

From: Ken Dizes <
Sent: Monday, February 13, 2023 10:55 AM
To: Schwendiman,Celeste M (BPA) - PSE-BOISE <
Subject: [EXTERNAL] RE: Provider of Choice workshop -

Hi Celeste,

It was good to be able to participate in the Provider of Choice Workshop. I did provide written comments to BPA on the NRU proposal.

I remained concerned that BPA has not seemed to have moved away from their position on transfer costs for non- federal power delivery. I completely disagree with comments I heard related to cost causation as it relates to this topic. Transmission service needs to be comparable to the extent possible for federal and non-federal delivery for direct connected and transfer customers. Understandably it can't be identical due to items beyond BPA's control. This topic seems even more relevant as we consider a scarce resource such as the BPA system and the benefits of its customers making investments in resources that could support the system.

I heard at least one comment related to the proposal NRU has put forth about a single large load that returns. The commenter said they didn't think it was right because they had new load that should be served that would benefit their community. I guess it didn't matter that much of their new load growth to date was going to be included in the allocation of the system. It's important to understand we are not talking about the same thing. Our electrical system is built out and our community infrastructure is built out to serve this existing mine load that we have historically served. Also, this load is not like load growth as it represents two-thirds of our total load. Also 400 jobs at the mine represent more jobs than our community currently has. TCM was treated as a CFCT resource in the RD contract. What does that mean and why did BPA treat this load this way? Does that same reason still exist?

Another item spoken against was including investments in renewables as a credit in CHWM calculations. This is not a huge dollar item for SREC. If some credit is going to be given for energy conservation, it only makes sense that credit is given for investments in renewables. I have observed the effects of energy conservation and would propose that it is not as valuable as investments in renewables as its benefits vary. I wonder if investments in energy conservation would have been made despite BPA not giving credit for it. Hopefully, it was the lowest cost resource. I could easily support BPA going to an approach where we forget completely about adjustments to CHWM for everybody. Just divide up the federal system as it stands on a certain date. At least we each wouldn't be fighting for our share. The more important piece would be how we integrate new resources including the transmission piece.

I am available to speak about these items with any of the BPA team if given a chance. Please feel free to share my comments where appropriate.

Regards,
Ken