

Tacoma Power POC Post-2028 comments (February 6, 2023):

Tacoma is very appreciative of BPA's January 24th and 25th workshop presentation, discussion and the flexible modeling capability that BPA has developed. We believe it was a thoughtful and balanced approach with the conservation and load growth adjustments set at 50% and 25% respectively. However, it goes without saying that the amount of conservation add-back still feels a little light given the substantial investment and policy implications surrounding this issue.

Tier 1 System Size – Tacoma Power supports a system size between 7,000 and 7,250 with the assumption that the CGS uprate will be included in Tier 1. Our preference on system size is partly dependent on whether current system “obligations” that come off-the-top are reduced under POC CHWMs and any further refinement on augmentation costs are discussed and considered. We look forward to further discussions.

Transfer Service - We understand the concern with Tier 2 Transfer service (the “comparability issue”) and believe BPA's approach with regard to Tier 2 transfer service could be appropriate to resolve that issue. Other considerations could be to place Tier 2 transfer costs into the appropriate Tier 2 cost pools or functionalize those costs as Network segment costs. We believe Tier 2 transfer costs should not be placed into any Tier 1 cost pool.

TRM and Reset year - We commend BPA for upholding the intent of the Tiered Rates Methodology in developing its proposals and policy choices, including sending appropriate marginal cost price signals that will properly incent non-federal resource development in a timely manner. We also appreciate BPA's proposal and intent for using FY23 as the base reset year. This will provide more certainty for utilities in their integrated resource planning and more lead time for BPA's own long-term planning purposes.

Cost implication functionality – Finally, we request that BPA include the cost shift functionality into its newly released CHWM model for understanding both MWh and cost implications for each customer.

Again, a big thank you to the BPA team. We look forward to continuing the discussions with BPA and our preference customer constituents.