer? |
| BPA’s Response | To match the value of a bid the bidder will need to take the entire term (all the months) of the other bid. |
|  |
| Date Submitted/Question | 5/2/2022Is it correct that if a non-public Preference Customer (IOU, CA entity, etc.) wins the bid BPA would be notifying all Slice customers to provide an opportunity to take the same terms as the winning bid regardless of if the Slice customer had put in an initial bid? |
| BPA’s Response | Correct. |
|  |
| Date Submitted/Question | 5/2/2022If a Preference Customer won the bid, the award would automatically go to that customer and other Preference Customers would not have the opportunity to have access to those terms? |
| BPA’s Response | Correct. |
|  |
| Date Submitted/Question | 5/3/2022With regards to the RA compliant product – would BPA consider selling firm energy (i.e. not index)? |
| BPA’s Response | BPA is only considering index plus pricing bid as compliant to the RFO. |
|  |
| Date Submitted/Question | Please provide clarity how the call option will work. |
| BPA’s Response | Buyer pays a premium, expressed in $/kw-mo, and in consideration of the premium payment. Buyer has the right to call on the agreed energy amount, each day.  Buyer will pay Mid-C index (as measured by ICE) for the energy it calls on.  Mid-C is the only index BPA will accept.What may not have been clear in the RFO is quantity.  Buyer will bid based on a MW amount, up to 200 MW, the buyer chose in its bid for a given month.  That is the quantity your premium will be based on for that month.  Each day you may call on a specific MW amount up to the max amount you have the right to call on.   When you call on energy for any given day, you may call on a quantity smaller than your monthly max.  That quantity will need to be scheduled and taken every delivery hour of that day (flat or heavy hours, depending on the terms). |
|  |
| Date Submitted/Question | 5/5/2022Would it be possible to submit multiple mutually exclusive bids (e.g. a 200MW bid for option 1 and a 200 MW bid for option 2)? |
| BPA’s Response | Yes, different bids for different products, or time periods can be submitted. |
|  |
| Date Submitted/Question | 5/5/2022Is Product 1 was considered ACS? |
| BPA’s Response | Product 1 does not explicitly include ACS; however, BPA suggest the party make their own judgement on if it qualifies. The following document may be of some assistance. ([epe-faqs-2020.pdf (ca.gov)](https://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/epe-faqs-2020.pdf?_ga=2.177836133.1353550776.1651689644-442020450.1651689644) |
|  |  |
| Date Submitted/Question | 5/6/2022If a NW IOU submits the highest value bid, will the other NW IOUs as well as the Public Preference Customers have a change to exercise their preference rights by matching the bid? |
| BPA’s Response | In this case, only Public Preference Customers would be shown the bid. |
|  |
| Date Submitted/Question | 5/6/2022How will you address the pending change in ICE Mid-C index products being discussed to address CETA sinking obligations effective January 1, 2023? |
| BPA’s Response | BPA’s intent is to sell at the prevailing index, which may turn out to be the index with WA delivery assumed.  If BPA is the first jurisdictional then it will pick up that associated obligation, if not then the buyer will be responsible.  Bidders should consider this ambiguity in their pricing. |