



PUBLIC UTILITY DISTRICT NO. 1 of Cowlitz County, Washington

Submitted via email:

post2028@bpa.gov

Cowlitz Public Utility District ("the District") is thankful for the comprehensive materials presented at the December 8th Provider of Choice Workshop that recapped Bonneville's (BPA) efforts this past year and helped level-set its customers around a potential path forward for a successful new long-term contract. The high-level product overview that BPA staff presented was a helpful reminder of where we have been and is a good launching point for the post-2028 product offerings.

The District would like to ensure that BPA continues to offer several viable and equitable products from which customers can choose for load service. The future contract should focus on enhancing today's products to better align with current and anticipated market dynamics without creating costs shifts or unduly burdening one customer class with unnecessary constraints. One such constraint to which the District, and all Slice/Block customers, have been subject is the Requirements Slice Output (RSO) test.

We would like to acknowledge and thank BPA for its willingness to revisit the implementation of the RSO during the Provider of Choice discussions. The District sees a fundamental disconnect between the Slice allocation methodology and the RSO test as it is currently applied. Slice is allocated based on the annual amount of critical Slice electricity necessary to meet a customer's annually forecasted Net Requirement for Slice. However, the RSO test is implemented as a monthly test designed to demonstrate that this critical Slice electricity is being used to serve requirements load. Under the current Slice RSO test, it has been proven to be mathematically impossible to pass the monthly RSO test, resulting in the need to create a deeming requirement in order for the customer to pass the test. Given the inherent uncertainty during any given month around the amount of Slice output and load, the District recommends, at a minimum, that BPA commit to revisiting the current deeming criteria.

An additional concern of note is the disincentive created to use non-federal power (including other carbon-free resources) to serve the customer's load due to the practical requirement of bringing as much Slice power to load as possible in order to pass the RSO test. Having the flexibility to take our non-Federal resources to load is becoming ever increasingly important to Washington utilities as state clean energy obligations mandate use of 100% clean and non-emitting resources to serve retail electric load.

The District looks forward to partnering with BPA and other preference customers to ensure the products offered come post-2028 are robust and viable enough to cover the requirements of all the differently situated utilities in the region.