



# Planned Product Net Requirements

November 13, 2024



# Background

- BPA presented the proposed timing and benefits at the October 15 workshop.
- 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.



# Feedback at Oct. 15 Workshop

- **Customer concerns included:**
  - Moving the forecast timing to a rate period basis will result in greater load forecast errors.
  - Concern how larger forecast errors, particularly in the second year of a rate period, could impact higher costs via the METU.

# Proposed Solution

- Maintain setting net requirements on a rate period basis for ALL products.
- Customers would be able to update their forecast if:
  - A customer's net requirements is below its CHWM and has a change in forecast of at least 20% or 30 aMWs, whichever is lower, to its forecast PF-eligible load that would change the load that qualifies for a PF Tier 1 rate.
  - A customer's net requirements is above its CHWM and has a reduction in forecast of at least 20% or 30 aMWs, whichever is lower, which reduces its net requirements below its CHWM.
  - A customer experiences changes to its Existing Resource amounts (i.e., loss of resource, etc.).
- BPA would eliminate the Existing Resource Removal provision for the subsequent year of a Rate Period. With the METU and the proposed forecast updates, Existing Resource Removal is no longer necessary.

# Proposed Timing for POC

- All net requirements (including Planned Products) 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.
- If BPA and customer agree that a forecast update is appropriate, the forecast update would be set by January 31 prior to the upcoming Fiscal Year of power delivery.
- BPA would update the contract by March 31 to reflect the change in forecast.



# Transparency of Net Requirements

- With the proposed METU and setting the Net Requirement for Planned Products on a Rate Period basis, there is no longer a need for a separate process for transparency of *forecast* annual Net Requirements.
- All customers *forecast* Total Retail Loads and Existing Resource amounts will be made public in the Above-CHWM Process.
- BPA plans to align the Planned Product transparency requirements with the Load Following transparency requirements. For all customers, once a Rate Period, BPA will make publicly available:
  - Total Retail Load data for the previous two Fiscal Years in monthly energy amounts and monthly customer-system peak amounts.
  - Dedicated Resources for the previous two Fiscal Years in monthly energy and peak amounts as listed in section 5 of Exhibit A.

# Timeline Example for Rate Period



*\*Proposed timing subject to change per comments on CHWM Implementation Policy and leverages example included in the CHWM Implementation Policy.*





**Questions?**