

**From:** Russell, James  
**Sent:** Thursday, November 17, 2022 6:35 AM  
**To:** [techforum@bpa.gov](mailto:techforum@bpa.gov)  
**Subject:** POC Post-2028 November 9th workshop comments

Thank you for the opportunity to comment. First of all, we would like to give appreciation to the BPA Post-2028 SME staff in this process...not an easy process given the billions of dollars at stake at the end of the Regional Dialog contracts and the critical policy and equity issues involved in these decisions. As we highlighted in our August 10<sup>th</sup> comments, the most critical issues are CHWMs and Peak Net Requirements (PNR).

A threshold question BPA should consider, but never explicitly teed up is; should CHWMs be “rolled forward” or “reset”. The PPC concept paper never really addressed that question head-on either. But both PPC and BPA concept papers recognized that a complete reset without consideration of the events that unfolded during the RD contract could result in substantial inequities and cost shifts Post-2028. Recently, many have come to understand the potential unintended cost shifts that will result under a CHWM reset. This reset could completely undo the important policy decisions and incentives that were intended under the Tiered rates methodology and make those that invested heavily in conservation, and mitigated RD load growth, to now pay for the load growth of those utilities that did less conservation or did not invest in specified non-federal resources.

We again request BPA calculate and minimize inequitable cost shifts among utilities from any CHWM reset. These cost shifts fall into three buckets:

1. Cost shift from melding Tier 1 and Tier 2 load Post-2028
2. Cost of conservation investment lost by high achievers now with “headroom” that is transferred to other utilities under a CHWM “reset” (minimum of \$2M/aMW investment of “headroom” lost)
3. Augmentation and associated costs necessary due to those utilities with load growth under a CHWM reset and billed to everyone.

We were encouraged by the presentation made by WPAG at the November 9<sup>th</sup> workshop that appears to properly address these unintended consequences (the 3 cost shifts above). We look forward to further explore that, and other variants (i.e. all RD self-funded conservation) of that proposal; along with others, to achieve an equitable solution for Post-2028. Note – Conservation on NLSL load must be excluded.

Again, we appreciate BPA’s “fall-back” position (in the absence of an agreement) that upholds the intent of the TRM by only including only 50% of load growth under a CHWM reset. PPC’s proposal to reset CHWMs, but in consideration of RD conservation achievements, was to also recognize incentives and critical policy decisions and to avoid unintended consequences and cost shifts under a strict CHWM reset.

We do not have any strong position on the questions posed on Non-Federal resources at the November 9<sup>th</sup> workshop, but we do believe that it is appropriate to revisit BPA’s 5(b)/9(c) policy as necessary to address Post-2028 non-federal resource issues (dedication and un-dedication issues, along with others).

Thank You, we appreciate the opportunity to comment. We look forward to continuing work with BPA and Public Power to achieve an equitable Post-2028 solution.

Jim Russell  
Tacoma Power  
Manager Power & Tx Contracts  
Cell: 360-561-3640