



Provider of Choice Product Switching

May 14-15, 2024

PROVIDER OF CHOICE

**POST
2028**



Workshop Objectives

Overview of Bonneville proposal for how and when customers could change their purchase obligation (product switching) under Provider of Choice contracts including timing and provisions.

Discussion on product switching proposal. If there is alignment on approach, next step will be contract redlines.



Policy and ROD Position

Provider of Choice Policy: Bonneville will include a one-time right for customers to request to change their purchase obligation to a different product during the contract period.

Conditions: A customer request to change products will be subject to cost-shift assessments and conditions such as defined election windows and/or requiring the start of power deliveries under the new product to align with the start of a rate period.



Bonneville Proposal

Product Switch Design and Intent

Bonneville believes a well-designed product switch:

1. Isolates stranded costs from impacting other customers.
2. Gives Bonneville sufficient time to plan (e.g., make resource acquisitions or prepare for operational changes).
3. Accounts for the product change in rate setting.
4. Provides customers time to adapt to meet their internal business needs in alignment with their new product choice.
5. Focuses Bonneville analysis and resources to a pre-determined time period.

Product Switch Opportunities

One-time Product Switch:

- Allows each customer to request to change its purchase obligation one time by requesting a change by the election deadline.
- Customer notifies Bonneville of the intent to switch products no later than May 31, 2033, for the switch to be effective at the beginning of FY 2037, on October 1, 2036.

Bonneville will consider ad hoc product switch requests, on a case-by-case basis.

- This would also require three-year notice and would be at Bonneville's discretion to grant the ad hoc request.

Product Switch Conditions

- Provide a **minimum of three-year notice** period.
- Power deliveries for the new product **needs to align with the start of a rate period.**
- **Subject to cost shift assessments** to minimize shifting costs between customers for a single customer switching products.
- Customer **may be subject to charges, in addition to the rates for the new service**, as a result of changing its purchase obligation
- Set **limitations based on peak load** that would increase Bonneville's capacity obligations.
- Depending on number of requests that come in, Bonneville may need to consider **staggering switches due to the workload associated with changing contracts.**

Discussion

- Are there any concerns with the proposed timing for the one-time product switch?
- Are there any parameters that need to be established for what qualifies for an ad hoc product switch?
- Are there any conditions not listed that should be included? Concerns with the proposed conditions?

Discussion



Appendix





Block and Product Switching

Product Switching - Additional Detail

A request to change block product options between the following options will be considered a product switch and will apply to the following change requests. And any variation of product choice within the Block product offerings.

Examples.

- A) Moving from a flat block to a shaped block.
- B) Moving from a shaped block to a flat block.
- C) Moving from a flat block to Block with Shaping Capacity.