



# Peninsula Light Co.

*a mutual corporation*

February 16, 2023

John Hairston  
Administrator and CEO

Suzanne Cooper  
Senior Vice President of Power Services

Kim Thompson  
Vice President of Northwest Requirements Marketing

Submitted via email to [post2028@bpa.gov](mailto:post2028@bpa.gov)

Dear Administrator Hairston, Ms. Cooper, and Ms. Thompson:

Peninsula Light appreciates the opportunity to provide feedback and comment on BPA's recent Provider of Choice workshops.

Peninsula Light remains concerned about BPA's proposal to re-classify a customer's new, specified, dedicated resource to that of an existing resource. This action means that instead of the resource being used to serve Tier 2 load, BPA would have it serve Tier 1 load. BPA would deduct the resource from a customer's CHWM, thereby decreasing the amount of Tier 1 a customer would be eligible to receive. This action would be a complete reversal of the framework put in place for the Regional Dialogue contract and force a major shift in our power resources long-term planning.

The framework of the Regional Dialogue contract encouraged customers to build resources, which Peninsula Light did. Going into the Regional Dialogue contract, Peninsula's load forecast reflected it would have a fair amount of Tier 2 load. Peninsula chose to not only purchase a BPA Tier 2 product, but to also develop a renewable resource to help serve that forecasted Tier 2 load. We believe BPA's proposal would result in harmful, unintended consequences and would penalize Peninsula for its investment. Accordingly, Peninsula strongly advocates that BPA retract this proposal to re-classify new, specified, dedicated, resources.

In addition, BPA proposes that if a customer chooses to remove a resource from its power contract, the action must be accomplished prior to the end of the Regional Dialogue contract. Utilities looking to take this action are bound by the practical reality of the actual date their project will sunset, which more than likely will not align with the end of the Regional Dialogue contract. Peninsula Light's ownership share in the Harvest Wind Project sunsets at the end of 2029 when the Project terminates. Due to this timing, BPA's proposal would make it impossible

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for Peninsula Light to remove the resource in time for calculation of its CHWM for a new Provider of Choice contract. BPA's proposal would include a resource in our CHWM calculation even though that resource will not be in operation for the new contract. For this reason, we believe that the proposal's outcome is surely not what BPA intends.

Peninsula is also concerned about BPA's proposal regarding assignment of costs for transfer service of non-federal resources. BPA's proposal to stop the practice of rolling in the cost of transfer service for non-federal resources would serve to stunt, as opposed to facilitate, non-federal resource development by preference customers. Reverting to a previous practice would considerably limit the incentive to develop non-federal resources and undermines the principle to help facilitate this progress for the region.

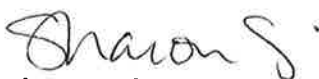
In addition to the above, we express ongoing support for the Northwest Requirements Utilities system size, allocation, and augmentation proposal (the "NRU Proposal"), which NRU submitted to the Bonneville Power Administration on February 8, 2023. The NRU Proposal is consistent with the Public Power Council's (PPC's) Framework and Considerations, which PPC presented to Administrator Hairston and other officials from the agency on February 2, 2023, but the NRU Proposal provides more specific guidance on several issues that will be critical to public power in the post-2028 era.

The NRU Proposal would provide benefits to all preference utilities, whether those utilities are experiencing load growth, have lost loads, maintain relatively flat loads, or have invested significantly in conservation during the Regional Dialogue contract. Further, current modeling shows that all preference customers would be better off under the NRU Proposal than under any of the other models under consideration in the region.

The NRU Proposal represents a careful compromise between its members and strikes an intentional, equitable balance of benefits for all of Bonneville's preference customers. Peninsula Light appreciates the delicate balance that the NRU Proposal achieves and urges Bonneville to incorporate it into its Provider of Choice policy as a basis for post-2028 power supply contracts.

Peninsula Light remains committed to the Provider of Choice process as BPA and public power work diligently to craft a thoughtful, durable contract for a changing landscape and our community's needs.

Thank you,



**Sharon Silver**  
Power Resources Manager



**Ryan Redmond**  
Chief Resources Officer