



Provider of Choice: Energy Efficiency & Transfer Service and Transmission Background Sessions

PPC Rates and Contracts Forum
September 14, 2021

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— POST-2028 —



Today's agenda

- Feedback from Aug. 10th session
- Energy Efficiency background
- Transfer and Transmission background including statutory authorities

Topic	Summary of Comments from Aug. 10 th Contract Term/Cost Control Session	BPA Response
Contract Term	Customers want long term certainty but want increased power rate certainty before contemplating 20 year take or pay contracts.	BPA looks forward to exploring options that make a long term contract desirable and mutually beneficial.
	While contract term is important, we should table further discussions regarding term until customers have a better understanding and resolution of issues like system allocation, cost control and non-federal resource integration.	
	Customers suggest staggered contract terms (to better allow customers to manage renewable resource integration) and off-ramps tied to a number of triggers.	
Cost Control/ Cost Management	Customers request more substantive rate certainty and cost control mechanism ideas in future sessions.	Thank you for the feedback and ideas. BPA is eager to collaboratively explore contract, rate, policy, and cost management mechanisms that: 1. will meet customers’ needs; 2. provide value; and 3. afford customers increased certainty and flexibilities to diversify.
	Consider longer (4-5 year) rate periods as a way to provide greater certainty to customers.	
	Customers are looking for cost management that provides value through appropriate expenditures and results in a construct that provides equity to customers. Diminishing or ending programs such as transfer service and Irrigation Rate Mitigation would <i>not</i> result in a construct that provides value.	
	Future cost management to deliver the cost certainty customers requires: 1. Reduce reliance on net secondary revenues through larger system size; 2. Establish separate financial metrics (and capability to segregate statements of cash flow and balance sheets) for P and T business lines; 3. Explore customers extending credit to BPA for risk.	Thank you. We look forward to the discussions during and resulting from the process.
	The financial plan reset process should be viewed as a platform for BPA to demonstrate its willingness to continue its focus on cost management in advance of post-2028 contracts. The outcome of that process will have a significant influence on customers’ view of cost management in the post-2028 negotiations.	
	Defining cost control in a way that ignores major cost drivers (such as fish and wildlife costs and impacts on hydrosystem operations) is concerning. Customers need increased level of certainty on these and other issues.	BPA does not intend to ignore these critical costs drivers. BPA feels that these program costs are outside the scope of the Provider of Choice conversations and best addressed in other processes such as IPR.



Topic	Summary of Comments from Aug. 10 th Carbon Background Session	BPA Response
Carbon	Equitable allocation of the Tier 1 system’s environmental attributes is critical.	BPA looks forward to both hearing customers’ ideas and sharing BPA’s hypothetical product and rate ideas at the September 28 th session. It is BPA’s goal to begin exploring a range of ideas to address divergent customer and stakeholder needs across the region. BPA is monitoring on-going state developments and is committed to addressing customer concerns within the bounds of its statutory limitations.
	Costs from efforts to assist customers with carbon policy constraints/regulatory requirements in their states should not be passed along to customers in states without those requirements. Continue to clarify BPA’s intentions regarding its role in managing the carbon content of its single system mix versus the regulatory demands of various states.	
	Customers look forward to working with BPA and the rest of public power to find a way for BPA to offer a product that can meet different states’ regulatory requirements and satisfy local interests.	





Energy Efficiency (Conservation) Background

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Today's EE Discussion and the 6 Steps

Today we'll discuss the legal basis of BPA's energy efficiency program and provide historical context for our current operational model. We will also reflect on what we have heard from customers to date and provide our initial list of topics for potential further discussion in November.

Step 1:
Introduction & Education

Step 2:
Description of the Issue

Step 3:
Analyze the Issue

Step 4:
Discuss Alternatives

Step 5:
Discuss Customer Feedback

Step 6:
Staff Proposal

Today's
Session

Nov. 9

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Energy Efficiency agenda

- Statutory background for BPA's conservation program
- Overview of BPA's current operational model
- Energy Efficiency during the Regional Dialogue process
- Major evolutions since 2012
- Initial topics for consideration



Background for BPA's Conservation Program

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Background

- The Pacific Northwest Electric Power Planning and Conservation Act (NWPAA) established conservation as a resource.
- The NWPAA directs the Administrator to acquire resources through conservation as the “[a]dministrator determines are consistent with the plan”. 16 USC §839d(a)(1).
- Conservation acquired by BPA comes from Customers’ load.
- Northwest Power and Conservation Council (Council) in its Power Plan forecasts amounts of EE savings (target) that the region needs to acquire for a reliable power system.

Background

- Since 1980, BPA's conservation acquisitions have closely tracked the Council's Power Plans.
- Historically BPA has established energy efficiency targets and acquisition strategies taking into account the Council's Power Plan and BPA's resource needs.
- BPA's Energy Efficiency (EE) [Action Plan](#) establishes the framework for achieving BPA's energy efficiency targets.

Background

- The current contractual mechanism BPA utilizes to purchase conservation and meets its EE targets is the Energy Conservation Agreement (ECA).
- The ECA incorporates the Bonneville [Implementation Manual](#) (IM) by reference.
- Both the ECA and IM are amended periodically pursuant to bi-lateral negotiations between BPA and its customers.
- The ECA is a separate contract from the Power Sales agreement (which is the agreement being contemplated by the Provider of Choice process).





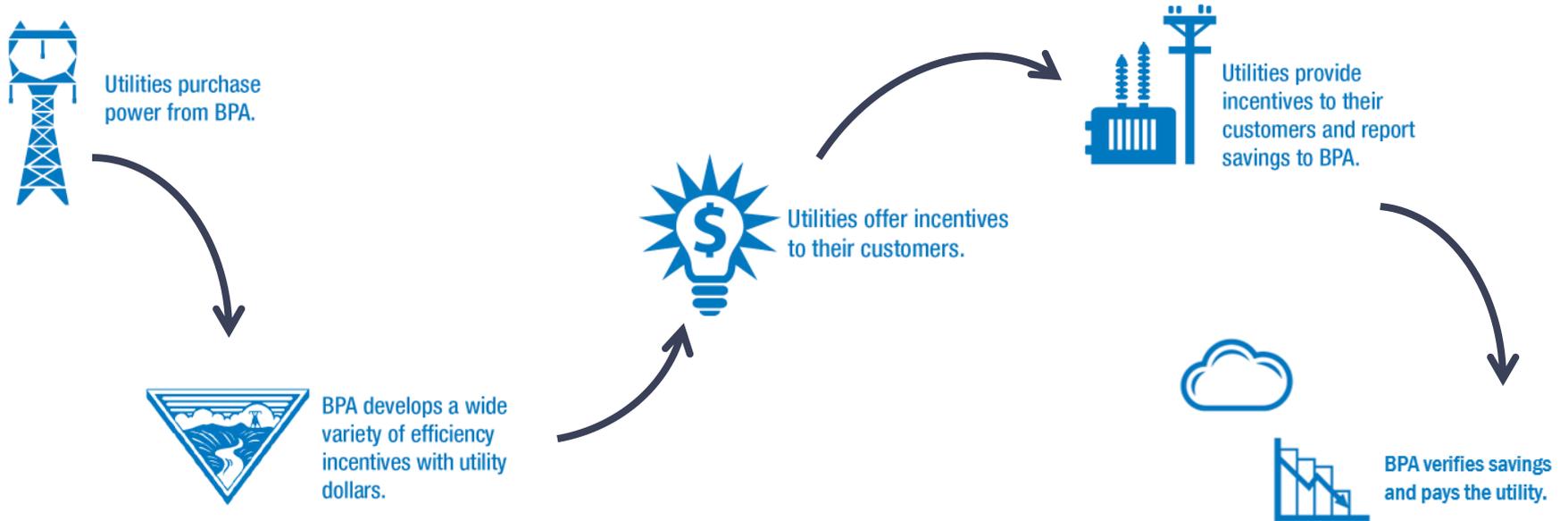
Overview of BPA's Current Energy Efficiency Model

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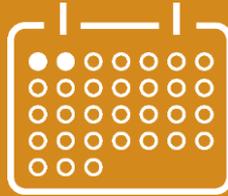
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An Overview of BPA's EE Program Today



Current Operational Model



BPA collects 70% of the incentive (EEI) funding needed to achieve EE targets in Tier 1 rates. BPA relies on Regional Dialogue customers to self-fund 30% of the total efficiency it needs to meet its resource needs.

Customers are allocated EEI budget based on their TOCA. EEI budgets are calculated per the utility's Energy Conservation Agreement, and are issued for the two-year rate period.

Customers must submit project invoices and supporting documentation in order to receive EEI payments from BPA.

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Energy Efficiency During the Regional Dialogue Process

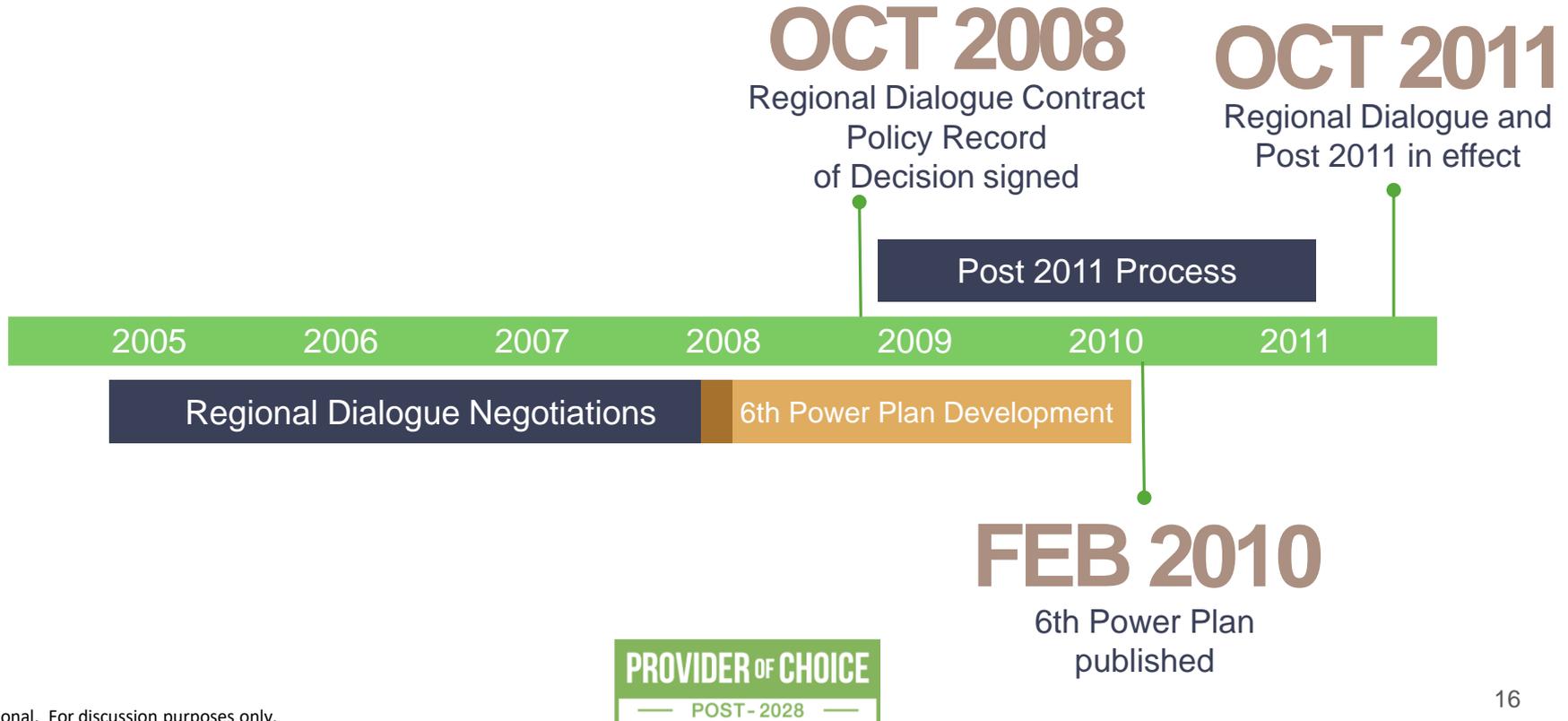
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Regional Dialogue Timeline



Regional Dialogue Customer Input

Customers offered a broad diversity of perspectives on energy efficiency during the Regional Dialogue Process.

Primarily focused how EE would impact the development of the High Water Marks.

- Funding and implementing conservation was a secondary consideration.

Opinions on funding differed

- Some customers suggested tiered rates provided sufficient economic incentive for utilities to independently acquire energy efficiency without BPA intervention. EE should not be in Tier 1 rates.
- Others supported retaining EE as a Tier 1 cost.
- Many customers felt bilateral funding (e.g. funding by request) could create inequity and cross subsidization.

Customer suggested alternatives

- Treat energy efficiency as a Tier 2 product.
- Phase out BPA's energy efficiency activities all together.
- Decrement HWM for those customers receiving bilateral funding.



Regional Dialogue Policy Outcome (2008)

The following language is taken directly from the Regional Dialogue Policy. The language is high level and does not address implementation specifics.

- To meet its load obligations, BPA will pursue conservation equivalent to all cost-effective conservation in the service territories of those public utilities served by BPA and will accomplish this in partnership with public utilities at the lowest cost to BPA.
- BPA expects these goals to be met significantly through programs initiated and funded by its public utility customers.
- BPA will supplement and facilitate utility initiatives.
- BPA expects to continue using the Northwest Power and Conservation Council's power plans as the basis for its targets to achieve cost-effective conservation.
- BPA will count all cost-effective conservation achieved as a result of BPA-funded and customer-funded efforts toward meeting this target.



Regional Dialogue Detail (2008)

Implementation specifics were largely *not* addressed in the Regional Dialogue-policy or Power Sales agreement but within the standalone Energy Conservation Agreement.

Tiered rates will provide an economic incentive to pursue energy efficiency

- There was an assumption that Tier 2 power would be more expensive than Tier 1 power.
- Additionally, there was an assumption that there would be an abundant need for Tier 2 power.

Outlined BPA Support

- Rate credit/bilateral funding (though this was acknowledged as a point of potential inequity)
- Third party contracts and market transformation support
- Regional infrastructure

Removed the stipulation that state-mandated energy efficiency does not qualify for BPA funding.



Regional Dialogue Process Takeaways



Policy language is somewhat ambiguous

It was clear that EE would be a Tier 1 cost and BPA would have some role, but the implication was that most energy efficiency would be achieved by and through utilities.

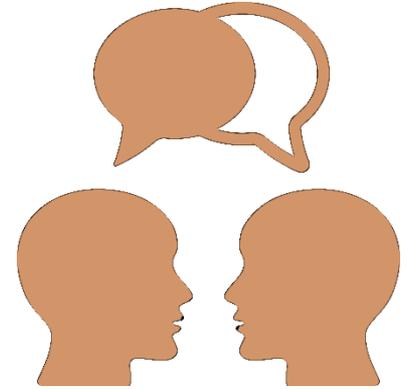
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Identified the Council's target as the collective goal

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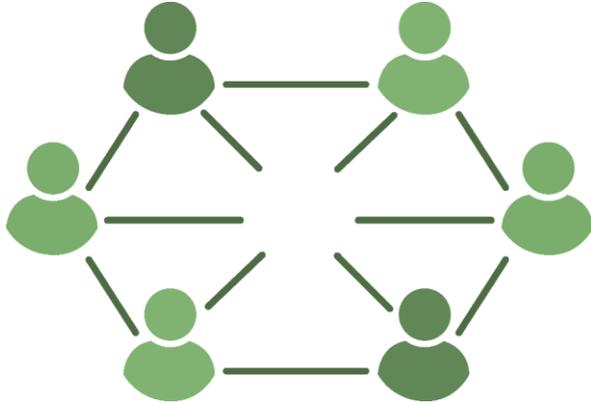
Left implementation details for a later public process

Council's Sixth Plan (2010)

- The 6th Power Plan was published after the conclusion of RD, but before the finalization of the Post 2011 policy.
- Nearly doubled energy efficiency targets.
- Added upward pressure on efficiency achievement that was not anticipated during the RD process.



Post 2011 Process (2009-2011)



*I-937 is Washington State's 2012 Energy Independence Act that required electric utilities to pursue cost-effective EE. The Act also set renewable energy targets for meeting loads.

1. Post 2011 was a follow on public process to the Regional Dialogue process.
2. This process focused on implementation of energy efficiency under the Regional Dialogue Contract.
3. Broad engagement with significant contribution by both customers and the advocate community.
4. Primary concerns of customers:
 - Equity of funding
 - Target setting methodology
5. Coincident with early I-937* implementation.

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Post 2011 Outcome (2012)

The Post 2011 Process provided implementation detail that did not appear in the Regional Dialogue Policy and addressed some of the lingering concerns expressed by customers during that process.

- Created greater equity by establishing TOCA based implementation (EEI) budgets for each customer.
- Established a Public Power goal and did not establish individual targets or penalties.
- Avoided upward rate pressure (in the short term) by capitalizing the cost of energy efficiency.
- Identified Public Power's "share" of the Council target as the goal (42%), but did not establish a formal backstop process.

Evolution Since 2012

Since the conclusion of Regional Dialogue and Post 2011, BPA has conducted several major public processes that drove substantial change for its energy efficiency program.

Post 2011 Review

A post-implementation check in on the Post 2011 Policy

- Initiated a transition from capital funding to expense funding
- Extended Implementation Manual cadence to 1 year
- Established low-income workgroup

Focus 2028

A review of EE issues to ensure BPA was positioned for a successful evolution

- Increased self-funding assumption from 25% to 30%
- Increased between rate period rollover to the greater of 10% or \$50,000
- Extended Implementation Manual Cadence to 2 years

Resource Program

A review of how BPA should treat EE in its resource planning

- Provided guidance in addition to the Power Plan on the scale and type of efficiency that provides the most value for the BPA system

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Remaining Issues

Despite evolution since the Regional Dialogue process some issues of concern remain for some customers.

Incentive (Reimbursement) Model

The cost of incentives collected in rates and reimbursed (payments) remains a concern expressed by some customers.

However, any acquisition requires rate recovery.

Role of the Power Plan

The fit of a regional Power Plan goal and BPA's specific needs is not clear.

Differences between BPA and a broader regional resource assessment is more complex.

Operational Model

Smaller customers with limited resources may struggle to implement programs even with BPA support.

Self-funding differs dramatically from customer to customer.

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Early Provider of Choice Input and Next Steps

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Customer Feedback To Date

Though BPA has not received significant feedback on energy efficiency, customers have provided BPA the following thematic feedback through AE engagement or in written communication to BPA

- General support for the equity model which associates each customer's conservation budget with their TOCA.
- A desire to see efficiency addressed more substantively than it was during the Regional Dialogue process and a willingness to consider significant changes in BPA's EE program.
- A desire to see conservation taken into consideration if BPA recalibrates its HWM allocation.
- Appreciation for the technical expertise and engineering support BPA provides.
- Appreciation for the ability to do bilateral transfers (shift EEI budget between customers).
- A concern that west-side utilities benefit from regional based conservation programs more so than east-side utilities, and that the availability of low cost conservation is diminishing in largely rural and residential areas.
- A desire for increased flexibility options for smaller utilities.



Initial EE Topics Nov. 9 Discussion

- Funding model for energy efficiency
- Allocation of funding
- Establishing and allocating energy efficiency targets
- Tools to ensure funding or target flexibility
- Approach to regional infrastructure and program support

Additional resources

- Your Power account executive and/or energy efficiency representative!
- BPA's Energy Efficiency [website](#).
- Energy Efficiency [quick start guide](#).
- Energy Efficiency [Implementation Manual](#).
- Provider of Choice [fact sheets](#).
- [Resource Program](#) and [Action Plan](#).
- [2020 Resource Mix and Energy Efficiency fact sheet](#)
- Energy Efficiency [2017](#) and [2015](#) fact sheets
- Regional Dialogue [Concept Paper](#) and [Policy](#)—good resources for understanding how the conversation/elements evolved, and they provide bite-size explanations of the building blocks.





Transfer Service and Transmission Background

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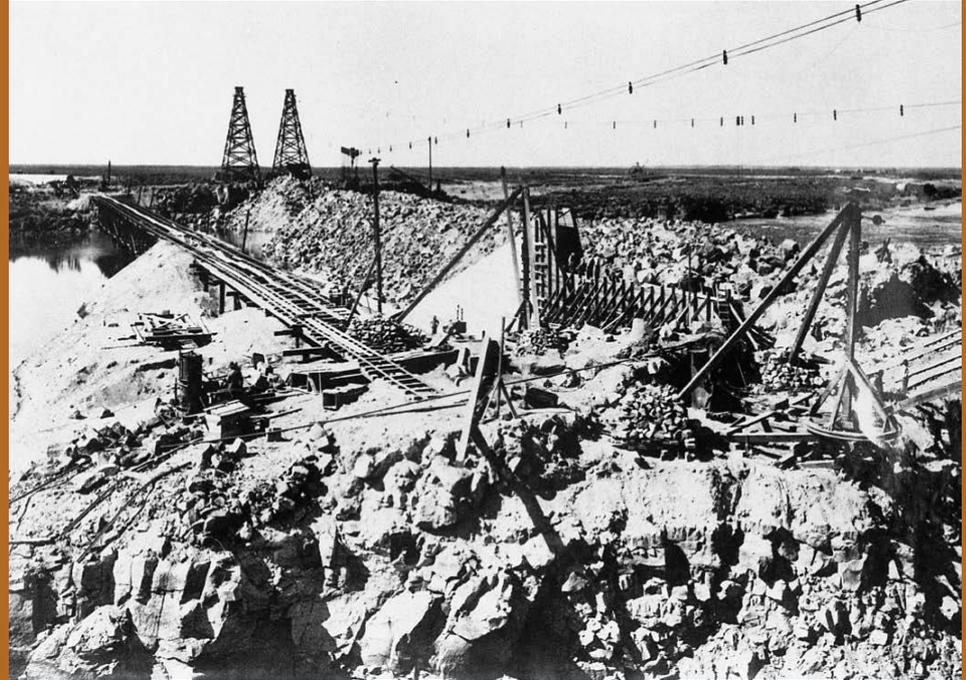


Today's transfer service/transmission agenda

- Transfer service and transmission background including statutory authorities
- Current Regional Dialogue policies on transfer including transmission considerations
- Looking ahead to October 12 discussion

Early history of transfer service

- Public (Fed) power born in S. Idaho
- 1902 Theodore Roosevelt creates Federal Irrigation Service—“Reclamation”
- Minidoka Dam authorized in 1904—rush of settlers
- **Reclamation Act of 1906** “Public Preference”—consumer-owned systems
- Dam completed in 1908
- Power available for Irrigation Districts and Coops



Minidoka Dam construction, 1905

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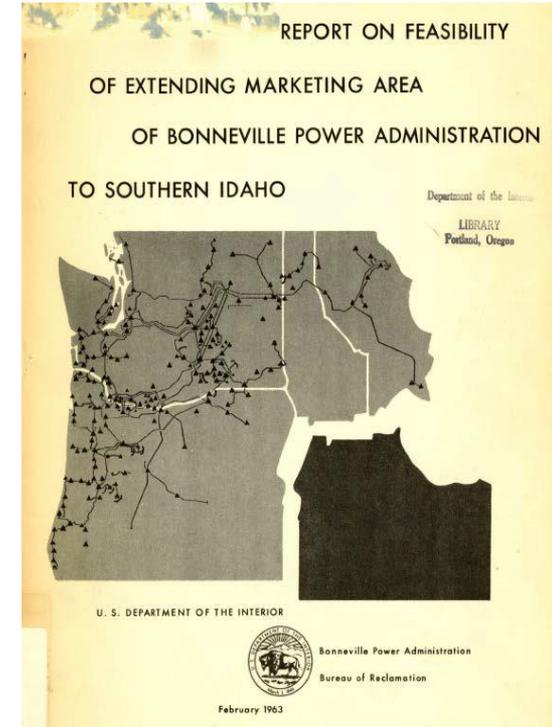


Bonneville Project Act of 1937

- Creates BPA to transmit and market power from Bonneville and Grand Coulee dams
- Encourage electrification of rural areas (Rural Electrification Act 1936)
- Gives preference and priority in power sales to public bodies and cooperatives.

Best plan of service

- The need for additional transmission grew as the Northwest public utilities continued to increase their footprint.
- In order for BPA to serve this increasingly diverse regional load, BPA looked to identify the best plan of service for each utility.
- The best utility plan of service included deciding whether building transmission or acquiring transmission rights from 3rd parties, commonly referred to as Transfer Service, was the most efficient and effective means of delivering federal energy to the preference customers.



Best plan of service (cont.)

- Many public utilities required construction of transmission facilities to deliver federal power to loads, which BPA did.
- Other customers were located in regions where existing transmission facilities, either Investor Owned Utility (IOU) or publicly owned, were sufficient to serve public power loads.
- In the cases where transmission already existed, BPA generally chose to make use of existing facilities rather than to build redundant facilities.
- This decision resulted and continues to result in benefit to BPA ratepayers in the form of more cost effective use of regional transmission assets.
- As loads and facilities change, BPA works with customers on a case-by-case basis to re-evaluate these choices and determine the best plan of service for each transfer customer.



The Transmission System Act of 1974

- BPA initially planned to extend the federal transmission system to southern Idaho with a 500 kV line from McNary, but the line was contentious, eventually resulting in federal legislation blocking construction (Transmission System Act).
- The Transmission Act limited BPA's ability to build major transmission facilities, or condemn existing facilities, in the region without specific authorization by an act of Congress.
- The Transmission Act, and the common practice of not duplicating existing facilities, encouraged the use of Transfer Service to serve preference customer load.

Obligated to Make Power Available; Authorized to Deliver

- Congressional Acts, federal orders, regional legislation, and court challenges memorialized BPA's purpose to provide federal generation to preference customers at cost.
- BPA's obligation to make federal power available to preference customers further is codified by the 1981 Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act).
- With an obligation to make federal power available to the Northwest preference customers, it was necessary for BPA to either build or acquire transmission that would electrically connect the utilities preference customer load with the federal generation.
- Statute authorizes BPA, but does not obligate BPA, to acquire third party transmission necessary to deliver power to customer load.



Transfer Service in the Power Sales Agreements

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1981 contracts, 3 guiding principles

- The 1981 contracts sold a ‘bundled’ product, with both power and transmission under one contract. (FERC Order 888 in 1996 functionally separated the business lines.)
- The 1981 Power Sales Agreements (1981-2001) that BPA entered into with both preference customers and investor owned utilities did not explicitly call out BPA’s role in providing Transfer Service.
- However, Exhibit B of the contract was a “Delivery by Transfer” section. It codified the guiding principles that BPA has been operating under de facto in one form or another since...
 1. Bonneville shall be obligated to make available to the Purchaser at such point only such amounts of electric power and energy as are made available to the Purchaser by such Transferor or Transferors at such point, and the obligation of Bonneville to make electric power and energy available to the Purchaser at such point shall be in all respects subject to all provisions contained in the agreement or agreements executed or to be executed, if not already in effect, by Bonneville and such Transferor or Transferors providing for such transfer.



Plain language translation: requires that BPA deliver preference customers their contractual allocation of power to their point of delivery served over 3rd party transmission facilities.

1981, 3 guiding principles cont.

2. Bonneville shall use its best efforts to effect a quality of service to the Purchaser comparable to that provided under direct service from Bonneville.

 *Plain language translation:* provides that BPA use best efforts (but did not *require*) to provide service comparable to that which direct connect customers receive.

3. Bonneville's right to terminate deliveries at such point, under the agreement or agreements providing for such transfer, shall not be exercised while such Transferor or Transferors meet their obligations to make such deliveries under such agreement or agreements unless (1) the Purchaser consents thereto; or (2) Bonneville determines that the Purchaser's requirements for electric power and energy at such point may be adequately supplied under reasonable conditions and circumstances at another point or points (A) directly from the Federal System (B) indirectly from facilities of another Transferor or Transferors, or (C) both.

 *Plain language translation:* signals that BPA will continue to look for the best plan of service, including moving points of delivery from transfer service to directly connecting to the federal transmission system.



Subscription contracts

Two major policy decisions came out of the Subscription* policy/contracting process:

- First, BPA would continue Transfer Service to preference customers during the term of the agreement. Under the initial Record of Decision (ROD) BPA proposed to not offer Transfer Service to new preference customers; however, in the supplemental ROD it was decided to allow for a limit of 75 aMW increase to new preference customers.
- The second major policy decision was that BPA would not cover Transfer Service for non-Federal power deliveries.

*The Subscription contracts were for a 10-year term, from 2001-2011

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Subscription transfer service terms

- BPA shall obtain Transfer Service over any non-federal transmission systems necessary to deliver “Contracted Power” to the customer’s retail service area.
- This contractually obligated BPA to acquire and fund the costs of Transfer Service from 2001-2011 for preference customers that signed Subscription contracts.
- The Subscription Power Sales Agreement went into further detail about cost allocation in describing the treatment of Ancillary Service and Low Voltage Delivery charges.
- Transfer Service customers would be billed at a charge comparable to directly connected customers paying BPA Transmission rates, and BPA would pay (recover in rates) the difference between the BPA Transmission rate and the Transfer Providers’ Ancillary Services rate.



Transition to Regional Dialogue

- The appendices of the ARTS Agreement listed major issues that still needed to be addressed which had longer term policy implications.
- BPA and customers left these issues to be decided in the Long-term Regional Dialogue forum.
- Over five years was invested in a regional collaborative effort to develop the new power sales policies, contracts, and rate structure for the 20-year Regional Dialogue period.
- The Regional Dialogue ROD was signed in July 2007, with contracts effective December 2008 and an expiration date of September 30, 2028.

B O N N E V I L L E P O W E R A D M I N I S T R A T I O N

factsheet

August 2008

A roadmap to the provisions of Regional Dialogue contracts and tiered rates

BPA's current power sales contracts expire Sept. 30, 2011. After years of collaborative discussions with customers and other parties and much hard work on all sides, BPA is offering new contracts to its customers. These contracts will work in tandem with a new Tiered Rate Methodology BPA has proposed for the Priority Firm Power (PF) rate. These Regional Dialogue contracts and the tiered PF rate form the foundation of the business relationship BPA is offering for the next 20 years.

This fact sheet summarizes the provisions of the new Regional Dialogue power contracts and Tiered Rate Methodology. As a summary, it provides a guide for basic understanding of the new contracts and Tiered Rate Methodology and should not be relied on as an authoritative interpretation of those documents.

New long-term contracts

The new power sales contracts will cover fiscal years 2012-2028. Customers will have until Dec. 1, 2008, to consider and sign their new contracts. BPA is offering contracts ahead of when the current contracts expire so that BPA and its customers will know well in advance who has the responsibility to develop new resources to meet load growth starting in FY 2012.

Another reason to sign the new contracts this year is that BPA has spent considerable time helping the current administration in Washington, D.C., understand the need for new long-term contracts. If the contracts are not signed by the Dec. 1 deadline, the region faces the risk of delay as a new administration is brought up to speed. There also is the possibility of significant and unpredictable changes to the contracts or rates.

In many important respects, the new power sales contracts will be similar to the current Subscription

Key dates

Contracts:

- Aug. 18, 2008 – Final Regional Dialogue Load Following and Block contract templates provided to customers
- Aug. 29, 2008 – Final Regional Dialogue Slice contract template provided to customers
- Dec. 1, 2008 – Deadline for signing Regional Dialogue contracts

Regional Dialogue Transfer Policy

The following are Regional Dialogue policy decisions, in place through 2028, that directly impact Transfer Service:

- Provides Transfer Service to non-federal generation deliveries.
 - With the move to the tiered rate methodology and the push to have customers meet their own load growth, transfer service support for non-federal resources was intended to encourage non-federal resource development.
 - BPA placed a maximum cap of 41 MW per fiscal year, cumulative over the duration of the RD contract, to provide financial support for Transfer Service of non-federal generation.
- BPA does not pay for losses associated with Transfer Service of non-federal power deliveries.
- BPA will pay for Transfer Service of annexed and new public utility customers, with a cap of 50 aMW per rate period, and 250 aMW over the term of the contract.



Regional Dialogue Transfer Policy

- Implemented BPA's Supplemental Guidelines for Direct Assignment of Facilities Costs to align cost allocation whether a customer is directly connected or served by Transfer Service. This applied to low voltage costs, construction costs, upgrade costs, etc.
- Allowed for customers to contract directly with a third-party provider for low voltage service over a new POD.
- Continued evaluation of new plans of service for opportunities that could shift load from Transfer Service to directly connected.
- Transfer customers not in BPA's control area pay the BPA Transmission Services for Ancillary Services. (Changes to FERC, NERC or WECC standards could change this treatment (as evident with treatment of Spinning/Supplemental Reserves based on updated BAL-003 standard).)



Since the RD policy...

- BPA amended its contracts to streamline its 'Proportional Scheduling' processes, which addresses where a customer's non-federal resource should be delivered in situations when customer's load is served across multiple transmission systems.
- Customers and NT stakeholders have come to BPA with numerous 'one-off' implementation issues and have asked BPA to modify and create additional products and services, primarily to facilitate application of non-federal resources.
 - Transmission Curtailment Management Service
 - Transmission Scheduling Services-Partial
 - Mid-C Resource over Non-Firm
 - Transfer Service Customers' Non-Federal Market Purchase Exchange
- BPA released its Transfer Service [Guidelines Regarding Requests for Transfer Service to New Points of Delivery](#).



The 'ARTS' agreement

In late 2004, BPA's Administrator signed a Record of Decision referred to as the **Agreement Regarding Transfer Service (ARTS) ROD**.

- ARTS (expires in 2024) signed in large part to address Transfer Service customer concerns about future rate treatment and potential direct assignment of transfer costs to the specific Transfer Service customers.
- Customers were also adamantly opposed to RTO-West. Ensuring rolled-in rate treatment (in either T or P) helped allay concern.

In the ARTS agreements, BPA committed to:

- (1) continue to arrange for Transfer Service with the third party transmission owners;
- (2) continue to be financially responsible for specified transfer costs; and,
- (3) stipulate in its initial rate proposal continued rolling in of specified transfer costs into either power or transmission rates.

The ARTS requires customers to work with BPA to reasonably limit the cost of Transfer Service.





Transmission related to Power Sales and Transfer

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BPA's OATT Products—NT and PTP

What are key differences between the **Point to Point** (PTP) and **Network Transmission** (NT) products?

- Open Access Transmission Tariff (OATT) requirements/obligations for BPA and customers related to resource elections and load service vary.

Load and Resource Considerations of the Network Transmission (NT) Product

- Long-term firm service requires designation of a Network Resource 60 days in advance of service (and attestation).
- Secondary Network Service (or 6NN), as available, provides flexibility to use non-designated resources (e.g., market purchases).
- BPA is obligated to plan to serve load growth from existing Designated Network Resources.
- NT is for load service only, cannot be used for marketing or resales.
- Billed on actual metered use.
- Requires annual 10-year load & resource forecasts to be submitted to BPA for transmission planning.
- Re-dispatch may be used to manage congestion.



BPA's OATT Products—PTP, cont.

Load and Resource Considerations of the Point to Point (PTP) Transmission Product

- Long-term firm & non-firm service is available (based on available transmission capacity or ATC) to serve load with a wide variety of resources, e.g., market purchases.
- PTP service allows flexibility for customers to request redirects or resale of their transmission service reservations (or TSRs), to serve load or for other purposes.
- Can be used to market various resources, including excess Slice, utility-owned resources, etc.
- BPA does not have the obligation to plan to serve customers' load growth using PTP.
- Take or pay.
- No load or resource forecasts required.
- Curtailment may be used to manage congestion.





Context and Looking Ahead

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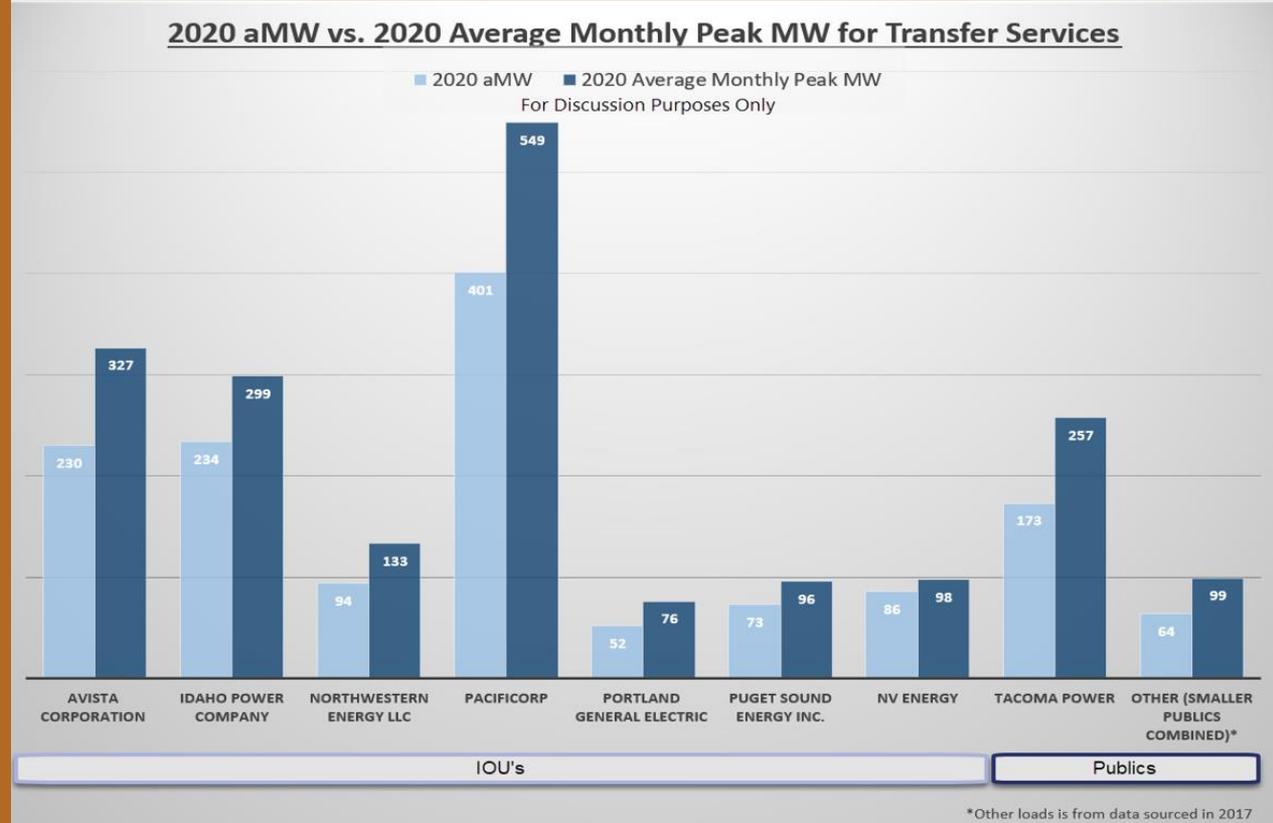
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- Currently, 83 of BPA’s 134 requirements power sales customers have at least one transfer point of delivery.
- 55 requirements customers are served solely by Transfer Service.
- In 2010, BPA’s Transfer Service budget was about \$50 million/year. As of 2020, it is approximately \$70 million/year.
- Utilizing Transfer Service allows BPA to deliver approximately \$415 million dollars’ worth of federal energy to our Transfer Service preference customers annually.



- BPA contracts with 19 transmission providers in the region to acquire transfer service.
- 7 of these are Investor-Owned Utilities
- The remainder are public utilities.
- Loads shown by provider to the right.



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Looking ahead to the Oct. 12 discussion

- How might BPA approach transfer service for the post-2028?
 - Services that BPA could arrange for; pay for?
 - How might BPA approach cost issues associated with Federal transfer service?
 - Service to transfer NLSLs?
 - How might BPA approach cost issues associated with Non-Federal transfer service?
- What specific interests or principles should inform that approach?
 - Tradeoffs between various interests; foundational principles. For example,
 - Comparable/equitable treatment balanced against operating consistent with sound business principles.
 - Development of non-federal resources in or near customers' service territories did not materialize during RD.
 - Keeping rates as low as possible balanced against continuing to provide a valuable service to preference customers outside of BPA's control area.
 - Operating in strict adherence to only what is statutorily required balanced against continuing to provide a valuable service to preference customers outside of BPA's control area.



Looking ahead to the Oct. 12 discussion

- How might BPA foster compatibility between power and transmission services?
 - What are the resource forecasts for long-term Firm NT?
- What do customers want to talk about on Oct. 12?

Adtn'l Transfer/transmission resources

- Your Power and Transmission AEs! Your transfer service team!
- BPA's Transfer Service [website](#) including [Guidelines Regarding Requests for Transfer Service to New Points of Delivery](#).
- Provider of Choice [Fact Sheets](#)
- 2020 [History of Transfer Service](#) Fact Sheet and these 2013 [Moving Power](#) and [NT Service](#) Transmission fact sheets
- BPA's current [Open Access Transmission Tariff \(OATT\)](#)
- Regional Dialogue [Concept Paper](#) and [Policy](#)—good resources for understanding how the conversation/elements evolved, and they provide bite-size explanations of the building blocks.

Thank you for your time today and your ongoing engagement in post-2028 conversations.

PROVIDER OF CHOICE

— POST-2028 —

Pre-decisional. For discussion purposes only.



The next sessions...

Provide feedback by September 28:

- post2028@bpa.gov
(copy your Power AE)
- Power AEs
- Trade Orgs, as applicable

May 27: 10am-noon	HWM & Tier 1 System Background
June 8: 1-3pm	Non-Federal Resources Background
June 22: 1-3pm	BPA's Statutes, Capacity & Resource Adequacy Background
July 13: 1-3pm	HWM & Tier 1 System Discussion
July 27: 1-3pm	Non-Federal Resources Discussion
August 10: 1-3pm	Carbon Background, Term/Cost Control Background
August 24: 1-3pm	Capacity & Resource Adequacy Discussion
September 14: 1-3pm	Transfer & Transmission Background, EE Background
September 28: 1-3pm	Carbon Discussion
October 12: 1-3pm	Transfer & Transmission Discussion
October 26: 1-3pm	Term/Cost Control Discussion and revisit Interests
November 9: 1-3pm	EE Discussion
Mid-November: 1-3pm	REP Background
December 14: 1-3pm	

