September 15, 2020
In reply refer to: PS-6

To Regional Customers and Interested Parties:

Bonneville Power Administration (Bonneville) is announcing the completion of the BP-22 Rate Period High Water Mark (RHWM) process. Consistent with the Tiered Rate Methodology (TRM), Bonneville is posting its determination of values for the upcoming BP-22 Rate Case for: RHWM Tier 1 System Capability, including RHWM Augmentation; each customer’s RHWM; and each customer’s Above-RHWM Load. The link to the final determinations is: https://www.bpa.gov/Finance/RateCases/RHWM/Pages/Current%20RHWM%20Process.aspx

Bonneville engaged customers in a public process from May through August 2020, with two public comment periods and two public workshops. Bonneville received fifteen comments during the comment periods, which related to either individual customer load forecast or assumptions behind the T1SFCO computation.

At the workshop in May, Bonneville presented the preliminary Tier 1 System Firm Critical Output (T1SFCO), RHWM Tier 1 System Capability, each customer’s RHWM, and each customer’s Above-RHWM Load. BPA’s T1SFCO presentation showed a 275 average megawatt (aMW) decrease from the value for the BP-20 Rate Period. During the workshop, Bonneville also requested customer comment on a proposal to extend the treatment that Section 4.1.6.4 of the Tiered Rate TRM provides to New Tribal Utilities for load growth from its original expiration at the end of FY 2021 to the end of FY 2028.

Bonneville held a final workshop in early August, followed by a 10-day public comment period pursuant to the TRM, section 4.2.2. At the workshop BPA presented the draft final T1SFCO, RHWM Tier 1 System Capability, and each customer’s RHWM and Above-RHWM Load.

Between the two comment periods, load forecast modification requests were received from: Northern Wasco, Umatilla Electric, United Electric, Wells Rural Electric, Raft River Electric Cooperative, Clearwater Power Company, Salmon River Electric Cooperative, and Snohomish PUD. All customer load forecast change requests, except Wells Rural Electric’s request, were accepted and incorporated into the final determinations. Bonneville also included in the final RHWM outputs an update to the CHWMs of Benton County PUD and the City of Richland for annexation of load effective October 1st, 2020.

Bonneville received several comments from stakeholders on extending the CWHM augmentation for New Tribal Utilities. Ultimately, Bonneville agreed with the comments that the RHWM process was not the correct process for such a change. No New Tribal Utility had sufficient
forecasted load growth to warrant CWHM augmentation in FY 2022 or FY 2023. Bonneville is committed to working with New Tribal Utilities in the future.

Bonneville also received several comments on the assumptions used in the T1SFCO studies and the impact of the reduction of T1SFCO on Regional Dialogue Contract customers. Bonneville provided a detailed explanation of that reduction within the BP-22 RHWM process, as well as a detailed crosswalk of the impact of project operational changes from fish and wildlife obligations on firm and 80 year average generation since the BP-16 RHWM process.

Bonneville thanks our customers for their thoughtful comments and engaged presence during the BP-22 RHWM Process, particularly in light of the other workloads impacting regional stakeholders, including various other public comment processes and the ongoing COVID-19 pandemic. Bonneville appreciates the constructive inputs regarding process improvements and will continue to adjust our future processes and schedules.

Sincerely,

Kim Thompson