

May 10, 2023

Submitted via email.

Suzanne Cooper
Senior Vice President, Power Services

Kim Thompson
Vice President, Northwest Requirements Marketing

Bonneville Power Administration
Portland, OR 97232

Dear Suzanne and Kim:

Re: PNGC Comments on BPA's current proposal

PNGC has participated in the BPA Post 2028 process from the start. In fact, we developed and shared comprehensive proposals as early as September 2021 and we submitted further comprehensive proposals in March 2022 and have commented and participated all along the way. Whenever possible, we have joined in other public power proposals and comments. As BPA moves toward its draft Policy ROD, we submit these comments to make another attempt to change BPA's current direction. We will first say that we just submitted joint comments with NRU that we think are a reasonable attempt to bridge major differences between customers and BPA and among customers themselves. These additional comments are supplementary and are consistent with comments and proposals we have made from the start, and about which we continue to think that BPA has not yet addressed adequately.

Comment #1: Net Requirements Under BPA Statutes

We do not think BPA's current direction is consistent with BPA's underlying statutes. Therefore, we want to be crystal clear on what we have requested and continue to request when our contract expires in 2028. Pursuant to the BPA's statutes, we again request that BPA provide products and services to PNGC and its members that meet our net requirements at cost-based rates that are consistent with BPA's obligations to recover costs. BPA continues to seem reluctant to augment its core system to meet PNGC's and public power's collective net requirements. We do not accept that the TRM, and the current products offered or proposed, meet BPA's statutory requirements. BPA's recent proposals to sell "surplus" power we think are unacceptable if BPA continues to refuse to serve preference customers at cost-based rates with the power from the federal system. We do not accept that we should have to outbid California to receive preference power.

Comment #2: BPA's Tier 1 System will be short based on current BPA direction and its customers' ability to meet AHWM loads is not in place

If BPA chooses to stay its current course of the TRM and not meeting net requirements at cost-based rates, we disagree with that course. However, we have specific comments on the current course. If BPA continues down the path of a Tier 1 system that does not meet all customers net requirements, then BPA must provide reasonable terms for customers to meet the shortfall well before the requested signing date for the new contract. BPA's current Tier 2 proposals are not acceptable. There is no reason for BPA to financially favor AHWM loads being served from the federal system vs. non-federal sources. BPA has repeated on multiple occasions that it wants customers to develop our own physical resources. We accept this statement at face value and are prepared to step up to develop these resources, but we need three critical things from BPA which we have said before and we will repeat here:

- (1) New transmission to interconnect resources and bring them to serve our AHWM loads.
- (2) Non-discriminatory Transfer Service where BPA/federal power is treated the same as non-federal resources that are needed for AHWM load.
- (3) Load Following product modernization and reforms that allow customers to effectively integrate the new resources BPA wants us to develop. We have made numerous suggestions on this front already.

We sincerely hope to see consideration of these issues in the Final Policy ROD due out this summer.

PNGC Power