

April 28, 2023

*Via Electronic Submission*

**Re: Provider of Choice Concepts**

The Alliance of Western Energy Consumers (“AWEC”) appreciates the opportunity to provide comments on Peak Net Requirements, System Size, Tiered Rates and Contract High Water Mark (“CHWM”) discussions from the Bonneville Power Administration’s (“BPA”) Provider of Choice Roadshow and April 20<sup>th</sup> Peak Net Requirements workshop. AWEC’s members include industrial consumers located across the region and interconnected with BPA utility customers of all types and sizes. AWEC’s primary goal in Provider of Choice is ensuring that BPA’s customers continue to receive reliable power and transmission service at affordable rates, which is best achieved by preserving the value of the Tier 1 system, as well as ensuring that policies and incentives are carefully considered and structured to achieve intended results.

Discussions during the Roadshow meetings, as well as comments and positions from stakeholders leading up to the April 20<sup>th</sup> meeting, have served to provide further perspective and clarity on the implications of policy choices contemplated by BPA for individual utilities. AWEC appreciates the engagement and discussion and believes that this process has further demonstrated the value of BPA’s proposal to set the Tier 1 system size equal to the sum of CHWMs for the Provider of Choice contracts. AWEC continues to support this approach, as it meets AWEC’s goal of ensuring that the value of the Tier 1 system is preserved. As AWEC has previously stated in comments, if necessary to gain critical consensus among public power, AWEC would be supportive of a fixed system size up to 7,250 aMW, with the additional requirement that augmentation be shared on a pro rata basis such that the utilities paying for augmentation of the Tier 1 system also benefit from augmentation of the Tier 1 system.

AWEC also appreciates the conversation at the April 20<sup>th</sup> Peak Net Requirements (“PNR”) workshop that focused on the implications of PNR and moved the discussion of methodology beyond the abstract discussions in previous workshops. AWEC understands BPA’s position that it will not extend or repeat the PNR methodology process, including the PNR workgroup that has taken place over the Provider of Choice timeframe.<sup>1</sup> However, as the discussions at the Tacoma Roadshow meeting on April 18<sup>th</sup> and during the April 20<sup>th</sup> Portland workshop have made clear, questions and concerns about PNR go beyond BPA’s proposed definition, and we question the value of including a PNR methodology in the draft Provider of Choice Policy given the significant, outstanding discussions necessary around implementation as well as continued development of the Western Resource Adequacy Program.

If BPA remains inclined to include a definition of PNR in the Provider of Choice draft policy and final policy, AWEC shares the position of those advocating that BPA take as

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<sup>1</sup> April 20, 2023 BPA Presentation at Slide 12.



**AWEC**

Alliance of Western Energy Consumers ♦ 818 SW 3rd Avenue, #266 ♦ Portland, OR 97204 ♦ 971-544-7169 ♦ [awec.solutions](http://awec.solutions)

light a touch as possible in including PNR in the draft Provider of Choice Policy, and engage in additional discussions with customers, AWEC, and other interested stakeholders on the real-world implications of PNR. AWEC shares the sentiments raised by others that issues regarding inequitable rates, opportunities and beneficiaries from optimizing firm power, etc., are also separate discussions from statutory obligations.

AWEC looks forward to reviewing BPA's draft policy and submitting comprehensive comments at that time.

/s/ Bill Gaines

Executive Director

Alliance of Western Energy Consumers