



Provider of Choice CHWM Model & Provider of Choice Schedule

October 5, 2022

PROVIDER OF CHOICE

**POST
2028**





Today's Workshop

Michelle Lichtenfels, Program Manager, Provider of Choice

Agenda

Time Start	Time End	Topic	Presenter(s)
9 a.m.	9:05 a.m.	Intro and Expectations	Michelle Lichtenfels
9:05 a.m.	10 a.m.	CHWM Data Requests & Model	Michelle Lichtenfels & Dave Moody
10:00 a.m.	10:10 a.m.	Break	
10:10 a.m.	10:40 a.m.	Fall Workshop Schedule & Overall Timeline	Michelle Lichtenfels & Kim Thompson
10:40 a.m.	11:00 a.m.	Q&A and Wrap-up	All

Format

- Presenters will take pauses for questions.
- There is scheduled Q & A time.
- If a question arises during a presentation, please:
 - Hold your question until a 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.
- Provide open and inclusive opportunities for feedback, both within and following workshops.
- Respect others and assume good intentions.
- Bring a constructive mentality.



Workshop Roles & Expectations: Participants



- Come prepared by reviewing materials in advance of workshops.
- Participants are 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.



CHWM Data Requests & CHWM Alternative

Michelle Lichtenfels, Program Manager, Provider of Choice

Data Requests Overview

Data Request	Bonneville Response
1. Release the CHWM calculation model.	An updated CHWM calculation model was released 10/3/22.
2. Provide additional flexibility, e.g. adjusting system size to the calculation model.	Model included all of the flexibilities requested by customers.
3. Request for specific details such as Contracted For/Committed To loads or additional details on resources.	Bonneville is only sharing publicly available data.
4. Provide conservation data assumptions by rate period.	Provided data in the CHWM calculation model workbook.
5. Provide opportunity for customer-specific questions and clarifications in calculation model.	CHWM calculation model is meant to provide an estimate.
6. Provide clarification on Bonneville's alternative CHWM approach discussed in the concept paper.	Additional clarification provided later in this presentation.

CHWM Data Approach

Bonneville' presented an alternative approach in the concept paper and has received requests to clarify that approach's calculation.

No calculations for such an alternative have been developed; BPA is focused on the proposed CHWM calculation currently under discussion.

Refresher:

CHWM Calculation Alternative Approach

In section 4.2.3.2 of the concept paper, Bonneville outlined an alternative approach to the proposed CHWM calculation.

- 50% of load growth and/or load loss would be allowed to be retained for a customer's CHWM if building from Regional Dialogue CHWMs.

BPA recognized further conversations would be required if this approach was needed.



Alternative Approach (Cont'd)

Per Concept Paper, considerations that would need to be discussed:

- Load growth or load loss.
- Investments in conservation or new non-federal resources.
- Permanent loss of resource determinations for existing resources.
- Unspecified contract resources currently dedicated to load that may not be renewed for the Provider of Choice contract term.
- Utilities that did not pursue a CHWM through a Regional Dialogue contract but that may request a Provider of Choice contract.

Given this is an alternative approach to the BPA preferred proposal, BPA has not built a model to address these considerations.

CHWM Calculation Model

- On **10/3/22**, Bonneville released an updated version of the CHWM Calculation Model that was used to produce initial CHWM Scenarios.
- Model purpose and caveats:**
 - Provide estimates to support decision-making leading towards policy.
 - Not built to address unique customer-specific considerations. Customers may opt to update data and considerations in their own analyses.
 - Not intended to be the model used in the CHWM calculation process currently slated to take place in FY 2027.
- If a customer has a specific question about their CHWM, please contact their Power AE and the Post-2028 inbox.

PROVIDER OF CHOICE POST 2028
Contract High Water Mark Calculation Model
 Contact Information: post2028@psc.utah.gov
 Date Released: 10/3/2022

Contract:
 BSRM was developed several years ago to facilitate discussion of potential changes to Contract High Water Marks under Provider of Choice given different assumptions. As a contract, CHWMs are an allocation of Tier 1 loads, not an allocation of the system or physical resources. Please note these estimates are for illustration purposes only and are considered estimates to further conversations. They also do not reflect draft or final Provider of Choice policy. For questions about this spreadsheet, please email the Provider of Choice team at post2028@psc.utah.gov or reach out to your Power Account Executive.

Table of Contents

Title	Description
File	File provides contract, calculations, and description and source of all data included in the spreadsheet.
Calculation	File provides the CHWM calculation. The calculation is broken down into three components: the CHWM net requirements calculation, the conservation adjustment, and the pro-rata scaling of CHWMs based on system size.
CHWM Concept Pages	File provides the CHWM calculation for BSRM's concept paper proposal. Note: data is not live.
CHWM	File includes all data used in the CHWM calculation.
Conservation Data - Rate Period	File includes historical conservation data by customer and rate period. Data is for illustrative purposes and is not linked to any real-time CHWM calculation.
Reference List	Includes list that includes background calculations for Calculation file. Any changes to the Data file would be reflected in the Reference List file.

CHWM Equation

$$(\text{Final Retail Load} - \text{New Large Single Loads} - \text{Reduction Reserve} + \text{Conservation Adjustment}) \times \left(\frac{\text{Available BSRM} - \text{Tier 1 BSRM}}{\text{Available BSRM}} \right) = \text{Provider of Choice CHWM}$$

Above BSRM Equation

$$(\text{Final Retail Load} - \text{New Large Single Loads} - \text{Reduction Reserve}) - \text{Provider of Choice CHWM} = \text{Provider of Choice Above BSRM Load}$$

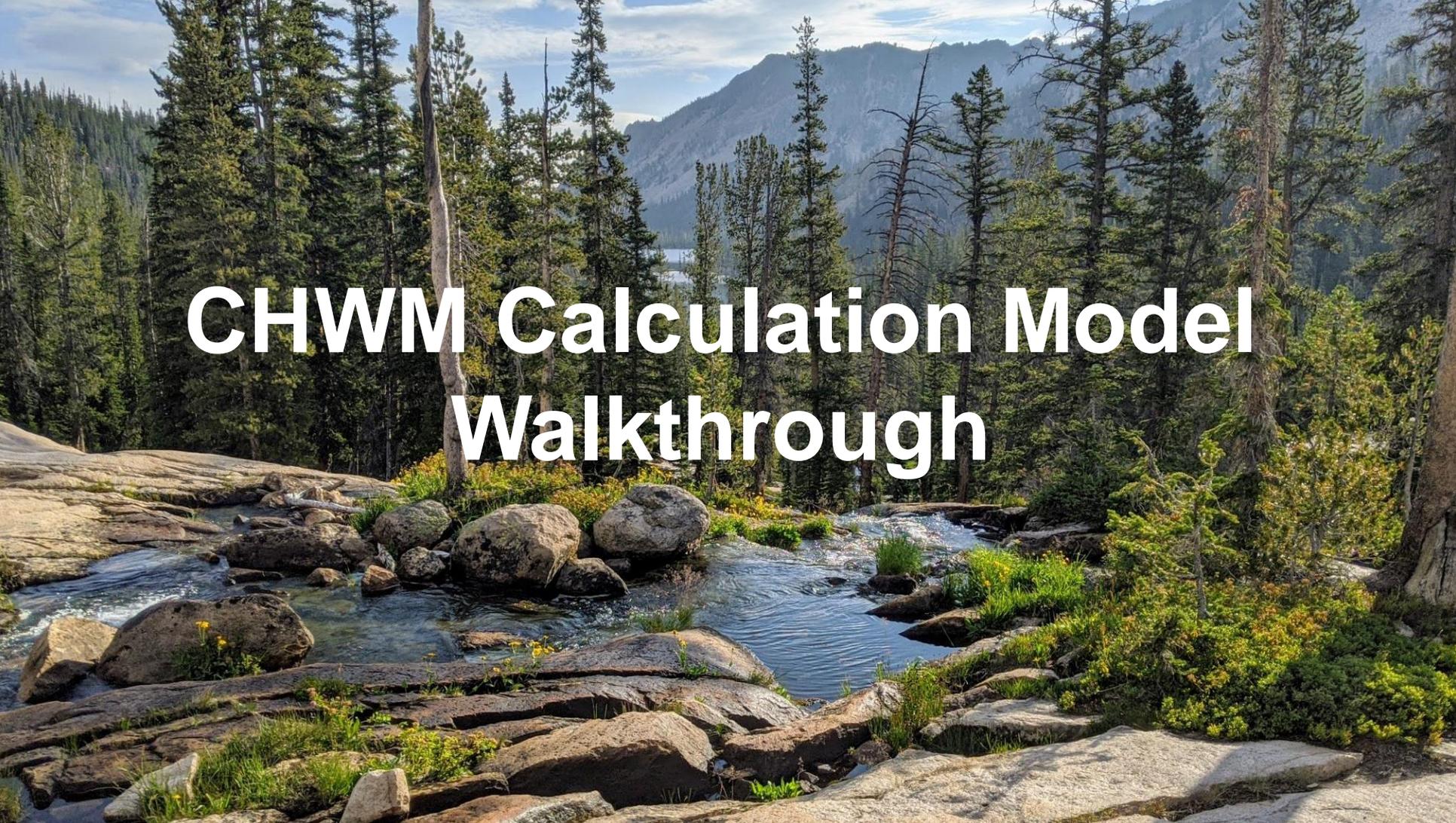
*Negative Above BSRM Load indicates loadshedding.

Data

Category	Description of Data	Source Data	Source File
Tier 1 System Size	System size may vary to represent different scenarios of tandem units. Default assumption is the 1,000 MW load system proposed in the Provider of Choice Concept Paper.	NA	NA
Rate Data	Exposure of a rate customer and commodity provided for the duration of the rate period.	NA	NA

Model Differences

Item	BPA Model (August)	Public Model (September)
Data Source	BPA systems (various)	BP-22 Billing Determinants Model
Forecast Vintage	2024 RHWM Process	BP-22 Final Proposal
Non-federal Resources	Assumptions only showed aggregated data	Broken down by billing determinant resource type
Resource Removal	Includes current resource removal assumptions if all contract expirations or current requests were accepted	Not included (not public data)



CHWM Calculation Model Walkthrough

Discussion + Q&A

- Does anything in the model need further explanation?
- Bonneville has earmarked time for customer presentations and proposals on CHWM calculation at a future workshop. Please email post2028@bpa.gov to request time. Proposals should include, at minimum:
 - Contextual presentation materials.
 - Rationale for proposal, including description of customer impacts.
 - Data sources, if different than what was provided.
 - Other model assumptions.



10 minute break



Schedule & Timeline

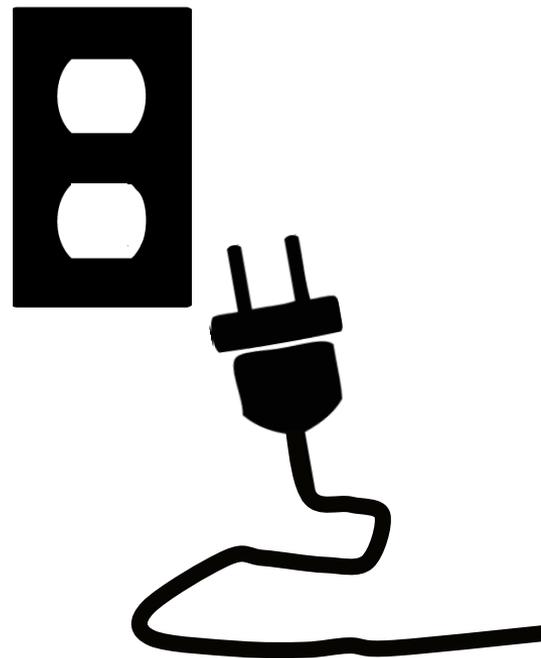
Michelle Lichtenfels, Program Manager Provider of Choice
Kim Thompson, VP Northwest Requirements Marketing

Getting to a Policy

The **current Provider of Choice phase** focuses on the high-level policy package for Provider of Choice offerings.

The **contract phase** and **Post-2028 Rate Methodology process** will provide additional opportunities for discussion and refinement of implementation details.

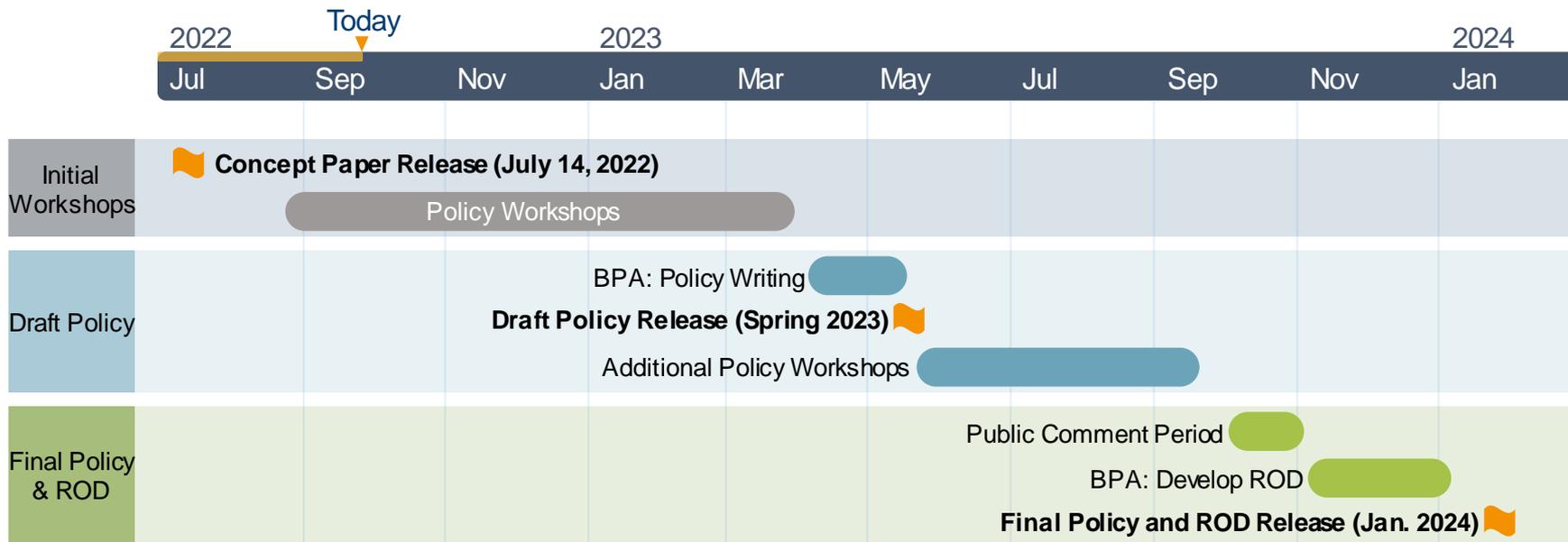
Our current focus is on shaping the policy, ensuring policy objectives will be met, and that the package of offerings fit together.



Provider of Choice Timeline



Policy & ROD Timeline Detail



Fall Workshop Schedule

Date	Time & Forum	Workshop Topic	Content Type
Wednesday, October 5, 2022	9am-12pm; Webex	CHWM Data	Phase 2: Alternative Analysis
		Fall Workshop Schedule & Overall Timeline	Update
Wednesday, October 12, 2022	9am-12pm; Webex	IOU Service Overview	Phase 1: Issue Development
		Tiered Rates v. Buy and Meld	Phase 2: Alternative Analysis
Wednesday, October 19, 2022	9am-12pm; Webex	Billing Credits Overview	Phase 1: Issue Development
		Resource Acquisition Costs	Phase 2: Alternative Analysis
		Regional Dialogue Augmentation	Phase 2: Alternative Analysis
Wednesday, October 26, 2022	9am-12pm; Webex	Carbon Overview	Phase 1: Issue Development
		Above-RHWM Service Overview	Phase 1: Issue Development
		Adjustment Categories	Phase 2: Alternative Analysis
Wednesday, November 9, 2022	9am-12pm; Webex	Non-federal Resources Overview	Phase 1: Issue Development
		CHWMs and Resources	Phase 2: Alternative Analysis
		Non-Federal Minimum Threshold	Phase 2: Alternative Analysis
Wednesday, November 30, 2022	9am-12pm; Webex	Peak Net Requirements Overview	Phase 1: Issue Development
★ Thursday, December 8, 2022	9am-4pm; BPA Rates Hearing Room & Webex	Executive Session (Hour 1)	Executive Overview
		Discussion	Phase 2: Alternative Analysis
Wednesday, December 14, 2022	9am-12pm; Webex	Priority Firm Products Overview	Phase 1: Issue Development
		New Large Single Loads Overview	Phase 1: Issue Development

Feedback



Informal comments accepted and feedback requested:

- Requests to present CHWM proposals at a future workshop
- Interest in revisiting any concepts covered to-date
- Other feedback to help inform future workshops

Requested due date:

- Share feedback by **October 19** to your Power AE and/or **Post2028@bpa.gov** with a copy to your Power AE.
- Please note that direct responses will not be provided.



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

Provider of Choice Website:

<https://www.bpa.gov/energy-and-services/power/provider-of-choice>