



Department of Energy

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

POWER SERVICES

September 1, 2020

In reply refer to: PS-6

To Regional Customers and Interested Parties:

Bonneville Power Administration (Bonneville) held a customer workshop on August 4, 2020 as part of the BP-22 Rate Period High Water Mark (RHWM). Following the workshop, Bonneville opened a public comment period from August 5 to August 19, 2020. Bonneville received comments from Salmon River Electric Cooperative, Inc. (Salmon River), Snohomish PUD, and Northwest Requirements Utilities (NRU). This letter responds to those public comments.

1. Salmon River

Salmon River commented that it intends to dedicate the Rock Creek Hydro resource starting in FY 2021. This resource is a qualifying resource under the Public Utilities Regulatory Policy Act. As such section 3.5.8 of the Regional Dialogue power sales contract accommodates the addition of such resources by a customer. Rock Creek Hydro will be treated as a Small Non-Dispatchable New Resource Being Treated Equivalently to an Existing Resource, or SNEER. Bonneville is working with Salmon River to finalize the annual resource amounts for its Rock Creek Hydro resource. BPA will incorporate those amounts into the calculation of Salmon River's FY 2022 and FY 2023 Existing Resource amounts in its Final BP-22 RHWM outputs.

2. Snohomish PUD

Snohomish PUD provided Bonneville with an updated load forecast for FY 2022 and FY 2023. Bonneville has reviewed the updated load forecast, and will update Total Retail Load amounts for FY 2022 and FY 2023 for Snohomish PUD in the Final BP-22 RHWM outputs.

3. NRU

RHWM Process

Bonneville recognizes NRU's concern over the T1SFCO reduction, and the impact that reduction has on firm power customers. Bonneville provided a detailed explanation of that reduction within the BP-22 RHWM process, and also a detailed crosswalk of the impact from changes on river and dam operations to comply with fish and wildlife obligations on firm and 80 year average generation since the BP-16 RHWM process. Bonneville appreciates NRU's detailed and timely questions regarding the BP-22 RHWM process. In light of the ongoing Columbia River System Operations environmental review process, Bonneville coordinated those results and impacts into this Rate Period High Water mark process. Doing so ensured important consistency and accuracy, but impacted our response timing. We understand and regret that this process did not meet with NRU's needs; Bonneville strives for transparency and timeliness in all of its public processes. Each time we implement this process, we look for ways to improve it for the future.

NRU's comments provided clear insight for improvement. In the future, staff will ensure we notify customers and interested parties through Tech Forum emails and will continue to look for venues to better coordinate with all stakeholders.

Extension of New Tribal Utility CHWM Augmentation

If BPA receives a written request from a New Tribal Utility to adjust its CHWM, BPA will work with the requester to identify a path that the requestor agrees provides certainty and value. Should the request require an extension of the CHWM augmentation for New Tribal Utilities, BPA commits to opening a Tiered Rate Methodology (TRM) revision process, as described in section 12 and 13 of the TRM.

The Final BP-22 RHWM outputs are scheduled to be made available by September 30, 2020.

Please contact Kathryn Patton (kbatton@bpa.gov, 206-220-6785) for further information.

Sincerely,

Kim Thompson
Vice President, NW Requirements Marketing