From: Ryan Neale

Sent: Wednesday, September 11, 2024 2:37 PM

To: Post-2028

Subject: Section 3.6 Consumer Owned Resources

Good Afternoon - This comment is regarding the Section 3.6 Consumer Owned Resources

language shared and discussed at the September 9th PoC workshop.

Proposed Section 3.6.3 currently includes the following language:

"If a Consumer-Owned Resource exceeds the On-Site Consumer Load, then BPA may adjust «Customer Name»’s Total Retail Load used to bill for energy purchases to ensure «Customer Name» pays for energy that was otherwise displaced by the amount of generation of the Consumer-Owned Resource that exceeds the On-Site Consumer Load on any hour."

My understanding is that the above language is intended to ensure that excess generation from a Consumer-Owner Resource does not undermine a customer's Tier 1 take-or-pay obligation to BPA. However, BPA and customers should consider the above language in light of the Marginal Energy True Up (METU) that BPA proposes in the draft PRDM for Load Following Condition 2 where a customer's annual sum of Actual Tier 1 Load is greater than its CHWM. Under those circumstances, the customer is subject to the METU based on the difference between its Actual Hourly Tier 1 Load for the year and its CHWM. If there is a Consumer-Owned Resource that exceeds the On-Site Consumer load for a Load Following Condition 2 customer, then such excess generation would reduce the Condition 2 customer's annual Actual Hourly Tier 1 Load (and thereby reduce the METU billing determinants) but the Condition 2 customer's Tier 1 take or pay obligation would still have been met (we know this because they are in Condition 2). Accordingly, under such

circumstances, there should be no adjustment to the customer's Total Retail Load under proposed contract Section 3.6.3 because the excess generation did not displace the customer's Tier 1 purchase obligation but instead excess Tier 1 energy (for which there is not take-or-pay obligation) that would have been subject to the METU because it exceeded the customer's CHWM.

Please let me know if you have any questions regarding the above.

-Ryan