



# Above-CHWM Load Service

# Today's Objectives

Respond to questions and comments on Above-CHWM Load offerings.

Discuss timing of Above-CHWM Load elections.







# Above-CHWM Load Service Questions and Comments

# Questions

## 1. Should there be a cost limitation for Tier 2 Short-Term acquisition costs?

### Bonneville Response:

- Bonneville does not plan to consult customers on Tier 2 Short-Term costs.

### Bonneville Reasoning:

- Bonneville will require a commitment from customers each rate period to provide a Tier 2 Short-Term rate option for Above-CHWM service for the upcoming rate period. This will be a contractual obligation under Provider of Choice contracts. Bonneville may need to acquire resources to meet this commitment.
- Timing between commitment and acquisition is limited, and thus there isn't time to run additional process to consult customers on price cap conditions.
- The Tier 2 Short-Term rate will reflect the then-current market conditions and the general state of the market should be known by the time utilities request Tier 2 Short-Term rate service.
- Bonneville functions in the same markets everyone else does, so not likely that Bonneville will be able to get a materially better price than a customer and vice versa.



# Questions (cont.)

## 2. Should Bonneville offer ad-hoc Above-CHWM Load election changes for the Tier 2 Long-Term Rate path similar to the Regional Dialogue product switching options?

### Bonneville Response:

- Bonneville plans to maintain the Provider of Choice election timelines.

### Bonneville Reasoning:

- Customer proposal for ad-hoc optionality increases Bonneville's uncertainty where options have been provided to reduce Tier 2 Long-Term path.
- Bonneville has provided flexibility to opt out of the Tier 2 Long-Term path rate pool but no option to opt in.

# Questions (cont.)

**Question 2 (Continued). Should Bonneville offer ad-hoc Above-CHWM election changes for the Tier 2 Long-Term Path similar to the Regional Dialogue product switching options?**

## **Bonneville Reasoning:**

- Customers may reduce their Tier 2 Long-Term path election, without a fee, if the customer provides notice (1) Before Bonneville acquires power for the purposes of serving Tier 2 Long-Term path obligations, or (2) If no such acquisition has occurred, at least 3 months prior to the start of the BP-29 rate proceeding, whichever occurs first.
- Customer also has a one-time change option to opt out of its Tier 2 Long-Term election during the contract period—with an associated exit fee.
- Increases in Above-CHWM elections create cost shift potential between customers.
  - If a customer could change their election from Flexible Path to Tier 2 Long-Term path after the earlier election deadline, Bonneville could be required to make an unexpected purchase to serve the new load obligation.

# Questions (cont.)

## 3. Customer Request to allow an on-ramp to the Tier 2 Long-Term rate option with a resource onboard.

- a. Proposal for a customer who has its own resource where the capability of the resource exceeds the customer's Above-CHWM Load.
- b. Customer makes the resource available to BPA in response to a BPA-RFO for the Tier 2 Long-Term rate pool.
- c. If the offer is accepted by BPA, customer is then able to join the Tier 2 Long-Term rate pool (with its Above-CHWM Load) at the same time its resource is included in the pool.

### Bonneville Response:

Bonneville plans to maintain the election timelines and shared conditions for the Tier 2 Long-Term rate pool. (Slide 6)

### Bonneville Reasoning:

- Believe this would result in increased chance of cost shifts between customers if a customer could change their election from Flexible Path to the Tier 2 Long-Term path after the earlier election deadline.
- Bonneville does not see enough added value from allowing a late-time pivot from the Flexible Path to the Tier 2 Long-Term path.
- Does not provide sufficient long-term planning component to help BPA manage those individual cost pools.

# Tier 2 Vintage Rate

- Bonneville is currently working on the design features for the Above-CHWM Load Service Tier 2 Vintage rate offering.
- Bonneville will share the conceptual framework for that rate service offering at a future workshop.





# Above-CHWM Load Election Timing

# Above-CHWM Load Election and CHWMs

- **Policy** – Bonneville will establish CHWMs through the CHWM process. Customers will need to make elections for Above-CHWM Load service within 60 days after individual CHWMs are established. The timing was set in response to requests to delay election from contract signing (by December 2025).
  - Current schedule for the CHWM process would release final CHWMs in May 2026.
  - Above-CHWM election needs to be made within 60 days (approx. July 2026 deadline).
- After sharing the CHWM timelines, Bonneville received feedback about delaying the Above-CHWM election to better align with: (1) estimated timing of fall 2026 discussed in the ROD; and (2) publication of 2026 Resource Program.



# Discussion

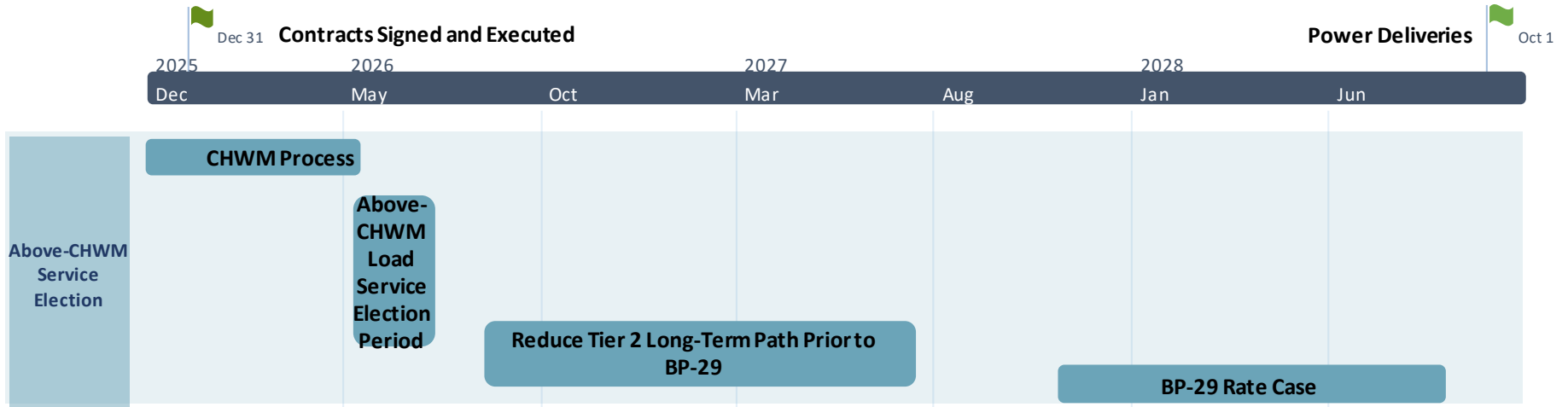
- Bonneville will retain the 60-day deadline for customers to make Above-CHWM elections, but could re-evaluate timing of the CHWM Process and final CHWM calculations.
- What is more valuable to customers?
  - Knowing CHWM and Above-CHWM Load amounts around May 2026, or
  - Aligning with other processes such as the Resource Program which is due to be published in September 2026?





# Timelines

# \*Initial Above-CHWM Load Service Election



\*This is based on current proposed timelines for CHWM being established.

# \*Tier 2 Short-term Election Process

