

April 26, 2023

Bonneville Power Administration  
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Portland, OR 97232

*Submitted electronically: Post2028@bpa.gov*

## **RE: Grant PUD Comments on Provider of Choice (Post-2028) Policy Workshops**

Public Utility District No. 2 of Grant County (Grant PUD) appreciates this opportunity to provide comments regarding the Bonneville Power Administration's (BPA) Provider of Choice (Post-2028) Policy Workshops. We also support the comments being submitted by the Public Power Council (PPC), of which Grant PUD is an active member.

### **Tiered Rates Methodology (TRM)**

Grant PUD supports the continuation of the Tiered Rates Methodology (TRM) that established a two-tiered rate design for sales of firm power at the Priority Firm (PF) rate under the Regional Dialogue (RD) power sales contracts. In addition, we support the continuation of the two-year rate cycle, which strikes a balance between the rapidly changing operating landscape and need for rate stability, while also accommodating the two-year refueling cycle for the Columbia Generating Station (CGS).

### **Index Year**

For the purposes of calculating Net Requirements and new Contract High Water Marks (CHWMs), Grant PUD supports setting FY 2023 as the Index Year for utility loads and resources, with adjustments for weather normalization. We agree that moving the Index Year from FY 2026 to FY 2023 helps to provide more certainty and time for planning and better supports investment decisions regarding non-federal resources.

#### Self-Funded Conservation

We support BPA's proposal for 50% self-funded conservation achievements reported to BPA for 2012-2023 for the FY 2023 Index Year.

#### Load Growth

We support BPA's proposal for a 25% load growth adjustment defined by the PF-eligible load for the FY 2023 Index Year.

#### Small Utility Adjustment

We support BPA's proposal to provide a small utility adjustment up to 5 aMW or up to 200% of initial CHWM, whichever is less.

## **Contract Length**

Grant PUD supports a long-term contract through FY 2045, which aligns with carbon compliance goals, especially in the state of Washington.

## **Tier 1 System Size**

Grant PUD supports a fixed Tier 1 system size of 7,250 aMW that includes the CGS power uprate. We expect any gains that are achieved due to reductions in the Columbia River Treaty Canadian Entitlement (CE) obligations will be added to the base Tier 1 system, and allocated among BPA customers on a pro rata basis. Beyond this, any significant additions, reductions, or replacements of carbon-free energy resources in the Tier 1 system should be subject to a public process to determine the best path forward.

## **New Carbon-Free Energy Resources**

We encourage BPA to evaluate the exploration and development of firm, dependable and carbon-free energy projects, including, but not limited to, Small Modular Reactors (SMRs) and renewable hydrogen. This evaluation should include base resource costs, the opportunity cost of integration, and availability of transmission capacity to determine the optimally sited and most cost-effective carbon-free energy resource opportunities in the region.

## **Peak Net Requirements (PNR)**

Grant PUD is generally supportive of BPA's methodology that was presented regarding Peak Net Requirements (PNR). However, further detailed understanding of BPA's approach is needed. Grant PUD expects that the PNR methodology will be uniformly applied to all PF customers regardless of their product selection. Further, our understanding is as follows:

### On a Planning Horizon –

BPA will calculate PNR (using the same methodology) for Load Following, Block and Slice customers. However, as the planning reserve burden on BPA is different between product types, the charges for this service should reflect the cost of the service provided by BPA.

### On an Operational Horizon –

For Load Following customers, BPA will take on the entire planning obligation (i.e., BPA's planning reserves will fill the gap between planning and operational horizons, and BPA would charge for filling this gap accordingly).

For Block and Slice customers, the customer will take on a portion of the planning obligation (i.e., BPA's planning reserves will ensure that planned deliveries of capacity included in PNR are made; customers will plan for and cover any gaps between the planning and operational horizons).

## **Carbon Content of Tier 1 Product**

Grant PUD asks BPA to endeavor to deliver a Tier 1 product compliant with Washington's Clean Energy Transformation Act (CETA) by 2030 and through the term of the Provider of Choice Contract. Further, we ask BPA to become a First Jurisdictional Deliverer (FJD) for power sales into the state for purposes of Washington's Climate Commitment Act (CCA).

## **Tribal Utilities**

Grant PUD strongly supports a set aside of 40 aMW for Tribal Utilities and for the length of the contract (no sun-setting of the set aside).

## **Irrigation Rate Discounts (IRD)**

We support the continuation of irrigation rate discounts (IRD) with similar features that are contained in Regional Dialogue, including:

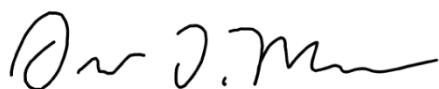
- Mills-per-kWh discount.
- The same mills-per-kWh discount during the months of May, June, July, August and September.
- Eligible kWh amounts set for the term of the contract.
- Discount determined in each 7(i) process.
- Participating customers will implement cost-effective conservation measures on eligible irrigation systems in their service territories.

Grant PUD is generally supportive of BPA's proposed design treatment to use our last known Block purchase amount from the Subscription Contract as a proxy for our Base CHWM Allowance. Grant PUD has historically been a significant purchaser of BPA Priority Firm (PF) power. In the 2001-2011 Subscription Contract, Grant PUD purchased a Shaped Block PF product. Our PF Net Requirement was 187 aMW. This provided Grant PUD monthly block power deliveries from BPA between 120-270 aMW per month (shaped to monthly load). Prior to 2001, Grant PUD was also a significant purchaser of BPA PF power.

Under the current 2011-2028 Regional Dialogue (RD) Contract, Grant PUD voluntarily elected not to purchase its full net requirements. Grant PUD only contracted for a PF Tier 1 allocation of 5.6 aMW. Grant PUD's decision not to pursue its full RD net requirements does not affect Grant PUD's statutory rights, consistent with all PF-eligible utilities, to Federal PF power in a Post-2028 Provider of Choice Contract with BPA.

Thank you for your consideration of these comments. We look forward to the continued discussions as we enter the Draft Policy phase of the Provider of Choice process.

Sincerely,



Andrew D. Munro  
Associate Chief Resource Officer