



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

POWER SERVICES

July 20, 2023

In reply refer to: PS-6

Dear firm power customers and interested parties:

I am excited to announce the release of Bonneville's draft Provider of Choice Policy, which kicks off our formal public comment period. This is a significant milestone on our path to delivering reliable power under new long-term contracts into the 2040s. This Policy establishes the framework for developing contracts, products and services, and future rate design over the next two years.

The draft Policy is the culmination of over a year of policy development workshops that built upon years of customer engagement. I am thankful to everyone who provided feedback, perspectives and ideas throughout this process, whether in person, virtually or through informal comments. Your engagement and input was invaluable to forming Bonneville's direction for this draft Policy.

Bonneville serves a diverse set of utilities, small and large, rural and urban, and with loads that are stable, declining or rapidly growing. While we face many uncertainties in the future energy landscape, our goal is to provide a durable and balanced policy. The draft Policy navigates the viewpoints we heard, and as a result, it may not represent any single customer's vision for the future.

Throughout regional conversations, we heard prevailing support for tiered Priority Firm power rates, which insulate customers from the costs of other customers' resource decisions to serve growing loads. We also heard interest in pragmatic and controlled exceptions to such cost isolation. In response, the draft Policy reflects new flexibilities, such as an increased ability to add non-federal resources regardless of whether a utility is experiencing load growth. It also maintains some current practices for non-federal resources, such as treatment of transfer service costs.

Bonneville drafted the Policy to reflect the choices we, as a region, have collectively made on how load service should be provided under the next contracts. Trade-offs have been made to get to this point. For example, the Contract High Water Mark calculation represents a balance of adjustments that honor the intent of the current Regional Dialogue policy and contracts and adjustments that recognize the need to evolve as circumstances changed. While the Provider of Choice Policy will not bind future power sales contract approaches, we hope it signals that Bonneville takes the policy direction set in our contracts seriously.

While the draft Policy is written much like a final Policy, it does not reflect final decisions. The draft Policy is open for public review and comment through Friday, October 13, 2023.

Bonneville, after reviewing all public comments received will issue a final Policy along with a record of decision. As we contemplate adjustments between the draft and final policies, we will seek to balance the interests of customers and interested parties.

Offering long-term power sales contracts is among the most significant actions that Bonneville undertakes. This Policy is an important step toward offering those contracts and getting to the policy implementation and contract development phase where we will discuss load service and ratemaking details prior to offering contracts at the end of 2025.

I look forward to continued engagement on this Policy in the coming months, and I must emphasize the importance of submitting written comments to Bonneville by close of business on October 13. Your written comments, whether supportive or critical of draft policy elements, will be essential as Bonneville decides the final policy. Bonneville's goal is to find an approach that meets the needs of our customers and ensures we are able to provide reliable power delivery through 2044. Thank you for your ongoing participation in this crucial process.

Sincerely,

Suzanne Cooper  
Senior Vice President of Power Services

cc:  
John Hairston, Administrator  
Joel Cook, Chief Operating Officer  
Kim Thompson, Vice President for Northwest Requirements Marketing