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December 15, 2022

Submitted via email at post2028@bpa.gov

Northwest Requirements Utilities (NRU) submits these comments in response to Bonneville Power Administration's (BPA) Provider of Choice Workshop held December 1 to review a forecast of the potential costs to acquire new generating resources.

NRU represents the interests of 56 Load-Following customers located in 7 states across the region that hold Network Transmission contracts with BPA and hold power contracts for almost 30% of BPA's Tier 1 load. Of primary importance to NRU members is BPA's ability to offer an affordable and reliable power supply and transmission that maximizes the value of the Federal system for the benefit of preference customers.

We appreciate BPA's work to develop an analysis reviewing the potential costs of growing the system. We believe the analysis dovetails well with other studies that have been developed. The analysis will help NRU and others in public power to take the next steps to develop policy and positions regarding the optimal Tier 1 system size identified in the Post-2028 contracts.

While we recognize that the analysis concludes that increasing the system size is more challenging and costly than simply acquiring annual average energy at the lowest levelized cost of energy, we view the analysis as a book-end that shows the high range of costs that could be expected. When considering the significant integration capacity of the federal system, it appears that resources could be acquired and integrated at a lower cost, as identified in the recent Public Power Council analysis.

We appreciate that the model highlights the potential disproportionate impact of augmentation on small customers. NRU is very concerned about this trend, and we are working with others to develop approaches that would ensure equitable outcomes for small customers.

We appreciate the public process and open dialogue provided by BPA.

Sincerely,

<u>/s/ Tashiana Wangler</u>

Tashiana Wangler Rates and Policies Director