



**Raft River Rural
Electric Cooperative Inc.**
www.rrelectric.com

August 9, 2022

Raft River Rural Electric Cooperative Comments on BPA Provider of Choice Concept Paper

Raft River Rural Electric Cooperative (RREC) appreciates the opportunity to comment on the Bonneville Power Administration (BPA) provider of choice concept paper recently issued July 21, 2022. RREC is a small, rural electric cooperative located in Southern Idaho, serving members in Northwest Utah, Northeast Nevada, and Southcentral Idaho. RREC provides electrical service to multiple irrigation, commercial, and residential accounts. RREC has a unique load shape as a summer peak utility largely in part due to deep well irrigation loads.

- **Transfer Service:** RREC continues to rely heavily on Transfer Service. Several years ago, the decision was made to use neighboring utility facilities to provide transmission to our area. This made complete sense as transmission assets are extremely costly and difficult to build. The existing facilities also had adequate capacity to serve proposed loads. Because of the substantial cost savings, all customers of BPA were beneficiaries of this proposal. Today, many BPA customers fail to recognize the cost saving measures of not constructing these transmission assets, and how the savings still benefit all BPA customers. Our utility desperately needs Transfer service to continue to meet the needs of our customers at a reasonable price. RREC also shares in the concern regarding the capacity and availability of transmission assets to the region.
- **Tiered Rate Methodology:** In our current Regional Dialogue Contracts (RDC), the tiered rate methodology has worked well for some, and not so good for others. Those that do not have headroom, tend to be frightened by the uncertainty of above high-water mark (AHWM) costs, also known as Tier 2 power. RREC would like to see a reset on Tier 1 allocation providing all customers with “at-cost” rates to meet current net requirements, limiting the market risk of tier 2 as it needs to be cost based as well. It would also be preferred if we could all be allocated some additional headroom.

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- **System Allocation and Augmentation:** If the current federal system is too small to meet public power net requirements, perhaps the system needs to grow. If BPA does not want to grow the system, then we as utilities need to be able to incorporate other resources, which can only be done if transfer service includes non-federal resources. RREC would prefer to see the current allocation be expanded to meet our current and future net requirements.
- **Capacity Pricing:** RREC supports some type of capacity pricing reform. The region is facing capacity issues. It only makes sense that we all pay for capacity relative to the amount we use.

RREC appreciates the opportunity to comment and be involved in this extensive process as we look toward the future and work collaboratively as a region to define and shape the 2028 contracts. We appreciate BPA and all of the ancillary services we benefit from as full requirements customers in the region. We all share in the obligation moving forward to make certain the region continues to benefit from one of the greatest power marketing associations in the country.

Sincerely,

A handwritten signature in black ink, appearing to read "Chad Black". The signature is fluid and cursive, with the first name "Chad" and last name "Black" clearly distinguishable.

Chad Black

Raft River Rural Electric Cooperative