

April 8, 2021

RE: Post-2028 Product and Contract Development

Thank you for your consideration of these comments regarding the development of options for post-2028 products and contracts. We appreciate BPA staff's engagement and presentation of initial staff "leanings" regarding Interests and Foundational Tenets for post-2028. While many of these interests and tenets are generally in line with customer interests, execution is essential. Further, it must be emphasized that customers are not seeking a straight roll-over of current products and terms with minimal changes. PPC would like to highlight several initial areas of concern for future discussion and points of further emphasis.

First, many PPC members have substantial concerns regarding the proposed timeline in BPA's Provider of Choice initiative. Integrated resource planning and ultimately development of generating resources is a time intensive process. Customers need as much certainty as possible on core elements and product structure within the next year. We recognize that there may be continuing evolution as circumstances change and new information becomes available, but customers need solid, foundational information on which to build their decision-making processes. We look forward to working with BPA to prioritize discussion on the elements of product and contract development to meet this need.


Similarly, we are aware that both BPA and customers have a fundamental shared interest in defining whether some type of "tiered" structure going forward is appropriate. PPC members have not expressed any interest in returning to a construct where BPA takes on a role of meeting load growth on a melded basis. From that perspective, the foundational concept of the Regional Dialogue contracts continues to be relevant. At the same time, there are many important discussions to be had on how to define the "base" system for post-2028, including definition of critical output and potential for augmentation.

Although many aspects of current products work well in today's environment, the technological and regulatory landscape is rapidly changing. Additional products and significant modifications must be examined to provide utilities with desirable options to meet, for example, peak loads and emissions requirements. This must be achieved with an eye toward equity among customer classes.

Finally, a long-term contract structure is a potentially desirable goal but depends on the value proposition. In a rapidly/dramatically changing environment, there must be adequate optionality to allow for adaptation. Customers also need certainty around cost, including real transparency and accountability. Open ended commitments for increasing program costs or changes in financial policy will not be acceptable going forward. We look forward to working with BPA to find solutions in this area that work for both the agency and customers. Ultimately if the value proposition of new contracts is there, the issue of contract length will naturally resolve itself to all parties' satisfaction.

PPC appreciates the opportunity to work collaboratively on new product and contract options for post-2028. PPC members have an ongoing, shared interest in capturing the value of the FCRPS. Development of the best possible BPA options for post-2028 power supply supports the Northwest public power mission to provide residents and businesses with affordable, reliable, and environmentally responsible power at cost.

Sincerely,

A handwritten signature in black ink, reading "Michael Deen", enclosed within a thin black rectangular border.

Michael Deen

Policy Director, Public Power Council