



Block

June 18, 2024



Workshop Objectives

- Share BPA's Monthly Block Shaping Factors product recalculation proposal for all Block products.
- Review the timing of adjustments to Block with Shaping Capacity.
- Discuss customer feedback and BPA's response to Block with Shaping Capacity Design Elements.





Block Shape Recalculation

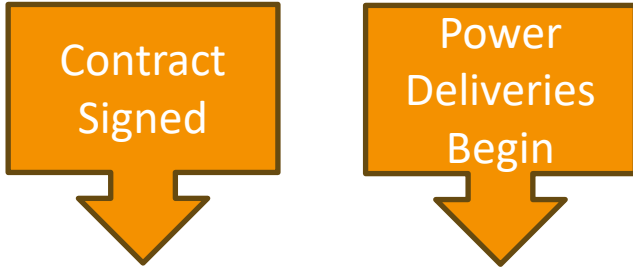
Provider of Choice Changes

- Bonneville has considered customer comments on the timing and frequency of block recalculation under Provider of Choice contracts.
- Under Regional Dialogue, customers were not able to recalculate their block shape after they were set using weather normalized FY 2010 loads.
- Bonneville is proposing moving away from the Provider of Choice Policy and ROD position and is proposing to offer multiple Block Shape recalculations on a rate period basis.

Recalculation of Block Shape Proposal

- **Monthly Block Shaping Factors Recalculation**
 - BPA would recalculate the monthly Block Shaping Factors for the Block portion of any planned product customer every rate period.
 - BPA would use the average of four years of actual load data to calculate the monthly Block Shaping Factors.
 - Process completed in the forecast year for each rate case and would be applicable for the two years of a rate case.
 - i.e. FY 2023-2026 data, calculated prior to initial proposal in FY 2027, effective FY 2029-2030.
- **Block shapes would be set through a public process.**

Block Shape Calculation Timing



	BP-24				BP-26		BP-29		BP-31		BP-33		BP-35		BP-37		BP-39		BP-41		BP-43	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
BP-29	Four Year Historic Data				Calculated Year		BP-29															
BP-31					Four Year Historic Data		Calculated Year		BP-31													
BP-33					Four Year Historic Data			Calculated Year		BP-33												
BP-35					Four Year Historic Data				Calculated Year		BP-35											
BP-37									Four Year Historic Data		Calculated Year		BP-37									
BP-39									Four Year Historic Data				Calculated Year		BP-39							
BP-41													Four Year Historic Data		Calculated Year		BP-41					
BP-43																	Four Year Historic Data		Calculated Year		BP-43	

Recalculation Considerations

Bonneville's design weighs:

- **Timing of block shape calculations.**
 - Having a recalculation each rate period fixes the timing for customers not rolling.
- **Adopting actual load data vs weather normalized data for block calculations.**
 - Staff found that using 4 years of actual data on average to calculate block shaping factors was sufficient to overcome weather abnormalities.



Block with Shaping Capacity Adjustments

Block with Shaping Capacity Adjustments

Time Frame	Changes to Block Shape or Shaping Capacity
Contract Term	<ul style="list-style-type: none"> Customer can elect to change from between Block with Shaping Capacity and other products, per product change proposal.
Rate Period	<ul style="list-style-type: none"> BPA is proposing to reshape monthly Block Shaping Factors every Rate Period. Shaping capacity would be calculated for the rate period as either 10% of their Tier 1 monthly blocks or their monthly PNR forecast for the rate case minus the applicable Tier 1 monthly block.
Annual	<ul style="list-style-type: none"> Annual net requirements calculation: <ul style="list-style-type: none"> Block amounts are calculated annually based on the annual net requirements calculation. Each block amount established is adjusted proportionately. For example, if loads were expected to be 10% lower than a customer’s CHWM, each Tier 1 block amount would go down by 10%. Shaping capacity would not change as net requirements are adjusted. It would be calculated on a rate period basis.

Adjustments (Cont'd)

Time Frame	Changes to Block Shape or Shaping Capacity
Monthly	<ul style="list-style-type: none"> • Shaped block option reshapes annual net requirements amounts based on the monthly Block Shaping Factors. • Customer with shaping capacity can vary their take across the month within product constraints.
Daily	<ul style="list-style-type: none"> • Scheduled day ahead, customers with shaping capacity can vary their daily Tier 1 block amounts with the established range.
Hourly	<ul style="list-style-type: none"> • Scheduled day ahead, customers with shaping capacity can vary their hourly Tier 1 block amounts with the established range. <ul style="list-style-type: none"> ○ Customers hourly amounts are set the day-ahead and no within day flexibility is offered. ○ Customers retain flexibility to change their non-federal resource operations within day.



Block with Shaping Capacity Design Elements

Discussion: Ramping Rates

Bonneville is proposing a ramp rate of 20% for hourly ramping changes.

- Bonneville believes a 20% ramp will allow customers to follow their load variations in most hours.
- Additional ramp rate might require Bonneville to requirement monthly tests to ensure a customer's resources were also being used to respond to load variation.

The Planned Products Group is proposing a ramp rate of 28% for hourly ramping changes.

Discussion: First Half of Month Energy Test

Bonneville is proposing that 45-55% of the energy in a month must be used in the first 14 days of the month.

- Bonneville believes this test ensures that Block is being taken to load, and does not require an after the fact test, similar to the RSO test.
- Bonneville recognizes that 15 days would be a better demarcation of mid-month.

The Planned Products Group is proposing that 40-60% of the energy in a month must be used in the first half of the month.

Discussion: Energy Neutrality within Month

Bonneville is proposing that Block with Shaping Capacity must be energy neutral within month, and that there would be no shaping between monthly delivery amounts.

- Bonneville believes that energy neutrality is inherent to any Block product.
- All current Block products experience immediate changes in energy delivery at the start of a new month or diurnal period. Bonneville is proposing the same for Block with Shaping Capacity.

The Planned Products Group is proposing allowing energy from the first week to the last week of a given month, with a not to exceed limit.



Thank you.

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