



# Public Rate Design Methodology (PRDM)

## Project Overview and Timeline

December 12, 2023

Scott Reed, Policy Lead



# For Today

1. Introduction

2. Share project overview and timeline

# Bonneville's Rate Design

- Bonneville is replacing the **Tiered Rates Methodology (2009-2028 TRM)** with the **Public Rate Design Methodology (2029 PRDM)**.
- Bonneville's Rate Methodology is a **stand-alone document** that works in parallel with our power contracts and bi-annual rate cases (BP-29).
- The 2029 PRDM will be used in each 7(i) process to guide and establish how Bonneville will allocate costs and set rates for Public customers purchasing PF power from Bonneville under the Provider of Choice tiered rate contract.

# History and Vision

- The TRM has worked well to date – durable and equitable through product, market, and load changes.
- We believe the historic public alignment around our Tiered Rate approach creates a high likelihood of success as our foundation for PRDM – and delivering a timely product that is broadly supported before we put it through a 7(i) process.
- Our approach to the revision will follow a typical process: education, review alternatives, evaluation, and decision.
- Our intent is to ensure the methodology is workable across the range of Public customers, and will consider whether/how to approach any potential rate shock mitigation.



# PRDM Chapters Define our Scope

## 2029 PRDM

- Definitions
- Chapter 1 – Background & Purpose
- Chapter 2 – Cost Allocation
- Chapter 3 – Federal System
- Chapter 4 – T1 Eligibility
- Chapter 5 – Tier 1 Rate Design
- Chapter 6 – Tier 2 Rate Design
- Chapter 7 – Shared Rate Plan
- Chapter 8 – RSS
- Chapter 9 – Risk Mitigation
- Chapter 10 – Other Rate Design
- Chapter 11 – Approval and Duration
- Chapter 12 – Conditions for Revision
- Chapter 13 – Revision Processes

## The Document...

- Approximately 150 Pages in Length + Appendices
- 13 Chapters
- Streamlined and simplified where possible
- Designed to follow the POC Duration (a multiple of 2 years)



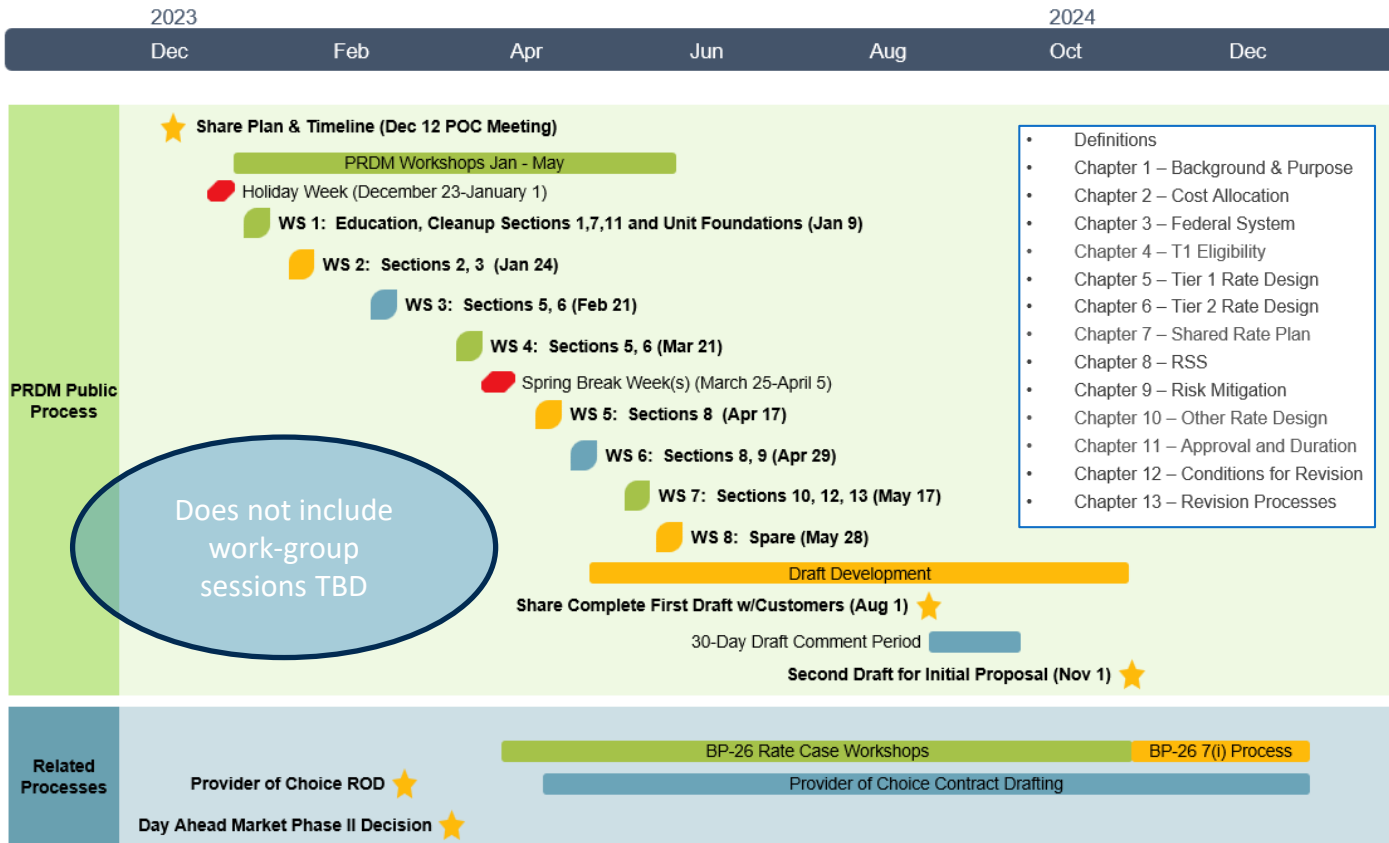
# Approach

- Hold regular public workshops from January 2024 to May 2024 that mirror linear march through chapters as other related workstreams allow.
- We see this as a partnership and aim to work collaboratively to develop a successful and equitable rate calculation product beyond 2028.
- To that end, regular public workshops will be accompanied by less formal and smaller working sessions with customers (as in TRM process), if requested.

# Process and Purpose

- **Purpose of Workshops:**
  - Explain intent of each chapter, discuss potential changes and alternatives, gather feedback on interests and impacts, and develop design (big tent)
- **Purpose of Working Sessions: (supplemental to workshops)**
  - Create space for focused, technical discussions around alternatives, gather feedback and develop solutions (small tent)
  - All materials from these sessions will be made publicly available, and discussed at next workshop
  - Schedule and location TBD
- **Drive toward establishing a complete first draft of methodology for review in August 2024**
- **Second Draft will become Bonneville's Initial Proposal for the BP-26 Rate Case Proceedings**

# Timeline





# Next Up

January 9, Workshop #1

- Background Education
- Cleanup - chapters 1, 7, 11
- Rate Foundations
  - ⑩ Units and diurnal construct

January 24, Workshop #2

- Chapter 2: Cost Allocations
- Chapter 3: Federal System Resources

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# Thank you

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