



Provider of Choice Workshop NLSL

May 21, 2024



Objective

- Review NR rate methodology.
- Overview of NLSL service elections.
- Overview of proposed NR Rate Study Period.
- Discussion and input on NLSL implementation improvements.





NR Rate 101

NR Rate 101

- See NR Rate 101 Slides



NLSL Service Elections

NLSL Service Elections for Load Following

BPA will continue to require customers to make elections for NLSL service for the life of the contract.

- Customer electing service with their own Dedicated Resource must make that election.
 - Existing NLSL during Regional Dialogue – at Provider of Choice Contract Offer.
 - NLSL starting during Provider of Choice – at start of first monitoring period.
- Customers requesting service at the NR Rate must request a NR Rate Study and would make its election after study completion.

NLSL Service for Planned Product Customers

Bonneville will continue to require Planned Product customers to serve their NLSLs solely with dedicated resources.



DISCUSSION



Requirements for Service at the NR Rate

Service at the NR Rate

NR Rate Study Period

- BPA is proposing that it would establish in the Provider of Choice contracts up to a three-year study period for BPA to determine how to serve a customer requesting service for a NLSL at the NR rate.
- As described in the Provider of Choice Policy ROD, the study period would be up to three years from when the customer requested the study.
 - This study period is separate from any Transmission-related studies that might also be necessary but could run in tandem with such studies.
- At the conclusion of the study, BPA would offer the customer a plan of service that includes when service to the NLSL at the NR rate could begin. Then customers would make their service election for the NLSL for the term of the contract.
- Customers may start submitting initial requests to have BPA serve an NLSL at the NR rate under Prov of Choice no later than 60 days after CHWMs established. During Provider of Choice, customers may make NR Rate Study requests on a rolling basis.

Study Details

- Depending on timing of customer request, the NLSL (if not already reflected in the current needs assessment) will be included in next needs assessment and Resource Program.
- BPA conducts its Resource Program on a biennial basis to develop least-cost portfolios of resources that meet BPA's expected needs.
- When applicable/appropriate, results from the current published Resource Program may be used to evaluate the customer request in the plan of service.

Study Details Continued

Once the load is included in the Resource Program, Bulk Marketing will take the following steps (this is the same for all the sample customers):

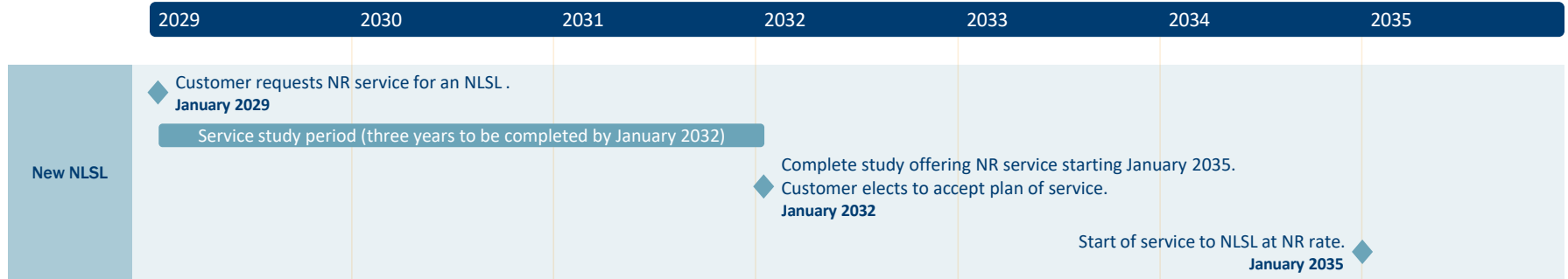
- Review Resource Program
 - Review needs assessment, including the NLSL forecast
 - Review identified resources (market reliance and gen resources)
- Depending on need and availability (multiple approaches could be required):
 - Use available FCRPS inventory
 - Canvas for potential market purchase(s)
 - Outreach for procuring the output of resource(s) (this could include an RFI, RFO, or less formal approach)
- Provide applicable data to appropriate internal organizations (Requirements Marketing, Rates, etc.)
- All major acquisitions (over 50aMW and 5 years) will require a 6(c) Process resulting in a Record of Decision.

Sample NR Service Timelines



Example 1: A customer requests NR service for an existing NLSL (15 aMW) when the customer signs its Provider of Choice contract in December 2025. Bonneville starts its three-year study period but only needs two years to complete its study (December 2027). Based on study results, Bonneville offers NR service starting October 1, 2028, and the customer elects NR service.

Sample NR Service Timelines



Example 2: A customer notifies Bonneville in January 2029 of a possible NLSL (100 aMW) and requests NR service. Bonneville starts the three-year study period and ends up needing the full three years to complete its service study (January 2032). Based on study results, Bonneville offers NR service starting in January 2035, which the customer elects.

Risk Management

Bonneville is considering contract and rate tools to avoid cost shifts if NLSL(s) leave the NR rate pool due to loss of load.

- Charging an Exit Fee for load no longer taking NR rate.
- Remarketing of power that would have been served at the NR rate, with the customer to pay difference between the NR rate and remarketed value.



DISCUSSION



NLSL Implementation Improvements

Other Implementation Efficiencies

During workshops or through comments, customers have expressed interest in other implementation efficiencies. BPA is willing to discuss other efficiencies not precluded by the NLSL Policy or Provider of Choice Policy. Those include:

- Streamlining Facility Determinations
- Load Forecast Timing
- Other



DISCUSSION