



Provider of Choice: CHWM Implementation Policy

October 22, 2024

PROVIDER OF CHOICE

**POST
2028**



Objectives

Overview of CHWM
Implementation Policy content.

Share timeline for comments
and publication of draft final and
final policies.



CHWM Implementation Policy

- The CHWM Implementation Policy will cover:
 - FY 2026 CHWM Calculation Process.
 - Above-CHWM Load Process.
- The CHWM Implementation Policy will also include Attachment A, the official record of non-federal resource amounts to be included in the FY 2026 CHWM calculation.



FY 2026 CHWM Calculation Process

FY 2026 CHWM Calculation Process

Day	Process Action
1	Publication of draft CHWMs
1 – 14	Two-week comment period. A public meeting will be held during this time.
15 – 43	Bonneville will evaluate comments and work with customers to resolve issues.
44	Bonneville will publish preliminary final CHWMs
54	Deadline for a customer to invoke the dispute resolution process. If there are no disputes, preliminary final CHWMs would become final CHWMs at this point.
55 – 84	If the dispute resolution process is invoked, the single hearing will last up to 30 days.
TBD	The third-party neutral would provide a recommendation to customers and the Administrator. The Administrator would review the recommendation and make a final decision on CHWMs and publish to a publicly available website.

- Note: Specific dates will not be locked in the CHWM Implementation Policy. Bonneville will continue to publish updated timelines based on when it expects the FY 2026 CHWM Calculation Process to be held.

Attachment A

- Attachment A will be the official record of non-federal resource amounts to be included in the FY 2026 CHWM calculation. It is modeled off of [Attachment C in the Tiered Rate Methodology](#).
- Attachment A will:
 - Include all Regional Dialogue Exhibit A resource values for dedicated, specified resources, and consumer owned resources. For returning public utilities, will use Provider of Choice Exhibit A resource values.
 - State the values to be included in the FY 2026 CHWM calculation. Attachment A will footnote all exemptions.
 - Examples include resources under 1 MW nameplate capacity, requested resource removals, and any unique exemptions from the Provider of Choice Policy Record of Decision.
 - Identify which resources will qualify for the new specified resource adjustment.



Above-CHWM Load Process

Above-CHWM Load Process

1. **Bonneville would publish draft amounts for the following:**
 - Preliminary Net Requirements for each year of the upcoming rate period.
 - Existing CHWMs based on the CHWM included in each customer's POC CHWM Contract Exhibit B.
 - Subsequent CHWM adjustment amounts to be awarded in the upcoming rate period.
 - New CHWMs based on the sum of the existing CHWMs and subsequent CHWM adjustment amounts.
 - Above-CHWM load amounts for each year of the upcoming rate period.
2. **Following publication, there would be a comment period of at least 10 business days.**
 - Bonneville would work with customers to resolve any issues raised in comments ahead of publishing final numbers.
3. **Bonneville would publish final amounts no later than July 1 of a forecast year.**

Preliminary Net Requirements

- Preliminary net requirements would be calculated for each year of the upcoming rate period.

Preliminary Net Requirements =
Total Retail Load – New Large Single Loads –
Existing Resources – Specified Resources added to Tier 1
Allowance Amount – Consumer-Owned Resources serving
On-site Consumer Load

Subsequent CHWM Adjustments

- To determine subsequent adjustments, Bonneville will compare a customer's highest preliminary net requirements in the upcoming rate period compared to their existing CHWM (i.e., the CHWM included in each customer's Exhibit B).
- If preliminary net requirements $>$ existing CHWM, Bonneville will evaluate whether the customer qualifies for a subsequent CHWM adjustment.
- As part of the Above-CHWM Load Process, Bonneville will publish new CHWMs for every customer that will reflect subsequent adjustments as follows:
 - If a customer receives a subsequent CHWM adjustment, their new CHWM will be the sum of their existing CHWM and any adjustments. At the conclusion of the process, Bonneville would update the customer CHWM in Exhibit B.
 - If a customer is not awarded a subsequent CHWM adjustment, their new CHWM would equal their existing CHWM and no changes would be made to their Exhibit B at the end of the process.

New Public Utility and Tribal Utility Adjustment Pools

- Section 2.4.2.2 of the Provider of Choice Policy set a limit for the new public utility adjustment at 200 aMW. Section 2.4.2.3 of the same policy set a limit for the new tribal utility adjustment at 40 aMW and that it was inclusive to the new public utility limits. The Policy also said each adjustment would be available first come, first serve.
- Bonneville will establish “adjustment pools” to track subsequent CHWM adjustment usage and to determine if a pool has been exhausted.
- The CHWM Implementation Policy describes how Bonneville will pro rate requests if in a rate period the qualifying CHWM amounts exceed the available pool.
- Once a pool is exhausted, the corresponding adjustment will no longer be available.

New Public Utility and Tribal Utility Rate Period Limits

- Section 2.4.2.2 of the Provider of Choice Policy also set a limit for the new public utility adjustment that no more than 50 aMW may be added in a rate period. This extends to the new tribal utility adjustment.
- The CHWM Implementation Policy describes how Bonneville will phase-in pool-adjusted amounts if needed. Bonneville will establish rate period pools of 50 aMW and keep track of which pools have been depleted as a result of earlier Above-CHWM Load Processes.
- The steps for the phase-in are as follows:
 1. Bonneville will provide a minimum award for each requesting utility if the rate period pool allows. Each customer would be awarded the lessor of 5 aMW or their total requested amount.
 2. If CHWM adjustments remain after the minimum award, Bonneville would pro rate each eligible customer's remaining adjustment amount by taking the remaining pool limit divided by the aggregate of the remaining adjustment amounts.
 3. Bonneville will repeat steps 1 and 2 for each subsequent rate period until the full amount is awarded.

Pool and Rate Period Limit Example

	A	B	C	D	E
Requested CHWM Amount	75 aMW	5 aMW	25 aMW	20 aMW	20 aMW
Pool Adjusted CHWM Amount	75 aMW	5 aMW	25 aMW	20 aMW	10 aMW
First Rate Period	32.222 aMW	5 aMW	12.778 aMW	N/A	N/A
Second Rate Period	70.802 aMW	5 aMW	24.198 aMW	N/A	N/A
Third Rate Period	75 aMW	5 aMW	25 aMW	20 aMW	10 aMW
Fourth Rate Period	75 aMW	5 aMW	25 aMW	20 aMW	10 aMW

In the first rate period, customer A is a new public requesting service and customers B and C are existing customers that qualify for the tribal utility adjustment. In the third rate period, customer D is a new public requesting service and customer E is an existing customer that qualifies for the tribal utility adjustment. Because 30 aMW of the tribal utility adjustment pool was used in the first rate period, customer E may only qualify for 10 aMW of a CHWM adjustment. The amounts published for customers B, C, and E are just their adjustments and not inclusive of their existing CHWM.

Above-CHWM Load Determination

- Bonneville will determine a customer's Above-CHWM load amounts, if any, for each year of the rate period.

$$\text{Above-CHWM Load} = \text{Preliminary Net Requirements} - \text{New CHWM}^*$$

- **New CHWM** as determined in subsequent CHWM adjustment step of Above-CHWM Load Process

CHWM Implementation Policy Timeline

Dates	Action
Oct. 22, 2024	Public workshop to walk through the policy content
Oct. 29, 2024 – Nov. 13, 2024	Public comment period kickoffs off with publication of the draft CHWM Implementation Policy. This will include draft values for Attachment A.
Late February 2025/ Early March 2025	Publish draft final policy with any updates or clarifications from comments. No updates to Attachment A expected at this point.
Aug. 29, 2025	Publish final CHWM Implementation Policy alongside Contract ROD. This will include final values for Attachment A.



Questions?