



Customer Group

Slice Customer Comments on BPA's EIM Stakeholder Process - June 19, 2019

The ongoing evaluation by the Bonneville Power Administration (BPA) regarding joining the Western Energy Imbalance Market (EIM) is of high importance to public power customers who are purchasers of the Block and Slice products. The Slice Customer Group wants to express its gratitude for the time and effort expended by BPA's EIM team answering questions and working with our members throughout the EIM stakeholder process. The following represents Slice Customer Group comments related to BPA's principles for evaluating its participation in the EIM presented during BPA's EIM stakeholder meetings.

The Slice Customer Group supports PPC's revisions to BPA's Principles

The Slice Customer Group supports PPC's principles regarding BPA's participation in the EIM submitted by the Public Power Council to the Tech Forum on June 17, 2019. We believe PPC's revisions to BPA's principles address several of the Slice Customer Group's areas of interest and ask that BPA consider incorporating such revisions into the principles it will use to evaluate its ultimate decision to join the EIM. At present, BPA's four principles include:

1. Participation is consistent with statutory, regulatory, and contractual obligations.
2. Maintain reliable delivery of power and transmission to our customers.
3. Resource participation in the EIM is and always will be voluntary.
4. BPA's decision to participate in the EIM will be based on a sound business rationale.

Slice Customer Group suggested specificity associated with BPA's Principles

We appreciate the clarifications provided by BPA during the April 10, 2019 EIM Stakeholder meeting on the process BPA expects to use to make its final decision on joining the EIM. The clarified decision-making process expanded the significance of its four principles by applying them to the decision to sign the EIM Implementation Agreement as well as to the evaluation of its ultimate decision to join through execution of the EIM Entity Agreement. Given the important role of BPA's principles as evaluation criteria, the Slice Customer Group is providing comments to highlight areas where we believe PPC's revisions enhance BPA's principles:

1. We agree with BPA's third principle that both the decision to join and ongoing participation with resources should be voluntary. We also support the suggested revisions by PPC to this principle that takes a holistic approach to BPA retaining its ability to effectively exit the market with not only its resources, but also as an EIM Entity. This preserves BPA's flexibility in the event market redesign or future conditions change in such a way that continued participation is no longer in the best interests of BPA and its customers.



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2. We suggest that BPA consider adopting criteria or a process through which it will reassess if continued participation remains consistent with BPA's business needs and the objectives defined in its 2018-2023 Strategic Plan, in the event of any future EIM market redesign or tariff changes. We appreciate the inclusion of BPA's Market Context (Slide 5) in the May 15, 2019 stakeholder meeting materials that notes similar concepts. As a customer group we believe incorporating criteria of this nature into BPA's future processes is fundamental to its fourth principle. It serves as a reminder to capture and preserve the full value of the Federal power and transmission system.
3. While BPA's first principle establishes the bar by which BPA will evaluate impacts to customer contracts of joining the EIM, the Slice Customer Group still has concerns that changes stemming from EIM market rules - now, or in the future - could affect the carbon intensity of the BPA system mix, scheduling timelines, and markets under which we manage the Slice and Block contract that serves our customers. We believe that the principle PPC proposed as an additional, fifth principle recognizes our mutual intent to continue to work together to manage impacts so BPA can better achieve the full value of its EIM participation.

Again, we appreciate the level of engagement and responsiveness of BPA staff throughout the stakeholder process. Further, our leadership thanks BPA for its commitment to work with the Slice Customer Group throughout the implementation phase. The Slice Customer Group extends its thank you for the opportunity to provide input to BPA's EIM Stakeholder process.

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Benton PUD; Clark Public Utilities; Clatskanie PUD; Cowlitz PUD; Emerald PUD; Eugene Water and Electric Board; Franklin PUD; Grays Harbor PUD; Idaho Falls; Lewis PUD; Okanogan PUD; Pacific PUD; Snohomish PUD; Tacoma Power.