



Load Following Dispatchable Non-federal Resources

September 9, 2024



Workshop Objectives

- Inform on new capacity requirements for Load Following customers with dispatchable non-federal resources that are Existing Resources.
- Opportunity to ask clarifying questions.



Background

Dispatchable Resources are resources with flexible capacity that allow discretion to shape the energy output in a way that creates benefits such as following load or optimizing the market value of the resources' output.

BPA's Load Following product meets a customer's hourly net requirements by providing all the power they need to meet their load beyond what their dedicated resources provide. Therefore, BPA needs access to the flexibility available from a customer's dispatchable resources to ensure that flexibility is optimized to reliably meet the customer's hourly load.

Background (cont.)

- Customers with dispatchable resources had not chosen the Load Following product during the Regional Dialogue and Subscription contracts.
- Regional Dialogue contracts require the customer to commit to **flat hourly heavy load hour (HLH) and light load hour (LLH) monthly amounts** they provide to serve their load for the term of the contract. Consistent with other Regional Dialogue provisions, BPA did not address capacity at any further granular level.
- BPA will have two Load Following customers in 2026 with dispatchable resources.

Provider of Choice Approach

- BPA will continue to require that the customer serve its load with the monthly firm energy output amounts of their resources.
- BPA will **add granularity to the shape of that energy, requiring the right to reshape those energy amounts** equivalent to the inherent flexibility of that resource.
- The new information will be captured in the Provider of Choice contract exhibits.
- The number of dispatchable non-federal resources that are Existing Resources is limited. The majority of customers with dispatchable resources are expected to elect a planned product over the Load Following product.

Customer retains resource operations

- BPA **will not dictate** how a customer operates its dispatchable non-federal resources.
- The new requirements will establish the amounts of power the customer will commit to provide to serve its own load creating planning and operational certainty to how much load BPA must serve.
- While the amounts are based on the dispatch of non-federal resource capabilities, how the customer ultimately chooses to meet that contractual obligation is up to them.

Implementation Overview

- Implementation will be similar to the rules BPA is establishing for the Block product with Shaping Capacity.
- BPA plans to create a virtual contract version of the customer's dispatchable resources, which will allow BPA Operations to establish hourly energy amounts that will apply to load using their resource characteristics.
 - BPA plans to constrain the flexibilities using ramp rates, minimum delivery amounts, and first half of the month energy requirements equivalent.
- Customers that do not meet these obligations would face UAI charges.

Establishing Amounts

- BPA will continue to require that customers bring the monthly firm energy established for their resources.
 - Customers with Regional Dialogue contracts have established these amounts in Exhibit A.
- BPA will establish capacity amounts by working with customers to develop the appropriate capacity and constraints on that capacity. There is no one-size-fits-all.
 - BPA will work with customers to evaluate operational constraints as well as other constraints such as emissions limits.
 - Capacity amounts and shaping rules will be established in contracts.
- The customer will receive a reduction in its Demand Charge for the guaranteed capacity that they are providing through their resource.

Operational Details

BPA would establish hourly amounts ahead of the day-ahead market run subject to the constraints described below. The contract would establish:

- Hourly maximum and minimum amounts.
 - Maximum would be based on dedicated resource capability. A resource could have more than one capacity amount as BPA recognizes a resource might only be able to operate at its highest peak for a few hours.
 - Minimum would be determined on a case-by-case basis; for hydro resources would be set at 60% of the monthly energy.
- Ramp rates.
 - BPA will assume a default ramp rate of 20% like established under the Block with Shaping Capacity product. Customers can work with BPA to establish unique ramp rates if needed.



Questions?