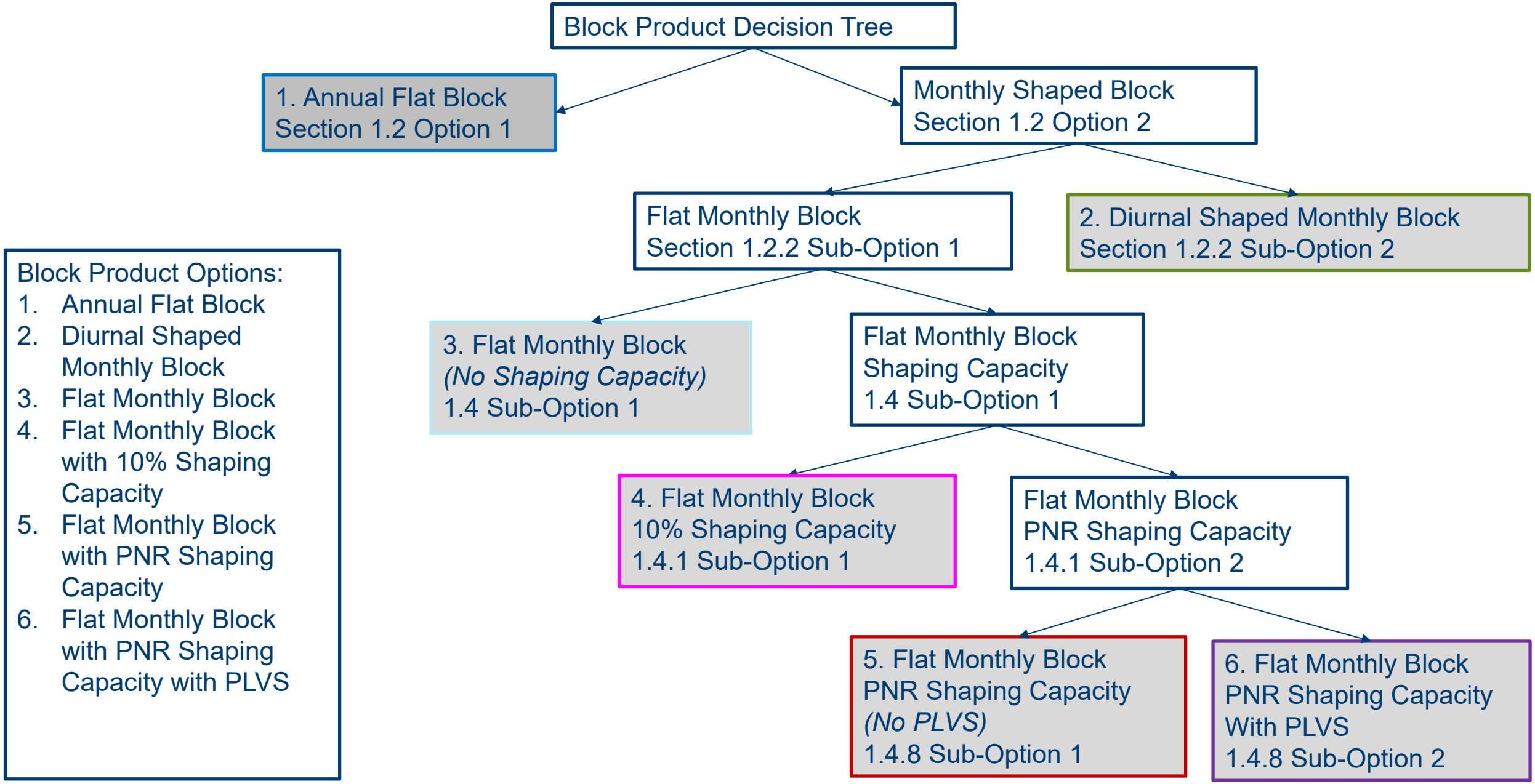
Block Product Options and Planned Product Net Requirements

October 15/16, 2024

Block Product Elections



Block Product Options:

1. Annual Flat Block
2. Diurnal Shaped Monthly Block
3. Flat Monthly Block
4. Flat Monthly Block with 10% Shaping Capacity
5. Flat Monthly Block with PNR Shaping Capacity
6. Flat Monthly Block with PNR Shaping Capacity with PLVS

Planned Product Net Requirements

Why change planned product net requirements timing for planned products?

- BPA proposed including a Marginal Energy True-up (METU) for all customers, including planned products, in the initial draft PRDM.
- If the METU application for planned products remains in the final PRDM that is adopted, BPA believes that it would be prudent to move the calculation of net requirements for planned products from an annual cadence to a two-year cadence.
  - This change would align with how BPA calculates net requirements for Load Following customers.

Benefits of Changing Timing/Cadence

- BPA believes that moving the timing/cadence of the net requirements calculation for planned products will:
  - Reduce contract administration for both BPA and customers.
  - Ensure that the net requirements for planned product customers are accurately reflected in the rate case.
  - Increased planning certainty for WRAP and other obligations.

- BPA recognizes that moving the timing/cadence could result in greater load forecast error but believes that METU will help mitigate cost shifts that result from forecast error.

Proposed Timing

- All net requirements for the upcoming rate period would be determined through the Above-CHWM Load Process, which is expected to conclude by July 1 in a forecast year.
  - Details on the process and timing are forthcoming in the draft CHWM Implementation Policy to be released by the end of October.
- BPA would eliminate the Existing Resource Removal provision for the subsequent year of a Rate Period.
- With the proposed change in timing and inclusion of the METU, Existing Resource Removal is no longer necessary.

Timeline Example

	Regional Dialogue Timing		Proposed Timing	
	Forecast Year (FY 2027)	Rate Case Year (FY 2028)	Forecast Year (FY 2027)	Rate Case Year (FY 2028)
Above-CHWM Load Process (RHWM Process)	July – September		May – June*	
Initial Rates Proposal		November		November
Final Rates Proposal		July		July
Net Requirement Process/Exhibit Revision		July – September (for FY 2029)		Jan-Mar* (For FY 2029 and FY 2030)

**Proposed timing subject to change per comments on CHWM Implementation Policy.*

Questions?