



Department of Energy

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

POWER SERVICES

June 10, 2022

In reply refer to: PS-6

To Regional Customers, Stakeholders, and Other Interested Parties:

Benton PUD, Pacific PUD, Emerald PUD, Clark PUD, Grays Harbor PUD and Lewis PUD currently purchase the Slice/Block product under their respective Regional Dialogue Power Sales Agreements (Agreement). The Agreement allowed customers a one-time right to change product purchase obligation, effective October 1, 2019. That contractual right has expired. However, BPA stated in its October 2008 *Long-Term Regional Dialogue Contract Policy Record of Decision* that it would consider requests to change purchase obligations outside of the timing in section 11 of the Agreement on a case-by-case basis as long as it does not shift costs or risks to BPA and its other customers. Due to the large number of requests, BPA analyzed the customers' requests as a group.

Between November 2021 and March 2022, Benton PUD, Pacific PUD, Emerald PUD, Clark PUD, Grays Harbor PUD and Lewis PUD all requested an option to switch from the Slice/Block product to BPA's Load Following product effective October 1, 2023 through the remainder of the Agreement. The effective date requested coincides with the beginning of the Fiscal Years (FY) 2024-2025 Rate Period. The Regional Dialogue contract templates are available on BPA's Regional Dialogue website at: <https://www.bpa.gov/energy-and-services/power/regional-dialogue>. (See 20-year Regional Dialogue Contracts header.)

BPA performed rate and risk analysis of the customers' request to change purchase obligations. A summary of BPA's analysis can be found at BPA's Regional Dialogue website noted in the paragraph above. BPA has determined that if all six customers were to change their purchase obligations to Load Following, effective in October 2023, the conversion would neither impose added financial risks on BPA nor undue cost shifts to other customers. As a result, BPA is considering the customers' request and is proposing to: 1) allow these six customers the option to switch their purchase obligations, and 2) based on our analysis, not assess any charges to the customers.

BPA is requesting that interested parties provide written comment on the proposal. Comments must be submitted on the BPA website at: <https://publiccomments.bpa.gov/OpenCommentListing.aspx> by June 24, 2022.

At this time, BPA anticipates it will include in its BP-24 rate case proposal a mechanism that will balance any differential timing benefits of BPA's Financial Reserves Policy actions that may be realized after October 1, 2023.

If you have any questions, please contact your Power Services Account Executive.

Sincerely,

Melanie Spraggins
Deputy Senior Vice President for Power Services