

September 30, 2024

**To:** Post2028@bpa.gov

**Subject:** Comments on BPA's Proposal for Section 23.6.5 in PoC contracts

Grant PUD appreciates BPA's proposal for section 23.6.5 in the new Provider of Choice (PoC) contracts. Grant PUD supports language that enables participation in organized markets that: (a) may emerge during the PoC contract period and (b) may provide opportunities to (i) reduce power costs to consumers while (ii) achieving state and regional decarbonization objectives. The draft language proposed by BPA at the September 18, 2024 PoC workshop is a helpful starting point for such language:

23.6.5 For purposes of this section 23.6, if «Customer Name» has notified BPA that it has joined and is participating in an organized market using non-federal firm power produced by a Generating Resource or Contract Resource dedicated to supply its Total Retail Load as identified in Exhibit A, then to the extent the organized market operates geographically both within and outside the Region, «Customer Name»'s participation in such market will not be considered an export outside the Region, provided «Customer Name»'s dedicated non-federal power obligation remains unchanged from the amount identified in Exhibit A. «Customer Name»'s participation in an organized market shall not increase the firm energy requirements of «Customer Name» or other customers of the Administrator.

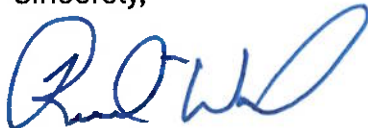
Grant PUD recommends that BPA clarify that participation in an organized market using any non-federal resource – rather than just those formally dedicated in the PoC contracts – should not be considered an "export outside the region," provided that the Customer's obligation to dedicate non-federal power to its retail loads remains unchanged. Grant PUD anticipates that its new Exhibit A will include various resource categories, some dedicated to retail load and others for informational purposes only. For instance, Grant PUD holds rights to a portion of the Nine Canyon Wind project, which is not contractually dedicated to its retail load due to decisions made under section 5(b)(1)(B) of the Northwest Power Act. Therefore, participation in organized markets with resources categorized as undedicated should not impact the Administrator's obligation to deliver power to its customers in any way.

Additionally, we are concerned that the final provision of the proposed section 23.6.5 imposes an undue burden on customers by requiring proof that participation in organized markets will not increase the firm energy requirements of other customers. We believe this provision should be revised or removed, as there is no evidence to suggest that, for example, Grant PUD's market involvement would or could affect the Administrator's obligations to serve non-Grant PUD customers. If BPA believes otherwise, examples may be useful in developing contract language that would help avoid changes to the Administrator's obligation to serve.

Lastly, we urge BPA to allocate additional time to discuss and refine this section of the new PoC contract. Given the complexities and uncertainties surrounding organized markets, it is crucial that we thoroughly address these issues together. We believe this topic warrants further deliberation to ensure effective and reasonable outcomes for all stakeholders involved.

Thank you for your consideration of these comments. Please contact me or Andrew Munro at [amunro@gcpud.org](mailto:amunro@gcpud.org) if you have any questions.

Sincerely,



Richard Wallen  
CEO/General Manager