



April 28, 2023

Submitted via email.

Suzanne Cooper, Senior VP Power Services
Kim Thompson, VP of Requirements Marketing
Bonneville Power Administration

Dear Suzanne and Kim:

The members of Northwest Requirements Utilities (NRU) appreciate this opportunity to submit the following comments in response to BPA's proposed approach to Transfer Service and Peak Net Requirements (PNR) for the Provider of Choice (PoC) contract. NRU represents the interests of its 57 member utilities located in 7 states throughout the region, all of which are BPA Load Following and Network Transmission customers, and that together represent roughly 30% of BPA's total Tier 1 preference load.

Peak Net Requirements

During the April 20th Workshop, BPA presented an updated approach to the Peak Net Requirements (PNR) discussion that was responsive to customer comments and concerns, and NRU appreciates both the information provided and the discussion that followed. NRU continues to support BPA's goal of establishing a PNR definition, accurately calculating each customer's energy and peak net requirement, and using this information to ensure equitable capacity allocation and efficient use of the federal system to serve firm requirements load.

NRU appreciates BPA's confirmation that the Load Following product will continue to meet customers' load needs for every hour, and we support BPA's proposed approach of defining both Energy and Peak Net Requirement in the draft Policy ROD expected this coming July. Deferring discussions around implementation of PNR to the rates and contract development phase, to begin in 2024, is a prudent approach, and we look forward to continued collaborative engagement.

As stated in our March 28th comments, NRU remains open to the possibility of BPA offering a surplus capacity product to preference customers at a marginal or market price, assuming surplus capacity remains after meeting customers' net requirements under section 5(b) of the Northwest Power Act. Consistent with this position is BPA's proposal to offer a Planning Reserve

Margin (PRM) product at market rates, if there is surplus available, and we look forward to engaging in the necessary product and rate discussions during the next phase of the process.

While NRU continues to support BPA's proposal to define PNR in the upcoming draft Policy ROD, as noted in our March 28th comments NRU remains concerned with the level uncertainty that remains around the potential impacts and application of PNR. Specifically, as previously requested by both WPAG and NRU, we respectfully request additional detail and engagement around how PNR will impact the Load Following product, in addition to confirmation of whether BPA intends to tier capacity for the purposes of applying the demand rate. While we understand that much of the discussion around these issues will take place during the upcoming rates and contract development phase of the PoC process, we strongly urge BPA to provide as much information as possible, as quickly as possible. Finally, as stated during the April 20th discussion, NRU is interested in better understanding any proposed updates to BPA's existing Revised 5(b)/9(c) Policy ROD necessary to account for these anticipated changes, along with those required to facilitate both BPA and customer participation in the Western Resource Adequacy Program (WRAP).

Conclusion

In closing, NRU appreciates the progress made to date on this topic, and we look forward to additional discussion around the definition of peak net requirements and the many implications of implementation. Thank you once again for your time and attention.

Sincerely,

Matthew A. Schroettig
Director of Operations and General Counsel
Northwest Requirement Utilities