



Provider of Choice Workshop: Goals and Principles

May 19, 2022

PROVIDER OF CHOICE

**POST
2028**



INTRODUCTION

Kim Thompson, Vice President for Northwest Requirements Marketing



Agenda

Time	Topic	Presenter
1:00 – 1:05pm	Introduction	Kim Thompson
1:05 – 1:15pm	Workshop Roles & Expectations	Michelle Lichtenfels
1:15 – 2:30pm	Goals & Principles	Kim Thompson Sarah Burczak
2:30 – 2:45pm	Policy Workshop Framework	Michelle Lichtenfels Sarah Burczak
2:45 – 3pm	Open Question & Answer	





Workshop Roles & Expectations

Michelle Lichtenfels, Program Manager

Today's Workshop

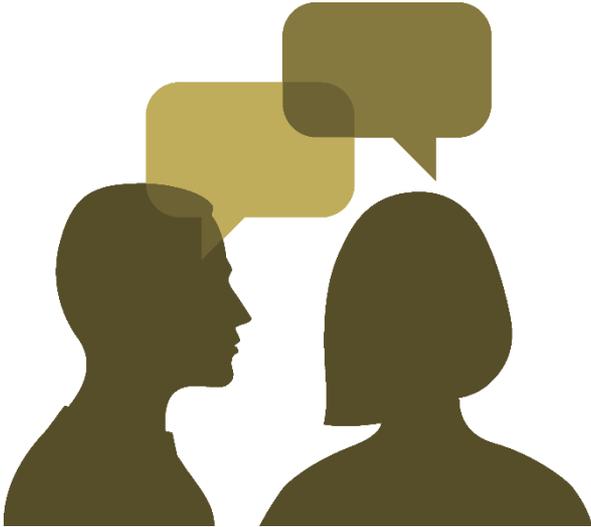
- Presenters will take pauses for questions.
- There is scheduled Q & A time at the end.
- If a question arises during a presentation, please:
 - Hold your question until the pause, or
 - Write your question in the Webex chat with the corresponding slide number.
-  Chat questions will be addressed in the order received.
- We will call on raised hands.  You can unmute/mute yourself. 
 - Please state your name and organization.

Workshop Roles & Expectations: BPA

- Distribute workshop materials a minimum of 48 hours in advance via email and/or post on BPA website.
 - Materials will not be printed.
- Start and end workshops on time.
- Facilitate and moderate conversations with an eye on workshop objectives and scope.
- Open and inclusive: Provide equitable and safe opportunities for feedback, both within and following workshops.
- Respect others and assume good intentions.
- Bring a constructive mentality.



Workshop Roles & Expectations: Participants



- Come prepared; review materials in advance of workshops.
- Participants empowered to represent utility or organization, as applicable.
- Share your perspective and provide feedback.
- Limit discussion to the scope of each workshop. Don't start side conversations.
- Respect others and assume good intentions.
- Bring a constructive mentality.



Goals & Principles

Kim Thompson, Vice President, Northwest Requirements Marketing
Sarah Burczak, Policy Lead

Context

- Regional Dialogue established interests and goals.
- In FY 2021, BPA drafted, shared and received feedback on a set of foundational interests.
- In Spring 2022, public power customers established their own set of principles in a public power concept paper.

Goals and Principles

Goals:

- Embody BPA and customer aspirations for the Provider of Choice policy and contracts.

Principles:

- Reflect the necessary elements BPA will weigh when developing Provider of Choice policy and contracts.



Provider of Choice Goals

1. Regionally supported Provider of Choice policy and contracts.
2. The Federal Base System is fully subscribed to supply customers' net requirements.
3. Product and service offerings are equitable.
4. Contracts offer customers flexibility to invest in and integrate non-federal resources.
5. Contracts support customers meeting national and regional objectives.
6. Administratively straightforward and implementable contracts.
7. Provider of Choice policy and contracts build on a long history of stewardship and regional relationship.

Provider of Choice Goals

1. Regionally supported Provider of Choice policy and contracts.

Bonneville's regional firm power customers and the region generally support the new policy and contracts offered by Bonneville. The region will be engaged throughout the transparent process and regular input will ensure Bonneville meets this goal.

Provider of Choice Goals

- 2. The Federal Base System is fully subscribed to supply customers' net requirements.**

Bonneville offers attractive products and services at competitive rates.



Provider of Choice Goals

3. Product and service offerings are equitable.

Product offerings balance the benefits, costs and risks while recognizing differences in needs and interests.



Provider of Choice Goals

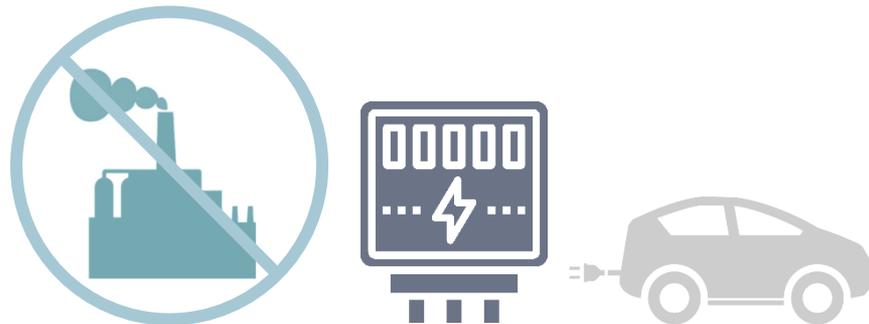
4. **Contracts offer customers flexibility to invest in and integrate non-federal resources.**

Bonneville will look for opportunities to accommodate the use and integration of customer's non-federal resources as part of power sales contracts and support customers meeting their firm power supply needs while limiting risk and cost increases to applicable power rates.

Provider of Choice Goals

5. Contracts support customers meeting national and regional objectives.

Bonneville supports customers in meeting their applicable compliance requirements. Current and emerging issues to be considered include clean energy policies, emerging markets and electrification.



Provider of Choice Goals

6. Administratively straightforward and implementable contracts.

Contracts simplify complex implementation of products and services in a way that minimizes administrative complexity and costs while taking into consideration customers' needs.



Provider of Choice Goals

7. Provider of Choice policy and contracts build on a long history of stewardship and regional relationship.

Bonneville values its relationships and commitments in the Pacific Northwest.



Provider of Choice Principles

1. Tier 1 firm power rates are set at the lowest possible rates consistent with sound business principles.
2. Provider of Choice policy and contracts are consistent with Bonneville's statutes.
3. Contracts provide long-term supply of electric power through standardized products and services and transparent processes.
4. Provider of Choice policy and contracts provide financial stability for Bonneville and support Bonneville's regional obligations and commitments.

Provider of Choice Principles

- 1. Tier 1 firm power rates are set at the lowest possible rates consistent with sound business principles.**

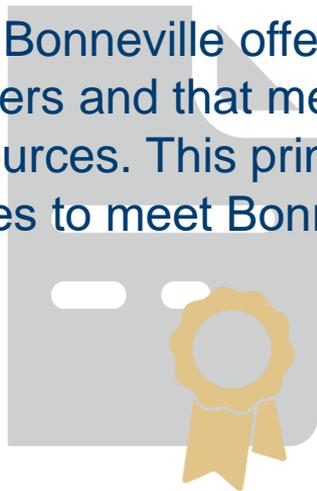
Bonneville sells federal power at cost to its customers and strives to provide competitive rates. This includes considering its business needs and preserving the near and long-term value of the Federal Columbia River Power System for the region.



Provider of Choice Principles

2. Provider of Choice policy and contracts are consistent with Bonneville's statutes.

This principle is inclusive of Bonneville offering contracts to provide federal power to firm power customers and that meet their firm power load net of customers' non-federal resources. This principle is also inclusive of ensuring there are adequate resources to meet Bonneville's contractual load obligations.



Provider of Choice Principles

- 3. Contracts provide long-term supply of electric power through standardized products and services and transparent processes.**

Bonneville develops its policy and offers and implements standardized contracts transparently.



Provider of Choice Principles

4. Provider of Choice policy and contracts provide financial stability for Bonneville and support Bonneville's regional obligations and commitments.

Bonneville's policy and contracts support its financial obligations and objectives, such as its ability to meet all debt obligations. Options, alternatives or concepts provide value to customers and the region while minimizing risk for Bonneville and customers.





Discussion

Provider of Choice Goals & Principles

Goals:

1. **Regionally supported** Provider of Choice policy and contracts.
2. The Federal Base System is **fully subscribed** to supply customers' net requirements.
3. Product and service offerings **are equitable**.
4. Contracts offer customers **flexibility** to invest in and integrate non-federal resources.
5. Contracts **support** customers meeting national and regional objectives.
6. Administratively **straightforward and implementable** contracts.
7. Provider of Choice policy and contracts **build on a long history** of stewardship and regional relationship.

Principles:

1. Tier 1 firm power rates are set at the **lowest possible** rates consistent with sound business principles.
2. Provider of Choice policy and contracts are **consistent** with Bonneville's statutes.
3. Contracts provide long-term supply of electric power through **standardized** products and services and **transparent** processes.
4. Provider of Choice policy and contracts provide **financial stability** for Bonneville and support Bonneville's regional obligations and commitments.



Policy Workshop Framework

Michelle Lichtenfels, Program Manager

Sarah Burczak, Policy Lead

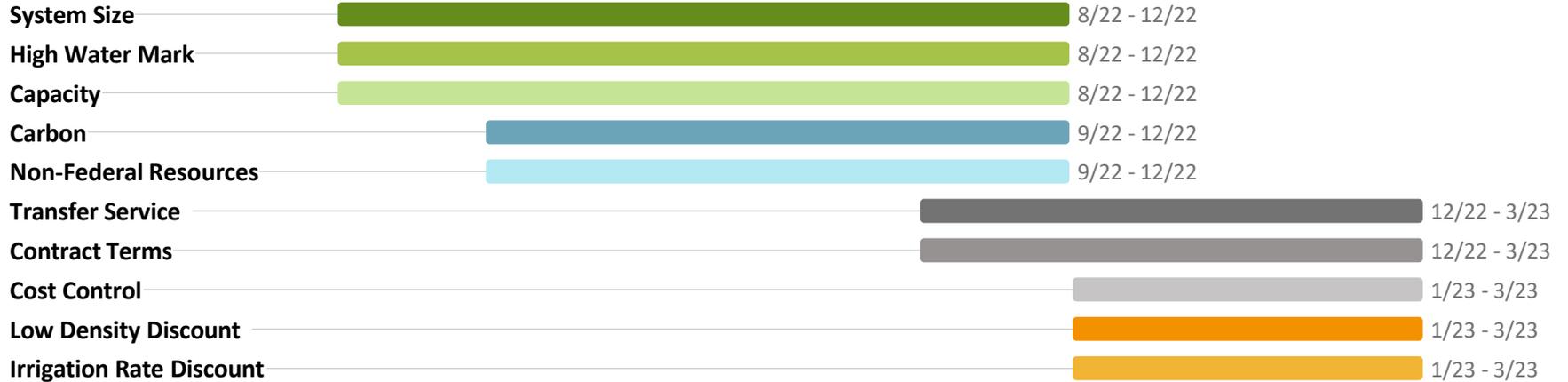
Provider of Choice Timeline



Policy Workshop Detail: Draft Schedule

Concept Paper Release

7/2022



Three Phase Approach

Phase 1: Issue Development



- Introduction and education
- Description of the issue
- Public provides feedback for alternative analysis

Phase 2: Alternative Analysis



- Discuss alternatives
- Discuss public feedback
- Note: This is an iterative phase

Phase 3: Policy



- Draft policy position
- Public feedback and discussion; workshops
- Final policy decision

Example: System Size

Phase 1: Issue Development



August 2022

- Overview and education on related statutory requirements.
- Refresh current status under Regional Dialogue.
- Define the issue for Provider of Choice.
- Set up how issue will be approached in alternative analysis phase.

Phase 2: Alternative Analysis



August – December 2022

- Workshops dive into policy options.
- Issue evaluation will be iterative based on public feedback, as well as impacts from related issues.

Phase 3: Policy



April 2023 – January 2024

- Draft Provider of Choice policy published with proposed system size.
- Public provides feedback.
- Additional workshops held.
- Publish final Provider of Choice policy and ROD with official stance on system size.

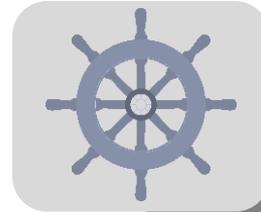
Workshop Types

Two workshop types, tailored to two different audiences:



Technical

- **Purpose:** Explore policy options and alternatives with detailed, technical discussions.
- **Cadence:** Est'd weekly meetings (est'd virtual).



Executive

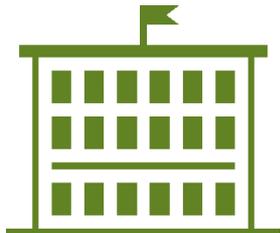
- **Purpose:** Provide high-level overview of policy discussions and where decisions are landing.
- **Cadence:** Milestone-driven and/or as needed.

In-person v. Virtual Workshops



Hold all-virtual workshops for:

- Weekly, shorter (up to half day), issue-specific meetings.
- Follow up workshops as needed or requested.



Host in-person workshops, with Webex option, for:

- Significant milestones, such as a publication.
- Several topics to discuss on the same day.

Workshop Notices & Cadence

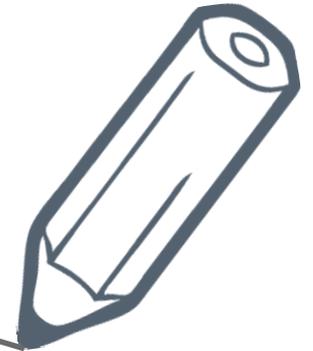
BPA will formally notice workshops on bpa.gov and send notices via Tech Forum email list.

Cadence:

- Kick off in August 2022.
- Propose weekly workshops, adjusting cadence as needed.
- Agendas/issue(s) will be shared in advance.
- Propose Thursdays from 9 a.m. to 11 a.m.

Comments and Feedback

- Workshop participation encouraged.
- **Informal** comments will be accepted after each workshop.
 - Submit to Power AE and/or the Post 2028 email inbox.
 - Written comments will be posted on the Provider of Choice website.
 - Direct responses to informal comments will not be provided.
- Deadlines for comments will be determined based on pace of policy conversations.



Feedback on This Workshop

Questions, feedback, or comments?

- Please submit by June 2.
- Submit comments to your Power AE, or
- Email Post2028@bpa.gov with a copy to the Power AE.

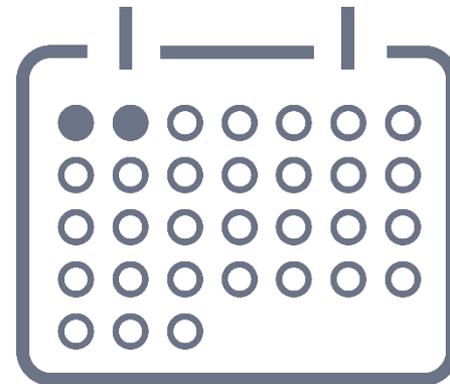
Mark Your Calendar

Early-to-mid July 2022:

- BPA releases Provider of Choice Concept Paper

July 21, 2022, 9am-4pm

- BPA Workshop (virtual)
 - Concept paper executive summary
 - Detailed review
 - Discussion



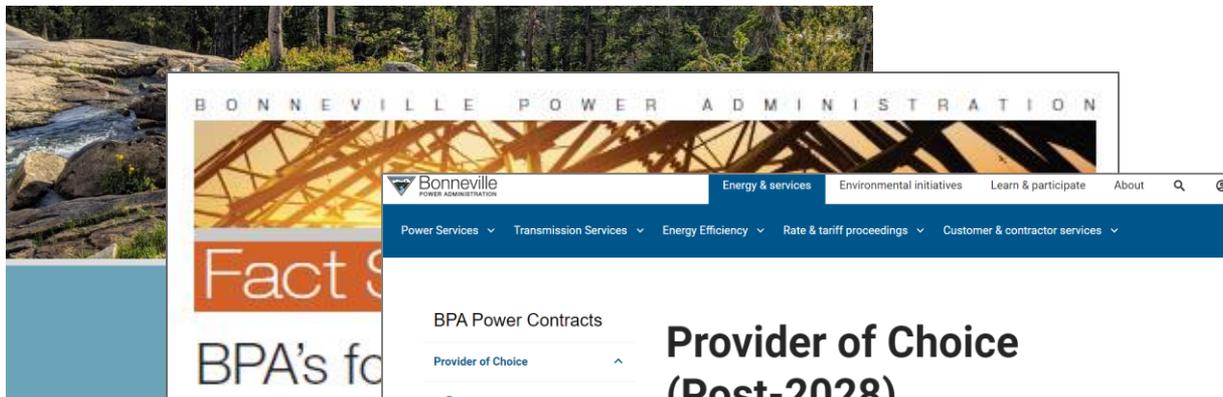
August 2022:

- Kickoff policy workshops

Provider of Choice Resources

Visit Provider of Choice Website:

- <https://www.bpa.gov/energy-and-services/power/provider-of-choice>
- Workshop materials
- Background information and presentations on a range of related topics
- Fact sheets
- Regional Dialogue reference documents





QUESTION AND ANSWER

Thank you!

Provider of Choice Lead Sponsor:

Kim Thompson, Vice President, Northwest Requirements Marketing

Provider of Choice Team Leads:

Sarah Burczak, Policy Lead

Kelly Olive, Contract Lead

Michelle Lichtenfels, Program Manager