



Provider of Choice: NR Block Policy

January 23, 2025

PROVIDER OF CHOICE

**POST
2028**



Workshop Objectives

- Share NR Block Policy issues with current Bonneville proposal.
- Solicit feedback on issues and determine whether additional conversations are needed.





NR Block Policy

Background: Provider of Choice Policy

- Investor-owned utilities (IOUs) have the right to request a 5(b) contract.
- Section 4.1 of the Policy provided what Bonneville intended for an NR Block contract:

Bonneville intends to provide power sold at the NR rate that IOUs elect to purchase as a standalone Block product, also referred to as the NR Block product, with similar features to the standalone Block product offered to PF customers (Section 3.3) and on the same development timeline. In contrast to the Block product for PF customers, IOUs would not receive a CHWM nor would their NR Block contract reflect elements of the tiered rate construct, as all power sold under such agreement would be at the NR rate.
- NR Block Policy to provide greater detail on Provider of Choice NR Block contract offering.

Process to Establish NR Block Contract

1. An IOU requests service to Bonneville in writing.
2. Bonneville works with the IOU to determine whether it has a net requirement that can be served by Bonneville.
3. If it is determined there is a net requirement, in parallel Bonneville would:
 - Initiate an NR Block Service Study for the net requirements block amount calculated in step 2.
 - Conduct a public process to discuss and finalize NR Block contract template.
4. At the finalization of the NR Block Service Study and NR Block contract template, whichever is later, IOU signs contract if planning to take power from Bonneville.

NR Block Contract Request

- An IOU must submit a letter in writing to Bonneville requesting a Provider of Choice NR Block contract.
- Election Window
 - An IOU must request the NR Block contract between October 2025 through September 30, 2037. If an IOU requests a contract after September 30, 2037, they would not be eligible until the successor contracts to Provider of Choice.
 - The intention is to allow for the NR Block Service Study with a minimum of five years of potential power deliveries.

Determining a Net Requirements

- To determine a net requirement, an IOU will be required to provide:
 - Historical hourly load data (up to ten years).
 - Forecast of monthly loads.
 - Non-federal resources to determine firm resource amounts.
- Bonneville assumes this process would take several months and will depend on availability of data required.

NR Block Service Study

- The NR Block Service Study will be based on the NLSL Service Study established in PF contracts.
- The NR Block Service Study could take up to three years. The study report will state:
 1. The anticipated date Bonneville could provide power;
 2. Costs arrangements;
 3. Any Bonneville resource acquisition needs,
 4. And any identified constraints that may be known, such as transmission. IOUs will be responsible for getting their own transmission contracts similar to PF.
- Customers would be expected to sign contract within 90 days of study if wish to move forward.

Contract Development

- Bonneville would develop an NR Block contract template and workshop with interested parties.
- Bonneville would establish a workshop cadence and comment period on the template.
- Bonneville intends to leverage the PF Block contract and NLSL provisions as a starting point for contract development.

NR Block Product

- The NR Block contract would offer a flat block, which delivers an equal amount of power in all hours of the year.
 - Bonneville would determine the block amount to be offered at the initial net requirement determination.
- If an IOU foresees an increased net requirements need and would like to serve that need with an NR Block, the IOU may request a new NR Service Study for that new load.

Other Contract Terms and Changes

- **Contract Length**
 - NR Block contract will be in place from the time an IOU signs the contract through September 30, 2044.
 - No less than 5-year power delivery window.
- **Take-or-pay provisions would apply to the flat block amount.**
- **The contract would remove references to tiered rates, PF rates, and contract high water marks, all which are only applicable to loads served at PF rates.**

Environmental Attributes

- Section 7.1 of the Policy stated: “Bonneville will convey the environmental attributes of the power sold, including emissions and any renewable energy credits (RECs), commensurate with a customer’s firm power purchase amount and rate elections.”
- This methodology is applicable to all power sold whether at a PF, NR, or Industrial Firm Power (IP) rate. The actual conveyance would be determined on a rate period basis through the Environmental Attribute Accounting Process.
- Therefore, Bonneville intends that the NR Block Exhibit H would mirror that offered to public power.



**Questions?
Feedback?**

NR Block Policy Timeline

Dates	Action
December 17, 2024	Share proposed approach for NR Block Policy.
January 10, 2025	Comments due if concerns on approach.
January 21-23, 2025	Preview of the NR Block Policy and ability to input.
January 31, 2025	Comments due on policy preview.
March 12, 2025	Publish draft NR Block Policy.
April 9, 2025	Comments due on draft NR Block Policy.
August 28, 2025	Publish final NR Block Policy alongside Contract ROD. Any ROD responses will be included in the Contract ROD.

**Note dates after January are based on best available information but are subject to change.*