



Big Bend Electric Cooperative, Inc.

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March 17, 2023

Suzanne Cooper
Senior Vice President of Power Services

Kim Thompson
Vice President of Northwest Requirements Marketing

Submitted via email to post2028@bpa.gov

Dear Ms. Cooper and Ms. Thompson:

Big Bend Electric Cooperative (BBEC) is a load following customer served by both transfer and the BPA system and has had AHWM load for several years. We provide electric service to approximately 10,000 meters in rural eastern Washington. The following comments are in response to the Provider of Choice (PoC) policy development workshop facilitated by BPA on March 9, 2023.

- **Contract High Water Mark**
 - New Renewable Resources: BBEC believes that new renewable resources constructed should count towards the Net Requirements and should be treated equally to self-funded conservation in the CHWM calculation. If not, it will effectively reduce access to Tier 1 for those who have developed resources in line with RD.
 - Conservation Adjustment: BBEC supports the 50% add back adjustment for reported, self-funded savings.
 - Load Growth Adjustment: BBEC strongly believes the load growth *percentage* adjustment should be equal to the self-funded conservation adjustment. The amount of MWh that each result in is not the primary issue. It is a matter of equity among customers.
 - Headroom (Pro Rata Scale Up): BBEC strongly supports a pro-rata adjustment for headroom since these calculations are based on FY2023 loads. By the time PoC contract deliveries actually begin, the “headroom” created in this process may not actually exist. This would be an important tool to address potential seams issues that will accompany the changeover to the PoC contract.

Utility's who's *load forecast* is below the CHWM calculated will have the same scenario in the future and will be unharmed. Also, utilities would have time to create a resource plan ahead of facing AHWM loads. BPA would acquire resources in the same manner as it does now.

BBEC agrees that this issue is undeniably linked to the System Size discussion. Please see comments below.

- **System size**
 - System Size: BBEC is in support of a Fixed System Size set at 7,500 aMW. A larger system size will maximize preference power and rights for utilities in the region and would enhance and diversify the federal system to respond to future challenges. Using the model BPA released in January, BPA will not need the additional 500 aMW immediately as some customers will not have an immediate need, if ever.

- Resource Acquisition: BBEC agrees that resources selected for augmentation should be in alignment with NWPCC's power plan and should continue to follow BPA's regular processes and acknowledge the regulations its customers are under. The previous discussions of solar or CGS uprate were made as part of brainstorming solutions, not intended as actual suggested resources meant to supersede proper processes.
- System Size Changes: BBEC is in strong support of a Fixed System Size for planning certainty. However, BBEC would support a Tier 1 Threshold trigger of 500aMW and a process to determine the outcome of those changes. It is our opinion that this threshold should be only triggered due to large changes in the system.
- Adjustment Categories: BBEC believes that these loads, if/when they materialize, should be planned for in existing processes and added to BPA's customers' requirements by BPA acquiring additional resources to augment the Fixed System Size. These loads should not reduce the CHWM set for the contract period and thus negatively impact other customers access to Tier 1 power and the positive attributes it bears.
- **Non-Federal Transfer Service**-BBEC is encouraged by the material presented during the workshop related to this subject. We appreciate the constructive conversation.
 - Non-Federal Physical Resources: Support for physical resources is needed from BPA for all customers. BBEC sees the latest proposal as a step in this direction, but has more questions. We agree that the proper transmission planning should be the goal of the region. We encourage BPA to find a flexible way for this to occur under a responsive policy rather than a strict definition of "local."
 - Resources versus Market Purchases in RD:
BBEC would like to provide insight into its use of market purchases during the RD contract period.
 - As an individual utility, small amounts of power were needed
 - Due to the RHWM process changing the amount of Tier 1 allotted, time frames to acquire a physical resource were too short
 - RSS costs for smaller (5 aMW or smaller) solar made the delivered costs prohibitive
 - The history of our market purchases is not indicative of the future as many variables in WA state have changed, including our need for increased amounts of power and carbon content restrictions. Additionally, BPA's proposals for small renewables would allow projects to be cost effectively constructed.
- **REC Marketing**
 - BBEC supports BPA issuing all RECs to its customers to manage.
- **Carbon Planning**
 - BBEC agrees the conversation needs to be continued. This is of great importance due to the recent regulations passed in Washington state.
 - BBEC reiterates that any PoC contract offer must enable a utility to meet regulations it is subject to now and in the future.

Respectfully,

Christina A Wyatt

Christina Wyatt
Manager of Power Supply