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ICUA Comments on BPA Provider of Choice Concept Paper

The Idaho Consumer-Owned Utilities Association (ICUA) appreciates this opportunity to comment on the Bonneville Power Administration's (BPA) Provider of Choice Concept Paper, released on July 21, 2022. ICUA represents twenty-two rural electric cooperatives and municipal power companies serving over 140,000 members across the State of Idaho. We appreciate the challenging work and diligence that has gone into the Concept Paper and have several areas where we believe more dialogue is needed. Working together we can improve several key priorities for our members early in the process. ICUA's comments include but are not limited to the following:

- **Transfer Service:** A long-term, durable, and consistent transfer service policy is long overdue and must be addressed prior to 2028. Preference customers have an entitlement to federal power. When BPA was faced with the decision of how best to provide us access to this, BPA made an economic decision to rely on the transmission assets of others. This offered a savings to BPA that all customers benefited from. Transfer Service should be covered for both Federal and Non-Federal deliveries. In addition, some customer loads (Idaho) might be best served by generation resources that are different than what are required in the states of Washington and Oregon. Having access to those resources through BPA transfer service is essential in making the best economic decisions for our members.
- **Resetting Contract High Water Mark (CHWM):** The CHWM needs to meet customers net requirements load and provide for adequate and equitable headroom for *all* BPA customers. Preference customers CHWM could be based on actual retail load realized near the end of the regional dialog contracts – or several years average loads. To the extent that some preference customers have headroom, that headroom could be used to meet the needs of others that have AHWM obligations. As those utilities grow into their headroom, the pool of power available to those with AHWM obligations should shrink proportionally.
- **Prioritize Preference:** Preference power should be used to serve preference load before being remarketed to others. TIER 2 power needs to be offered at cost-based rates and not influenced by the market.
- **Fixed System Size:** ICUA supports a fixed system size that provides for the lowest forecast TIER 1 and TIER 2 federal power cost while ensuring a firm and reliable power supply to meet preference customers' net-requirements at the onset of the post 2028 contract – and not include "opportunity" cost.

- **Above High-Water Mark (AHWM):** ICUA is concerned and questions the proposed one-time election for AHWM load.
- **Irrigation Rate and Low-Density Discounts:** ICUA supports.
- **ARTS Agreement:** ICUA supports recodifying the ARTS Agreement prior to the onset of the 2028 contract and/or include it in the contract.
- **Load Following Product:** ICUA supports load following product as outlined in the concept paper as well as the tiered rate structure. In addition, we support allowing non-federal resources to a Load Following utilities portfolio.
- **Augmentation:** Augmentation, if addressed, should be considered through a least cost, least risk, resource planning process that optimizes the system and recognizes the needs and priorities of different states.
- **Carbon Free Power Product:** ICUA questions whether it is fair to socialize a carbon premium in states where renewable standards are not mandated.

The above comments are not ranked, and all should be given equal consideration. ICUA reserves the right to revise and extend our comments, and comments are not limited to those listed above.

ICUA looks forward to working with BPA over the coming months to address our needs and priorities in a timely, transparent way throughout the contract process and negotiations.

Sincerely,

A handwritten signature in black ink that reads "William J. Hart" followed by a stylized flourish.

Will Hart
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