

Submitted Electronically

PPC appreciates and supports BPA initializing a public process to update the 2009 5(b)9(c) Policy. PPC agrees that the policy should be updated to align its terminology with Provider of Choice (POC) contracts, and the Public Rates Design Methodology (PRDM). PPC also supports an iterative approach to redlining proposed edits to allow for thorough review and clear representation of the range of interests involved.

Resource dedication and removal are complex, often context-specific processes that generally occur outside of a public process. BPA's decisions – including those made in this policy – materially impact individual utilities and have broader implications for BPA's customer base. For any given utility, the consequences of dedication or removal depend on the underlying value of its resources and the incremental value of gaining/retaining flexibility. From the perspective of BPA's broader customer base, those incentives are often reversed. Resultantly, PPC members have historically approached these policies from different perspectives, reflecting longstanding differences in their resource portfolios and utility-specific circumstances.

PPC notes the broader context in which these issues arise. With power deliveries under POC contracts less than two years away, potential implications for the POC Policy, the volume of MWh at stake, and the prospect of legal challenges are all relevant considerations in evaluating potential revisions.

Any substantive revision should reflect a well-supported determination that the proposed approach better serves BPA's policy objectives. In addition to a sound policy rationale, any such changes should be supported by a careful assessment of their legal defensibility. BPA's concept of "net requirements" is firmly rooted in its enabling statutes.¹ PPC cautions that decisions that were reasonably supportable in the context of the CHWM Implementation Policy may present substantially greater legal vulnerability when applied to the 5(b)9(c) Policy. Accordingly, BPA should carefully consider whether the policy and legal rationale supporting its CHWM Implementation Policy can be extended to the 5(b)9(c) Policy, given the distinct practical and statutory considerations implicated by each.

PPC appreciates BPA's initiation of this process and looks forward to continued dialogue as the proposed revisions are developed and considered.

¹ Specifically, NWPA sections 5(b)(10) and 9(c) and Preference Act section 3(d).