



PUBLIC UTILITY DISTRICT NO. 1 of Cowlitz County, Washington

Submitted via email:

post2028@bpa.gov

Public Utility District No.1 of Cowlitz County (District) appreciates the Bonneville Power Administration's (BPA) proposal for the allocation of the Federal Columbia River Power System (FCRPS) that was presented to customers and stakeholders at its Provider of Choice Workshop on January 24th and 25th. The District is generally supportive of BPA's expressed rate construct intent and retention of the Regional Dialogue tiered rate design structure. And, as you heard at the PPC meeting on February 2nd, public power arrived at a consensus position based on BPA's proposal which the District supports. Furthermore, the District also understands the rationale for identifying FY 2023 for the purposes of determining Contract High Water Mark (CHWM) levels; however, we believe that due to abnormal natural gas prices, which have been exacerbated by ongoing geopolitical issues and atypically low storage inventories, further consideration is warranted for utilities that experience negative commercial and industrial load impacts in FY 2023.

As you are aware, the District has a unique customer base that is comprised of a few large industrial loads which account for approximately 65% to 70% of its load service obligation. These companies have existed in Cowlitz's service territory for an extended period of time, relying on BPA's firm power to compete in national and international markets, and are designated as Contracted For and Committed To (CFCT) loads under the Northwest Power Act. Compounding difficult economic conditions and high natural gas prices have led to meaningful load reductions by the District's large industrial customers. The load reductions are likely to result in a FY 2023 actual Total Retail Load for the District that will deviate from what would otherwise be expected, barring the extraordinary and transitory circumstances. As such, we would appreciate BPA's further consideration of this unique circumstance in its determination of the District's and other similarly impacted customer's CHWM allocations. The District is supportive of BPA normalizing customer loads for abnormal conditions, such as weather, irrigation and economic conditions, as noted at the PPC Executive Meeting of February 2nd.

Further, in regard to CFCT loads within the Region, the District would like to understand and discuss how BPA plans to address the CFCT loads in its determination of CHWM levels. The statutory and policy treatment of CFCT loads would suggest a point-in-time determination of a CHWM, with no consideration of the future, may be inappropriate.

We appreciate BPA's consideration of these matters and look forward to working together with BPA and other preference customers in the coming months to develop an equitable Provider of Choice construct.