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3/7/2023

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Submitted via: [post2028@bpa.gov](mailto:post2028@bpa.gov)

**RE: Comments on BPA's February 21<sup>st</sup> and 22<sup>nd</sup> Provider of Choice Workshops.**

Clatskanie People's Utility District (CPUD) hereby submits comments in response to Bonneville Power Administration's (BPA) request for feedback on its February 21<sup>st</sup> and 22<sup>nd</sup> Provide of Choice Workshop's.

CPUD appreciates the time and effort being put into the Post 2028 Provider of Choice initiative and recognizes the diverse customer needs BPA is balancing in line with its statutory obligations. Our comments are limited to the items covered in the referenced workshop and we look forward to further exploring the details with BPA.

While BPA has not historically applied a Peak Net Requirement ("PNR") methodology to its product offerings; it is proposing to do so in the next round of contracts. It would be helpful to hear from BPA through this process the reasoning behind the PNR proposal and what problem it's seeking to remedy. Better understanding the core issue from BPA's perspective will help our utility work through the public process to provide collaborative solutions. Solutions aimed at resolving resource deficiencies are very different from those aiming to resolve cost allocation discrepancies.

BPA states in the workshop; the "Peak Net Requirement should be agnostic of BPA product" and the "Products offered by BPA do not define net requirement calculation (energy or peak)." We believe this is an important assertion and would like BPA to continue defining the intent of these statements. CPUD would also benefit from better understanding the characterization of the Block and Slice/Block products as "Planned Products". The Load Following product has not been characterized differently through the course of the Provider of Choice efforts and it is our general interpretation the Load Following product moniker is best described as an "Actual Product". This is a subtle yet significant distinction and believe it helpful to better understand BPA's intent to uniquely characterize the product offerings.

Within the materials provided it is yet to be seen if the PNR methodology and planning standard will be applied uniformly across the customers. It is also not understood how within product and cross product

cost allocation will be handled at the policy level. We recognize the need for further development of the discussion and the proposal but believe it is of chief importance to understand how the costs of this proposal will flow through to BPA's customers. Specifically; we would like to understand how Load Following, Block, and Slice/Block customers will each experience the implementation of this product and how it will impact Load Shaping Charges and Demand Charges.

The PNR proposal highlights the waiver of actual load service and planning obligations inherent to the Planned Products and establishes a maximum peaking obligation that also infers a minimum peaking obligation. Without understanding the mechanism which BPA intends to assess and allocate costs to Tier 1 and non-Tier 1 products it is virtually impossible to provide a position of support or opposition relative to the PNR. For that reason, and in consideration of the proposed policy ROD timeline, we ask BPA to quickly and concisely respond to the following questions.

1. How will PNR impact above high water mark load service?
2. How will PNR impact Tier 2 product offerings?
3. What is the notice timeline for BPA's "claw back" proposal and how will customers faced with the "claw back" be made whole.
4. Will the PNR be implemented on a planning basis consistent with BPA's contract and/or rate case preceding, or will it affect the operational time horizon? Will unplanned resource outages be adjusted for within a customer's monthly and/or within month PNR?
5. How will load shaping volumes and costs be impacted by PNR?
6. How will the demand charge be calculated and charged with the implementation of the PNR?
7. Will the dedication of resources with a capacity contribution to serve customer load decrease BPA's obligation to provide peaking capacity?
8. Will customers providing non-federal peaking capacity used to serve preference load be compensated for relieving BPA's peaking net requirements obligation?
9. Is BPA establishing and aggregating the PNR needs of the load following product or will that be calculated individually by customer?
10. Does BPA envision the application of the PNR for DSI and NLSL loads?
11. Does BPA anticipate implementing tiered capacity charges now or in the future?

PNR is a significant issue and will have implications reaching well beyond the term of the contracts being discussed. We urge BPA to be measured and thoughtful in developing the upcoming Record of Decision. All customers regardless of product choice should have a clear and informed understanding of how PNR will impact product selection, BPA, and the region.

CPUD is appreciative of BPA's enhancements to the above high watermark load service product offerings. We look forward to working with BPA staff to better understand what has been presented.

Thank you for your consideration of these comments and we look forward to working with you in these coming months.

Chris Roden

Clatskanie PUD – Director of Energy Resources