



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

POWER SERVICES

July 18, 2024

In reply refer to: PS-6

To Regional Customers, Stakeholders, and Other Interested Parties:

Clark PUD, Emerald PUD and Snohomish PUD currently purchase the Slice/Block product under their respective Regional Dialogue Power Sales Agreements (Agreement). The Agreement allowed customers a one-time right to change product purchase obligation, effective October 1, 2019. That contractual right has expired. However, BPA stated in its October 2008 *Long-Term Regional Dialogue Contract Policy Record of Decision* that it would consider requests to change purchase obligations outside of the timing in section 11 of the Agreement on a case-by-case basis as long as it does not shift costs or risks to BPA and its other customers.

Between February 2024 and March 2024 Emerald PUD, Clark PUD, and Snohomish PUD all requested an option to change its purchase obligation from the Slice/Block product to BPA's Load Following product effective October 1, 2025 through the remainder of the Agreement. The effective date requested coincides with the beginning of the Fiscal Years (FY) 2026-2028 Rate Period. The Regional Dialogue contract templates are available on BPA's Regional Dialogue website at: [Regional Dialogue - Bonneville Power Administration \(bpa.gov\)](https://www.bpa.gov/RegionalDialogue)

BPA responded to the requests with a letter to all Slice/Block customers offering a final opportunity to change its purchase obligation under Regional Dialogue subject to BPA's analysis and customer's consent to certain conditions. BPA required customers to notify BPA by June 30, 2024 to be included in the analysis. At the close of June, BPA received requests from three customers: Clark PUD, Emerald PUD and Snohomish PUD. BPA performed rate and risk analysis of the customer's requests in aggregate. A summary of BPA's analysis can be found at BPA's Regional Dialogue website noted in the paragraph above. BPA has determined that if all three customers were to change their purchase obligations to Load Following, effective in October 2025, the conversion would not impose undue cost shifts to BPA or other customers. As a result, BPA is considering the customers' requests and is proposing to: 1) allow these three customers to change their purchase obligations, and 2) based on BPA's analysis, not assess any additional charges to the customers due to the product change. These three customers would remain responsible for any existing obligations incurred under their respective Agreements prior to the product change including those comparable to the types of costs Bonneville has found in previous product switching analysis, balancing the timing differences of when costs are incurred between the two products.

BPA is requesting that interested parties provide written comments on this proposal. Comments must be submitted on the BPA website at [Public Comments \(bpa.gov\)](https://www.bpa.gov/PublicComments) by July 31, 2024.

At this time, BPA anticipates it will include in its BP-26 rate case proposal a mechanism that will balance any differential timing benefits of BPA's Financial Reserves Policy actions that may be realized after October 1, 2025.

If you have any questions, please contact your Power Services Account Executive.

Sincerely,

Suzanne B. Cooper  
Senior Vice President for Power Services