

Harney Electric Cooperative (HEC) appreciates BPA's engagement on this topic, and the complexity of launching the Resource Adequacy program.

While we understand Staff's proposal to prohibit the Load Exclusion option for loads served with BPA's Load Following service, we suggest that this decision is premature and too broad, given the diversity in load composition and operational circumstances of various Load Following customers.

The case with HEC is unique. BPA explained at the workshop that all load following customers, which are served with Federal power, are defined as part of the BPA Load Responsible Entity Area (LREA). A complication arises in the case of HEC, due to the south system being served with Transfer Service and located in the Nevada Energy (NVE) Balancing Authority Area. First, we seek confirmation that all Transfer Service loads are in fact part of the BPA LREA under the WRAP program, including those Transfer Service loads that are located in non-WRAP participating BAAs.

Second, assuming that all of the HEC service territory will be included in the BPA LREA and as a result, included in the WRAP, it is an important fact that NVE will not be a participant in the Western Resource Adequacy Program (WRAP) but instead, will likely be a participant in an alternative Resource Adequacy program. As a result, we request confirmation that HEC will not be subject to multiple charges associated with different Resource Adequacy programs.

Third, a portion of the HEC south system load will be directly served with power generated in the production of lithium at the Lithium Nevada Thacker Pass Project. As a result, the power that is needed to serve the portion of the HEC south system is net of the generation of the power produced by the mine. We seek confirmation that the share of BPA's WRAP obligation assigned to the mine load will be based on the actual purchase of power, net of on-site generation resources, not the gross load of the mine.

Fourth, the mine load has elected NR Rate service during the remainder of Regional Dialogue, and has requested that BPA conduct a service study for continued NR Rate supply under Provider of Choice. Given the results of that service study will not be released for quite some time, the mine is prudently exploring non-Federal power supply options to meet its needs. We seek confirmation that an expanded supply of non-Federal power for the mine load will not affect HEC's obligations under the WRAP.

Finally, HEC is sensitive to the opportunities BPA is seeking that could benefit both BPA and its customers with the identification of "net cost reduction concepts", however, at this time, we are unable to offer any suggestions. Nevertheless, we request that BPA not

prematurely declare a prohibition on all future Load Exclusions under WRAP and instead consider future Load Exclusions on a case-by-case basis.

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