

May 5, 2022

Kim Thompson
Bonneville Power Administration
Vice President
Northwest Requirements Marketing

Submitted via email

Dear Kim:

Northwest Requirements Utilities (“NRU”) submits these comments to further inform the development of BPA’s post-2028 contracts and policies. As you know, NRU represents the interests of 56 Load-Following customers located in 7 states across the region that hold Network Transmission contracts with BPA. NRU’s members contract with BPA for almost 30% of BPA’s Tier 1 load. Of primary importance to NRU members is BPA’s ability to offer affordable and reliable power supply and transmission that maximizes the value of the Federal system for the benefit of preference customers.

NRU’s Board of Directors met on May 4 to discuss several aspects of post-2028 contracts and policy. Thank you for participating in that meeting and sharing your thoughts with the Board; we greatly value the opportunity to communicate with you directly.

As part of the meeting on May 4, the Board of Directors finalized NRU’s goals regarding three important aspects of the Tier 1 system to feed into post-2028 contracts and policies discussions. We are sharing these goals to inform your process and help public power and BPA work towards consensus on Tier 1 system size, augmentation and allocation issues.

1. When determining the amount of Tier 1 power that is available for preference customers (“system size”):
 - BPA should retain its tiered rate system to make individual utilities responsible for load growth outside of the available Tier 1 product;
 - BPA should size the system to enable the lowest forecast reasonable Tier 1 rate over time;
 - BPA should increase its Tier 1 sales to preference customers to provide additional rate stability and rate certainty over time; and

- BPA should maximize the federal system through updates to streamflow planning while still ensuring a firm and reliable power supply system.
2. When considering whether and how to augment or add long-term resources to the federal base system (“augmentation”):
 - The federal system should only be augmented as necessary to get to the right system size, as defined above in the system size goals;
 - When and if augmenting the federal system, the process should enable customers to have meaningful decision-making participation to guide augmentation decisions;
 - Augmentation decisions should be made at the appropriate time and consider and balance customer interests related to cost and clean energy.
 3. When determining the amount of power each preference customer is entitled to receive at Tier 1 rates (“allocation”):
 - BPA should establish an equitable allocation methodology of Tier 1 power that provides benefits for most NRU members and other preference customers, including those with flat, growing or declining load;
 - BPA should provide an equitable opportunity for preference customers to gain access to “unused Tier 1 power” (*i.e.*, high water mark power that is not used by a preference customer) to meet utility load needs; and
 - Load lost prior to 2010 and that has not yet returned should not factor into Contract High Water Marks for the post-2028 process.

We hope these goals are helpful in determining approaches to important questions related to the Tier 1 system. We look forward to continuing to work with public power and BPA throughout the process to develop the terms and conditions for post-2028 contracts.

Sincerely,

/s/ Zabyr Towner

Zabyr R. Towner
Chief Executive Officer

CC: Public Power Post-2028 Small Working Group