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Submitted via email: post2028@bpa.gov

Comments on March 2023 Provider of Choice Workshops

Thank you for the opportunity to comment on BPA's Provider of Choice (POC) Workshops held in February. We appreciate that BPA's workshops offer a platform for parties to voice their positions.

Provider of Choice Concept

During the workshop, BPA stated that it believes its updated POC Concept proposal represented a good compromise between parties, however, City Light disagrees. In contrast to BPA's positive characterization of the updated POC Concept proposal, City Light expressed concern during the workshop, and continues to feel frustrated, that the proposal does not offer adequate recognition of energy conservation savings. Customers who have accomplished significant energy conservation helping BPA meet its own targets during the term of the Regional Dialogue contracts will be compromising by accepting a 50% credit discount for self-funded, *reported* energy conservation in BPA's updated proposal. **City Light urges BPA to provide a greater credit for self-funded energy conservation including credit for substantial energy savings not reported to BPA (the "*unreported savings*") that are otherwise recognized by the Northwest Power and Conservation Council methodology and by Washington State.**

BPA's lack of willingness to credit conservation that is not reported to BPA appears to stem from a misunderstanding that such conservation lacks assurances of being verifiable. However, conservation that is unreported to BPA is not less stringent in its verification. Conservation can be unreported to BPA (but still reportable to other agencies) for reasons unrelated to the level of verifiability. For example, conservation could be unreported to BPA because the conservation measure is in a form not included in BPA's Conservation Implementation Manual. Conservation could also be unreported because the conservation does not meet BPA's requirements to only report conservation with a benefit-cost ratio of at least 0.5;¹ while a higher benefit-cost ratio is certainly desirable, a low benefit-cost ratio does not make the conservation less real. Moreover, some of City Light's unreported conservation is for Northwest Energy Efficiency Alliance (NEEA) initiatives. BPA is directly encouraged by the Northwest

¹ BPA 2022-2023 Implementation Manual, p. 14. Available at <https://www.bpa.gov/-/media/Aep/energy-efficiency/document-library/2022-RATE-PERIOD-IM.pdf>.

Power and Conservation Council (NWPCC) to continue and expand NEAA,² which further supports the position of many conserving utilities that unreported conservation merits credit by BPA.

Peak Net Requirements

During the March 22 workshop, Eugene Water and Electric Board (EWEB), Slice customers, and City Light shared perspectives on peak net requirements (PNR). City Light also shared an idea for potential BPA product offerings that take advantage of new transactional instruments available as a result of the presence of a new, regional resource adequacy program. Customers made clear that their perspective and proposals constituted a PNR framework that meets planned customer needs and BPA's stated goals for Peak Net Requirements³. Further discussions — as evidenced by the constructive discussion with BPA and other customers on the topic during the workshop — are needed to further scope the Peak Net Requirement methodology and develop products in light of the methodology.

To that end, **BPA should continue the PNR discussion**. The complexities of this topic were clear from the robust discussion at the March 22nd workshop. Due to the limited remaining time for POC discussion, **City Light recommends that BPA take the PNR topic out of the general POC policy document and instead create a separate PNR forum to address the issue**. This PNR forum could merge with the later POC products development process once a framework and implications of the PNR methodology have been considered and explored. As a starting point, any proposal for PNR should consider how it will apply to products and address the PNR-related questions that have been submitted by customers. City Light appreciates the set of questions provided in Section 4 of the Western Public Agency Group's (WPAG) March 3rd POC comments.⁴ City Light also notes that in its March 3rd, 2023 comments, it asked BPA to affirm comments made by BPA staff in the February 21st, 2023 workshop of the impact of Peak Net Requirement on the Block product. Specifically, City Light seeks confirmation on the guidance that (1) even if a customer's PNR is lower than the customer's monthly energy net requirement, the customer will still be able to elect Block with Diurnal Shaping and Block with Shaping Capacity products, and (2) PNR would not limit the amount of energy a customer could purchase in heavy load hours (HLH).

Thank you for the opportunity to comment. We look forward to continuing the discussion on PNR in other forums, and the discussion of other important topics in BPA's upcoming POC workshops.

² NWPCC's 2021 Northwest Power Plan, p. 99, available at https://www.nwcouncil.org/fs/17680/2021powerplan_2022-3.pdf. "To help ensure the necessary levels of cost-effective conservation are acquired, the Council recommends that Bonneville contribute to all aspects of the regional conservation program, as described in Section 5: Energy Conservation Program. This includes continued funding and support in the following areas at levels commensurate with 2020 levels or greater: NEEA; research including regional market research, stock assessments, evaluation, and related analysis; and codes and standards development."

³ February 21st, 2023 Provider of Choice workshop materials, slide 13 available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2023-Workshops/20230221-provider-of-choice-ahwm-products.pdf>

⁴ WPAG's March 3rd comments are available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/2023-Comments/20230303-wpag.pdf>.

cc:

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