



Unspecified Resources under Provider of Choice Contract

May 29, 2024

PROVIDER OF CHOICE

**POST
2028**





Background

Unspecified: Background and Use under RD

- Under the Regional Dialogue contract, Unspecified Resources have been consistently used by both Load Following and Planned Product customers to serve Above-RHWM Load.
- These resources provided flexibility for customers to make market purchases, or unnamed purchases from specific generators.
- Customers did not have to dedicate a 5(b)(1) Specified Resource amount that would have to be dedicated for the life of the resource, or otherwise meet the higher threshold resource removal criteria in the Northwest Power Act.
- Unspecified Resources provided a mechanism for customers to integrate joint power purchases, or purchase partial generation amounts from resources. Resource owners sold specific guaranteed contractual amounts backed by the physical resource.

Background – RD Load Following

Under the Load Following contract, BPA serves the customer's hourly net requirements so in exchange for the flexibility provided by Unspecified Resources the Contract requires:

- Customers to schedule Unspecified Resources* in flat hourly amounts.
- Commit to an hourly schedule for the Rate Period.
- If customer fails to schedule on any hour, they are subject to the Energy and Demand UAI rate.

Load Following customers and customer representative groups have appreciated BPA providing this flexibility option under the otherwise restrictive rules of the Load Following product.

*Note - Unspecified Resource amounts get tagged from a specific source to load at preschedule

Background – RD Planned Products

- A major purpose of the Planned Product is to allow customers to manage their resources to serve their actual loads.
- The use of Unspecified Resources in the Planned Product ensures the customer is able to provide all necessary resources beyond the customer's Specified Resources and BPA's obligation.
 - The customer receives a planned amount of power from BPA and the customer uses unidentified power sources to manage its hourly loads.
- Since BPA does not require the customer to tell BPA (in the contract) how they plan to operate and/or serve their loads, BPA calls these unidentified power sources 'Unspecified Resources'.
 - these Unspecified Resource amounts are a mechanism to account for the customer meeting its obligation.
- This is codified through the Net Requirements process and the Contract.



Provider of Choice Considerations

What is changing?

- Western Resource Adequacy Program (WRAP) and the potential Day-Ahead Market (DAM) are changing the way the industry plans for serving loads and capacity, and accounting for generation available in the Region.
- New planning and delivery requirements have emerged.
 - Includes the requirement for specifying physical generation to meet forecasted capacity and load needs.
- The requirement to provide information on the physical resources (even those identified as Unspecified Resources) to BPA may not be new, but the timing to provide it could be different.
 - Many of the informational requirements for WRAP/DAM are already required by BPA Transmission (e.g. much of the information is required for designating a network resource for firm transmission under NT).
 - Power Services will require additional data to meet WRAP data submittal timeframes for Advance Assessment, Forward Showing, and OPS program.

Preserving Flexibility while meeting BPA's Obligations for WRAP and potential Day-Ahead Market

- BPA would like to continue to offer the flexibilities provided by Unspecified Resources in the Provider of Choice contracts.
- This will require new planning and delivery requirements to ensure that physical resources support the contractual amounts sufficient to meet WRAP/DAM requirements.
- BPA proposes to include new planning and delivery requirements for Unspecified Resources (including Unspecified Resources serving NLSLs).
 - The goal will be to ensure BPA has all the planning and delivery requirements needed for purposes of meeting WRAP/DAM obligations.

Proposed Unspecified Requirements

- At this point, the new planning and delivery requirements for purposes of BPA meeting its obligations under WRAP/DAM are limited to Load Following customers.
 - BPA is the Load Responsible Entity (LRE)/Market Participant for Load Following customers and holds the obligations in WRAP/DAM.
- Planned Product customers are expected to be their own LRE/Market Participant for WRAP/DAM.
 - BPA would not hold any obligations under WRAP/DAM, aside from the planned amount of power BPA provides.

Unspecified Specified Resource Requirements for POC Contract

- To reduce confusion, BPA plans to **rename ‘Unspecified Resources’ to ‘Committed Power Purchase’**.
- BPA plans to add planning and delivery requirements provisions for Committed Power Purchases in the Load Following contract.
 - See next page for examples.
- BPA may need to adapt requirements for individual Transfer Service arrangements.

LF Contract: Example Planning & Delivery Requirements

- 12 months in advance of each binding season (Five months in advance of Forward Showing), customer provides BPA the physical resource'(s) QCC and joint accreditation form signed by both parties (buyer and seller).
 - Note, at this point customers may have as many different resources as they want to meet their Unspecified Resource obligation, however they must be served by physical resources.
- 30 days in advance of operating day customer provides BPA a forecast of physical resource(s) generation schedule
- Day-Ahead customer locks-in physical resource'(s) schedule.
- Failure to deliver or provide BPA any required information associated with the Committed Power Purchase will result in any applicable charges or penalties as provided in the Wholesale Power Rate Schedules and GRSPs, such as the Unauthorized Increase Charge.



Discussion