

Meeting Logistics and Facility & Safety Awareness

MEETING LOGISTICS

Thank you for attending tonight's board meeting.

EWEB management and subject matter experts are present in the room and virtually. The meeting is being live streamed and recorded.

Please note that there is not an opportunity for public comment during work sessions.

FACILITY & SAFETY AWARENESS

Visitor access is limited to the board meeting room and restrooms.

Restrooms are located on the 1st floor; exit through the interior door at the back of the room and a Security Officer will direct you to the location.

In the event of an emergency, (such as a fire or security incident) follow all instructions given by staff.

If evacuation is required, please calmly proceed to the nearest safe exit as identified and directed by staff and evacuate away from the building to the farthest points in the parking lots to allow clear and immediate access for first responders.

EWEB Board Work Session

April 15, 2025

Eugene Water & Electric Board



Energy Resource Study BPA Product Decision

Final Modeling Results
April 2025



Eugene Water & Electric Board



Agenda

- 1) Product Decision Timeline
- 2) Quantitative Modeling Results
- 3) Qualitative Considerations
- 4) Next Steps

Bonneville
POWER ADMINISTRATION



Chief Joseph Dam

BPA Product Choice Timeline

**5/6 Board Meeting:
Initial BPA Product
Recommendation**

**7/8 Board Meeting:
Board Resolution
Authorizing GM to
Sign**

April 2025

May 2025

June 2025

July 2025

Dec 2025

**Today's Work Session:
ERS: Final Results of
BPA Product Analysis**

**6/17 Work Session:
Board Review of
Management's BPA
Product
Recommendation**

**EWEB staff
working with BPA
to finalize
contract**

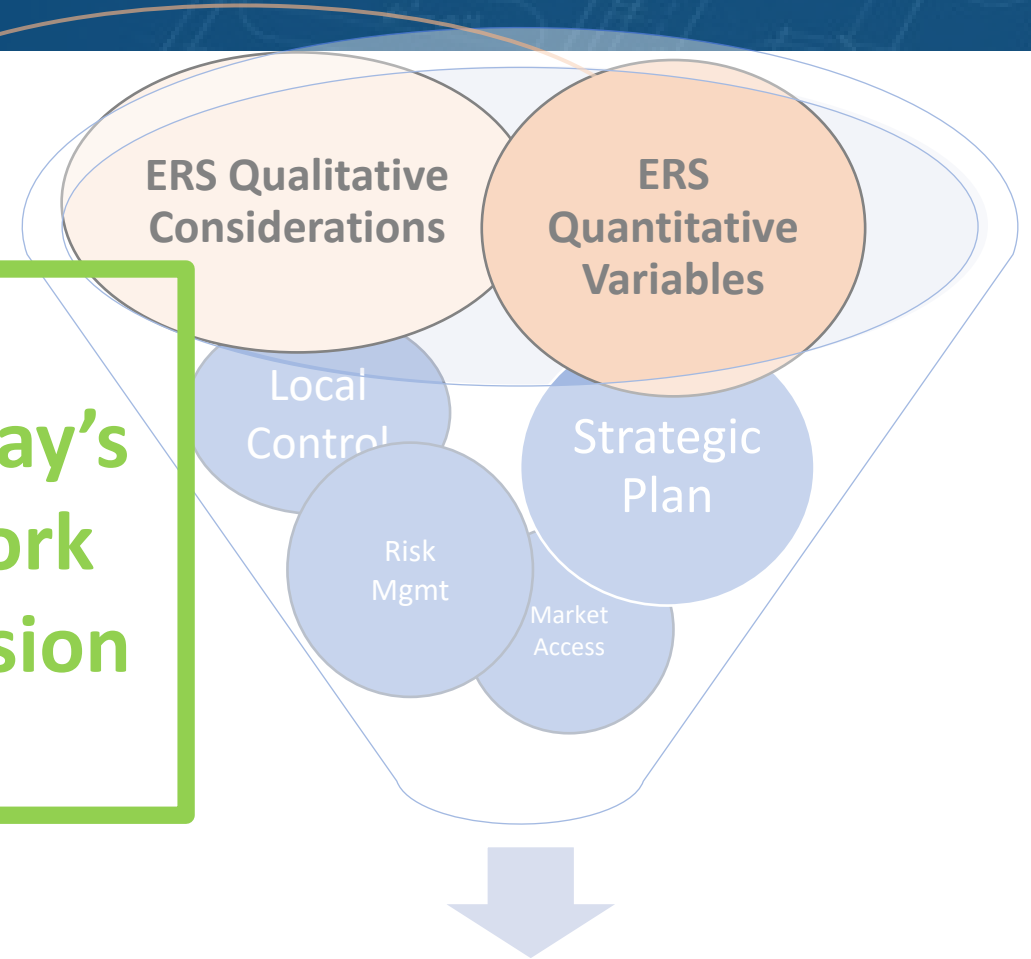
**GM signs
new BPA
contract**

ERS Key Part of Product Decision

Quantitative Variables Matrix

	Load Following	BWS+ PLVS	Slice/Block
BPA Service Level	High	Mid	Low
BPA Costs (Rates x Billing Determinants)	\$\$\$	\$\$	\$\$
Non-Fed Resource Costs	\$	\$\$	\$\$\$
Additional Services/ Product Optimization Costs	\$	\$	\$
All-in Total Costs (20 yr)	\$\$\$\$	\$\$\$\$	\$\$\$\$

Today's
Work
Session



BPA Product Decision

ERS Study

Modeling Results & Findings

Brief Methodology Reminder

BPA Rates Model
\$\$



**Non-Federal
Resource Optimizer**
\$\$



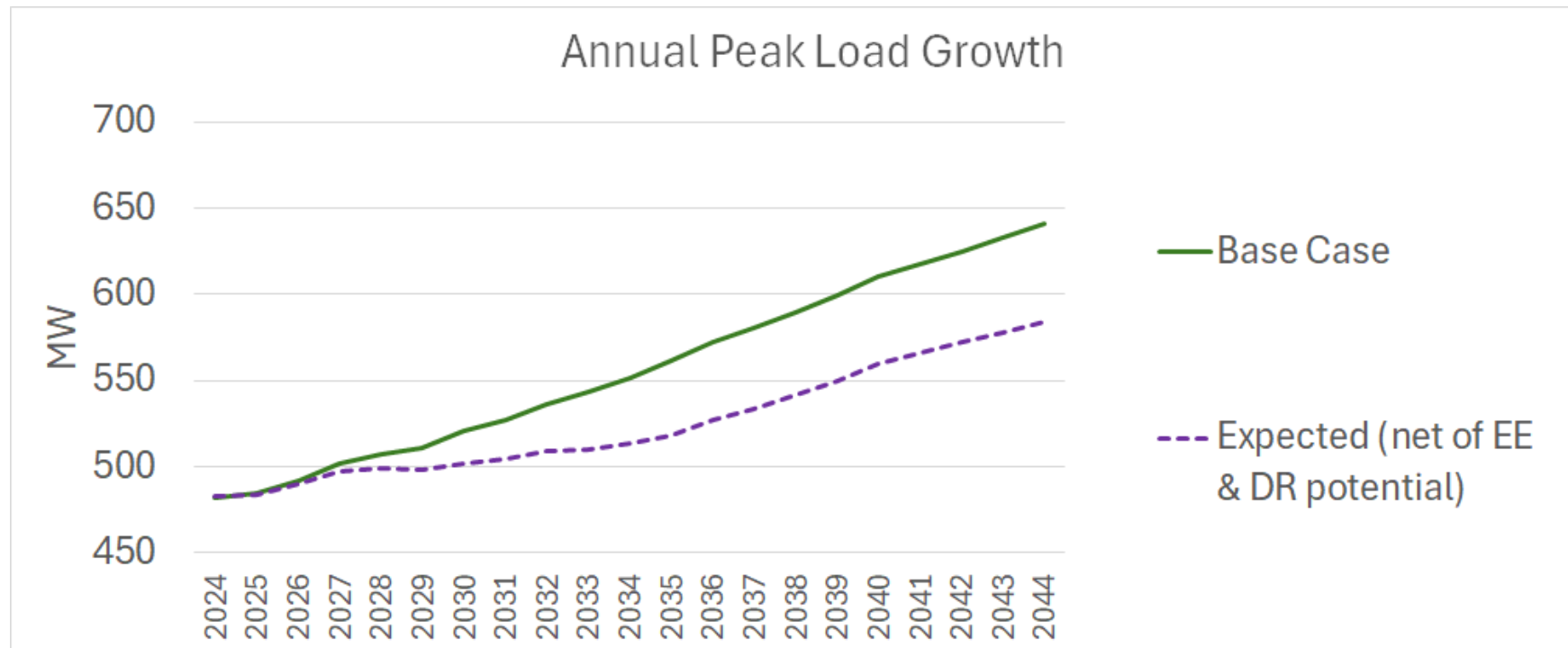
Total Portfolio Cost
\$\$\$\$

McNary Dam

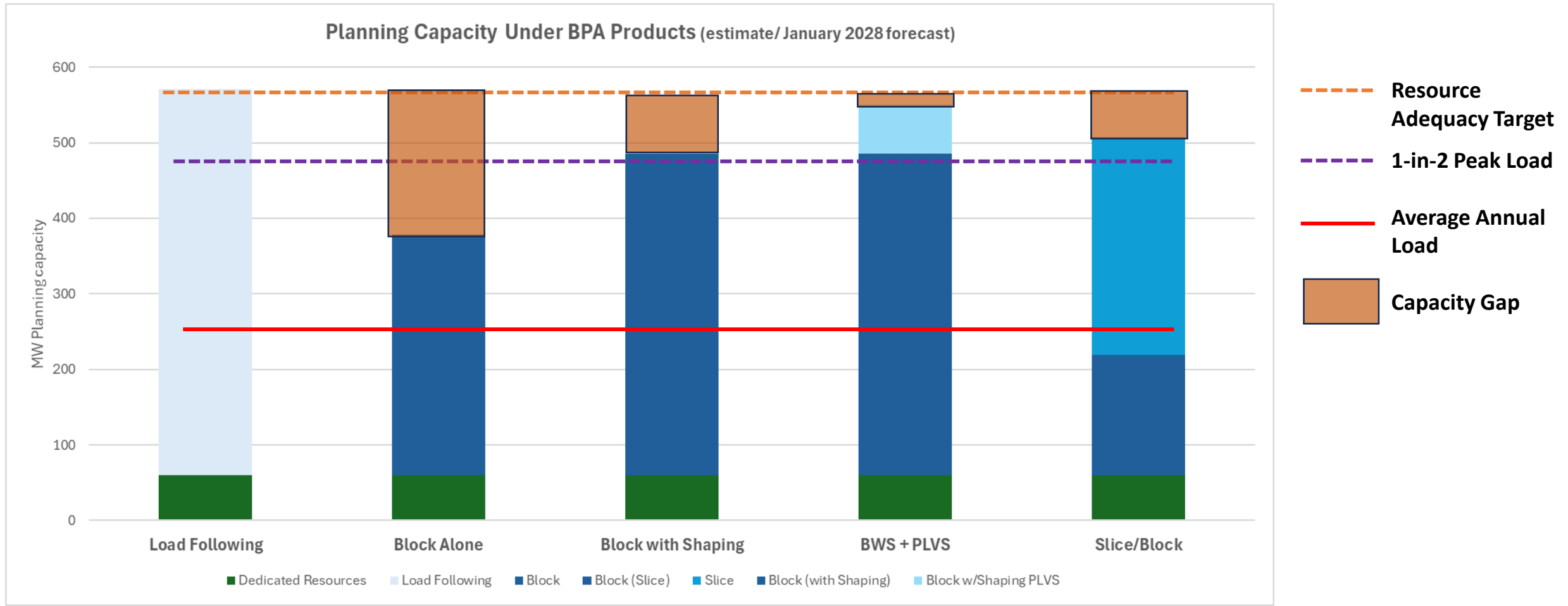
Expected Case = Most Likely Future

Assumes:

- Modest load growth by pursuing Conservation & Demand Response
- BWS Peak Load Variance Service does not fill all EWEB WRAP needs
- New, non-federal capacity costs are roughly double cost of BPA Tier 1 capacity

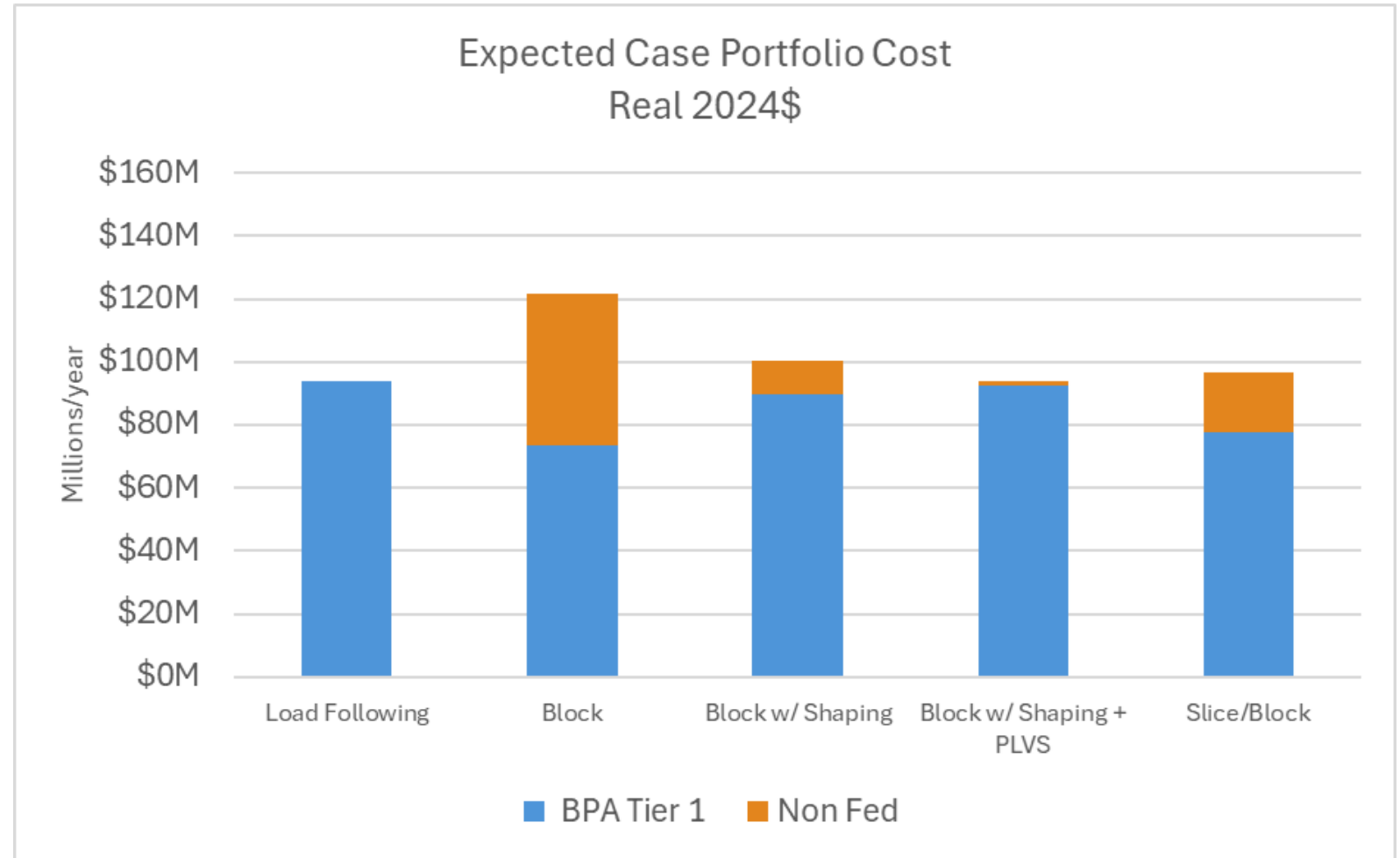


Recap: Who fills the capacity gap differs between products



Non-Federal Capacity Costs Differ Between Products

- Non-Federal Capacity key driver of cost differences + uncertainty
- LF and BWS+PS have smallest gaps + least cost



Leading Products Still The Same

- Load Following, Block with Shaping + PLVS still leading candidates.
- BPA provided multiple options for PLVS, Winter most often was least cost option.

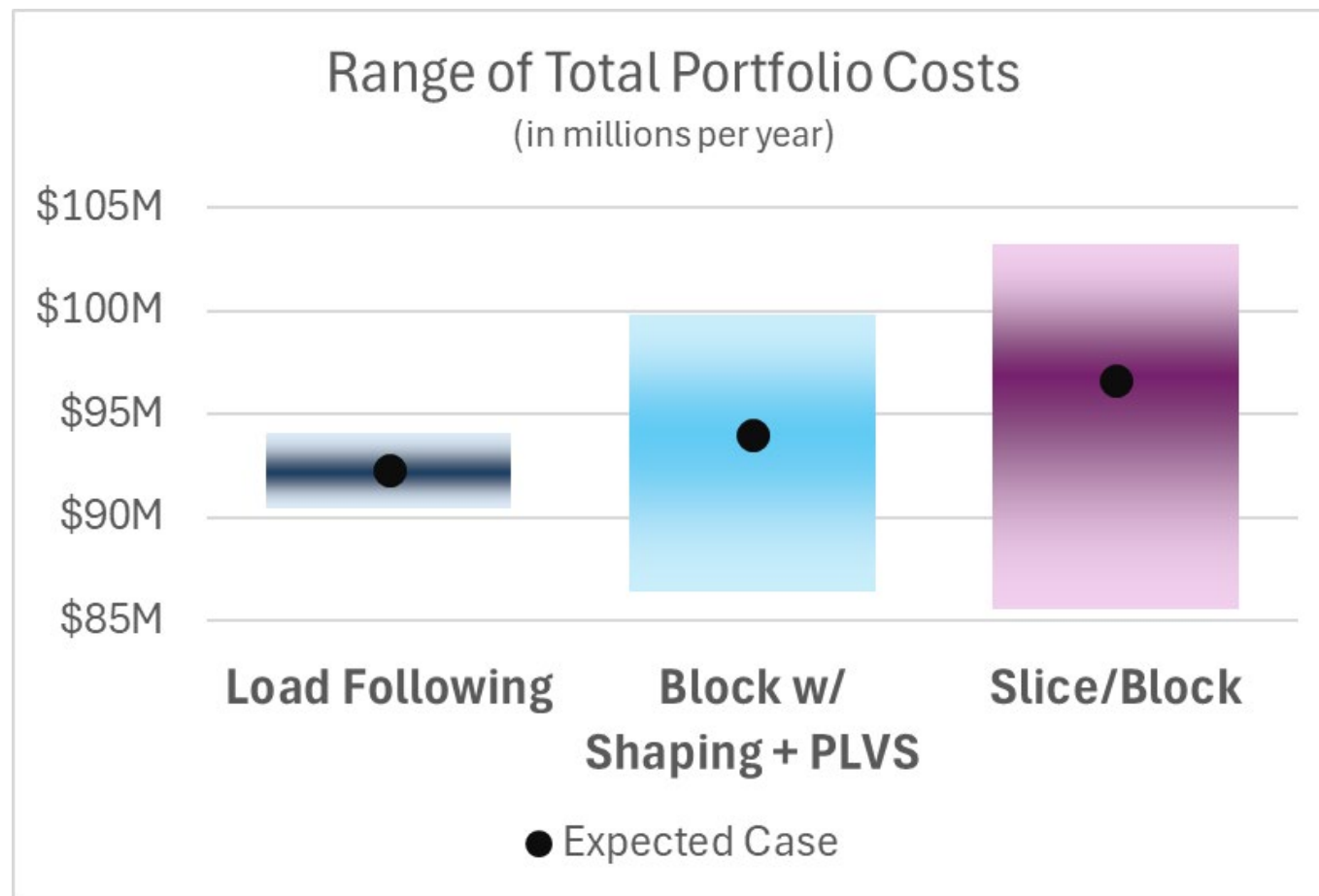


Expected Case & Sensitivities

Expected Case Assumes:
Load net of EE and DR

Sensitives tested

- BPA Rate Uncertainty
 - PLVS Billing
 - Demand Charge
- Non-federal resource cost
- Market capacity costs
- PRM uncertainty



Expected Case & Sensitivities

Key Takeaways:

LF has least amount of uncertainty,
BWS is expected to be +\$1.6M/yr

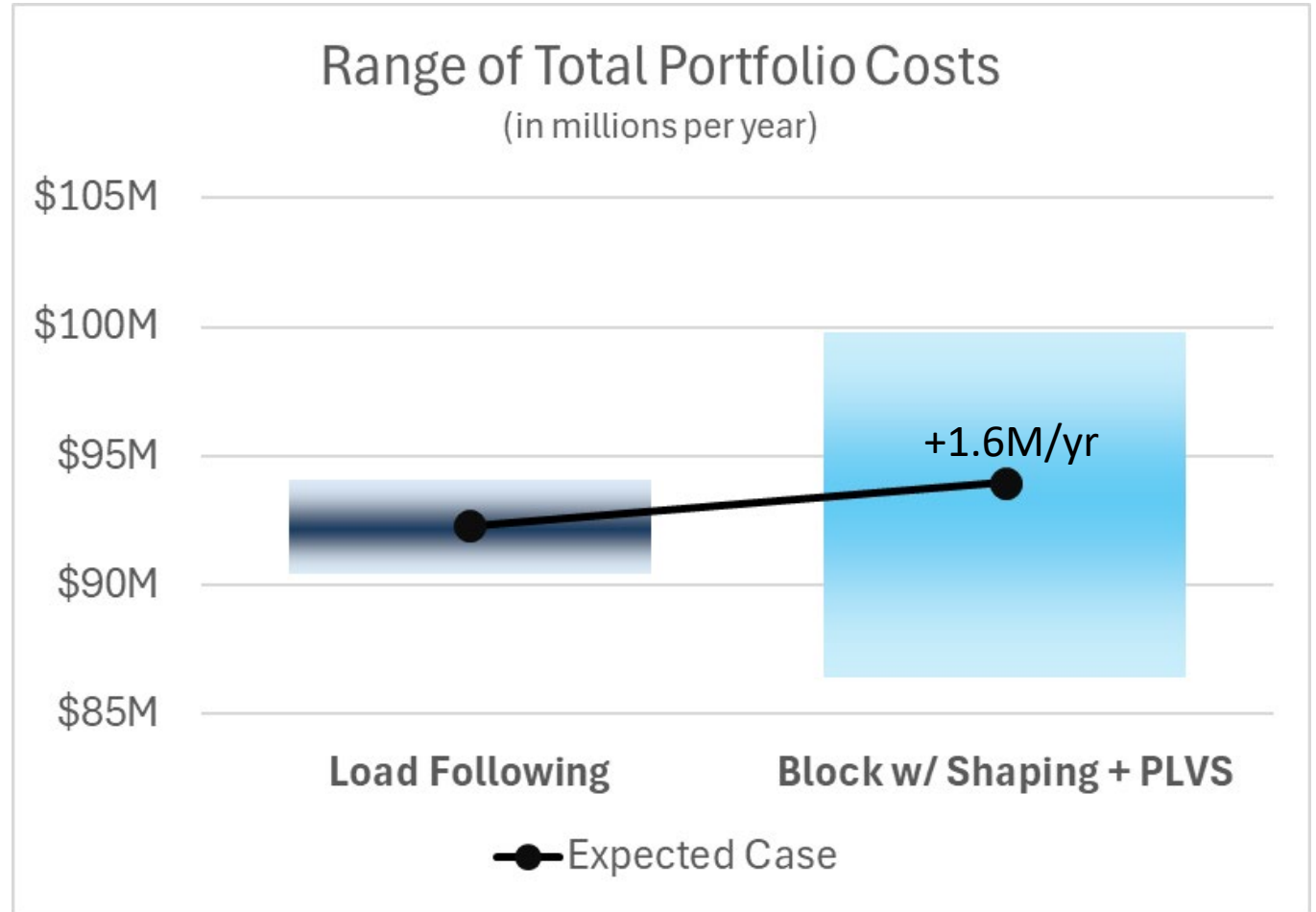
BWS+PLVS has roughly +/- \$5 million/yr
of uncertainty compared to LF

Planned Product Uncertainty:

Market Capacity Price +/- \$3M

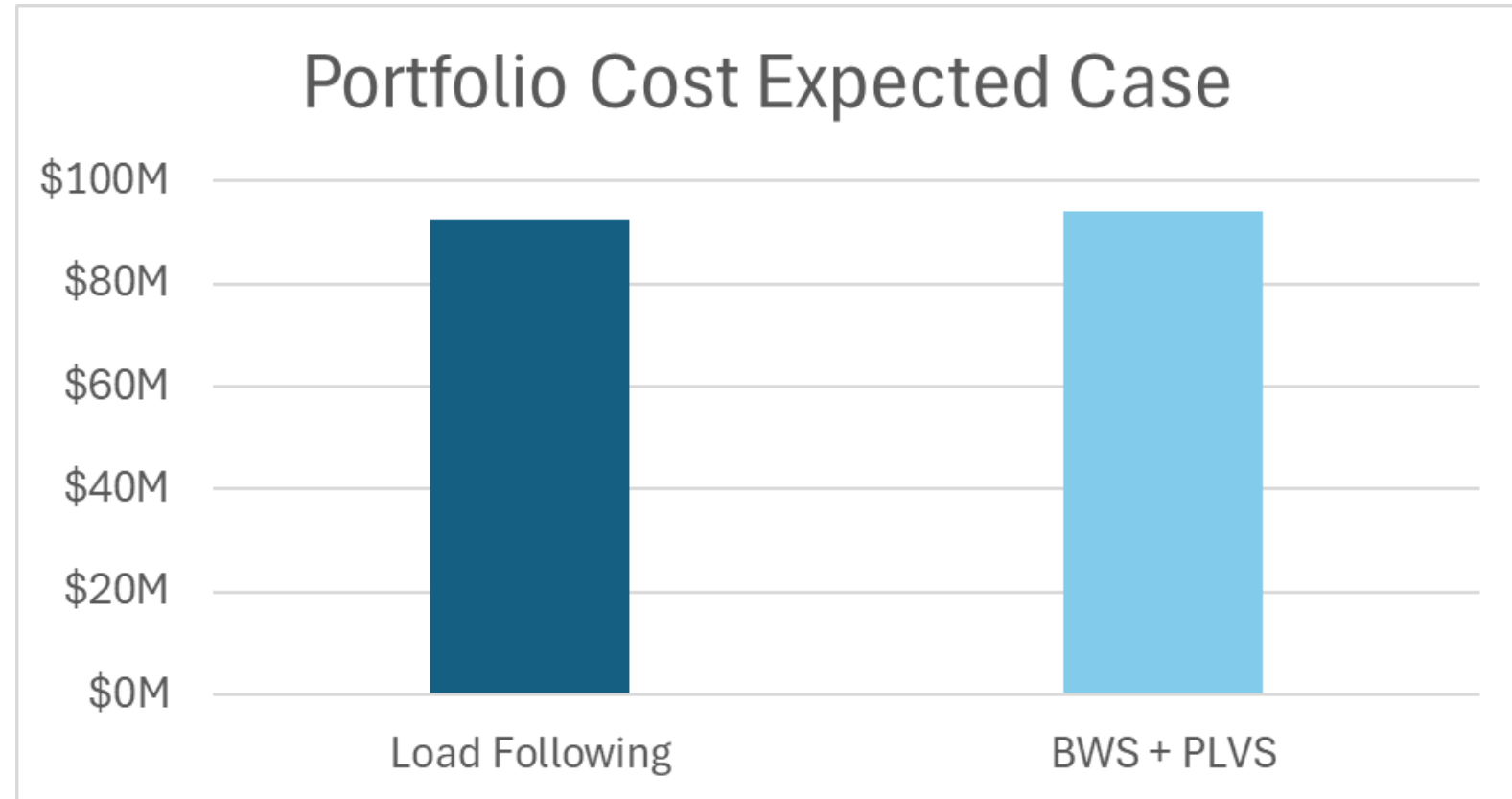
Capacity Obligations +/- \$2M

BPA Rates +/- \$1M



Choosing From Good Options

- Scale matters – These are two good options:
- ~\$2.5 M/yr is 1% rate impact to customers
- BPA wholesale: Roughly \$40/MWh
- Marginal/new resources over \$60/MWh



Qualitative differences between products

Load Following

- BPA manages more of the portfolio.
- BPA provides a 'buffer' to the market –
 - EWEB sees indirect signals through BPA rates.
- BPA holds reserves to flatten volatility.
 - Pooled risk and benefit.

Block w/Shaping + PLVS:

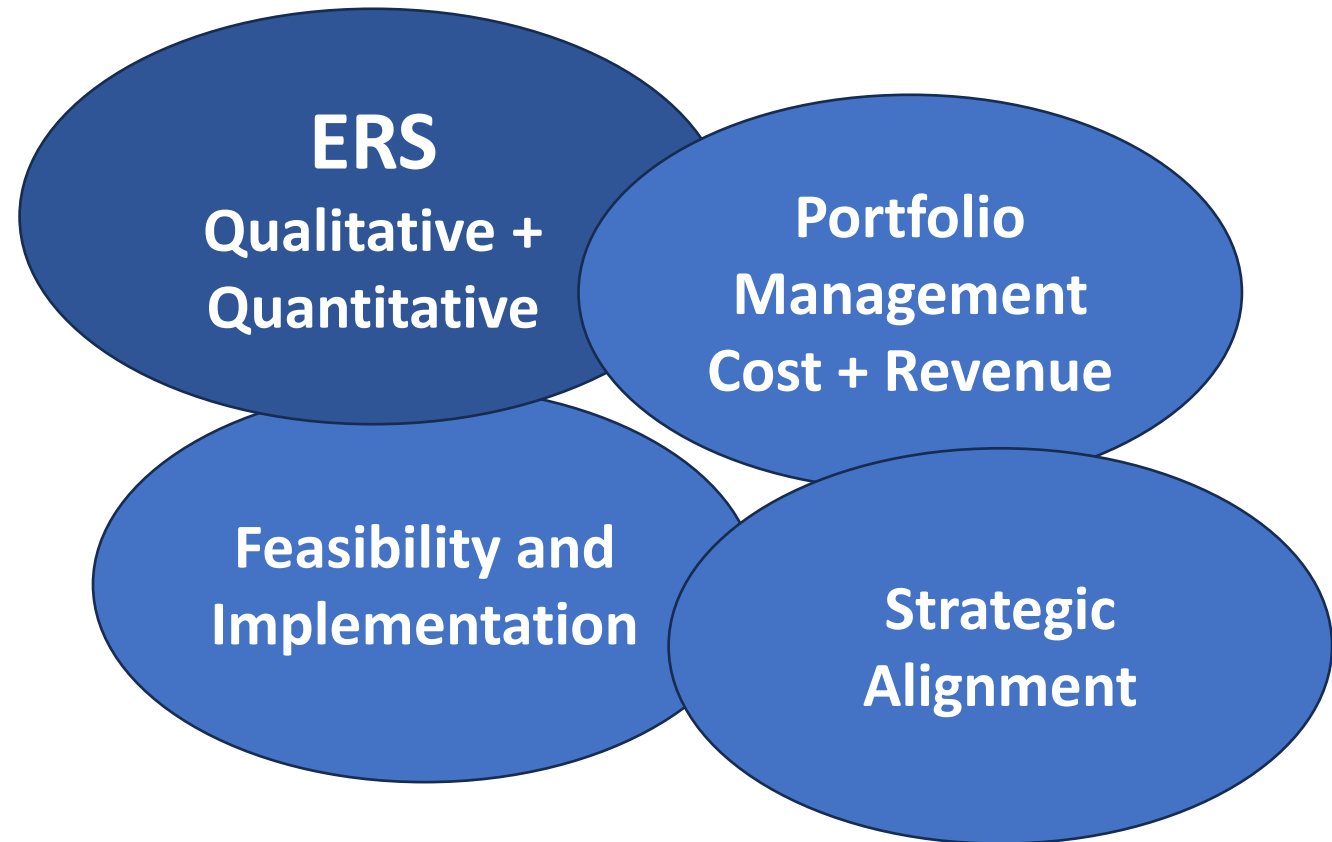
- Clearer connection to signals for DR and TOU rate design.
- Higher resource and portfolio management responsibility by EWEB.
- Greater cost uncertainty for meeting WRAP obligation.

- **BPA Product Choice creates a future environment for decision making.**
- **Potential to create alignment with EWEB's strategic direction.**

Next steps

- **Executive Steering Committee**
 - Comprehensive review of material, weigh different options.
- **May 6 Board Meeting**
 - Product trade-offs discussion and initial product recommendation.
 - Board resolution to request a contract offer.

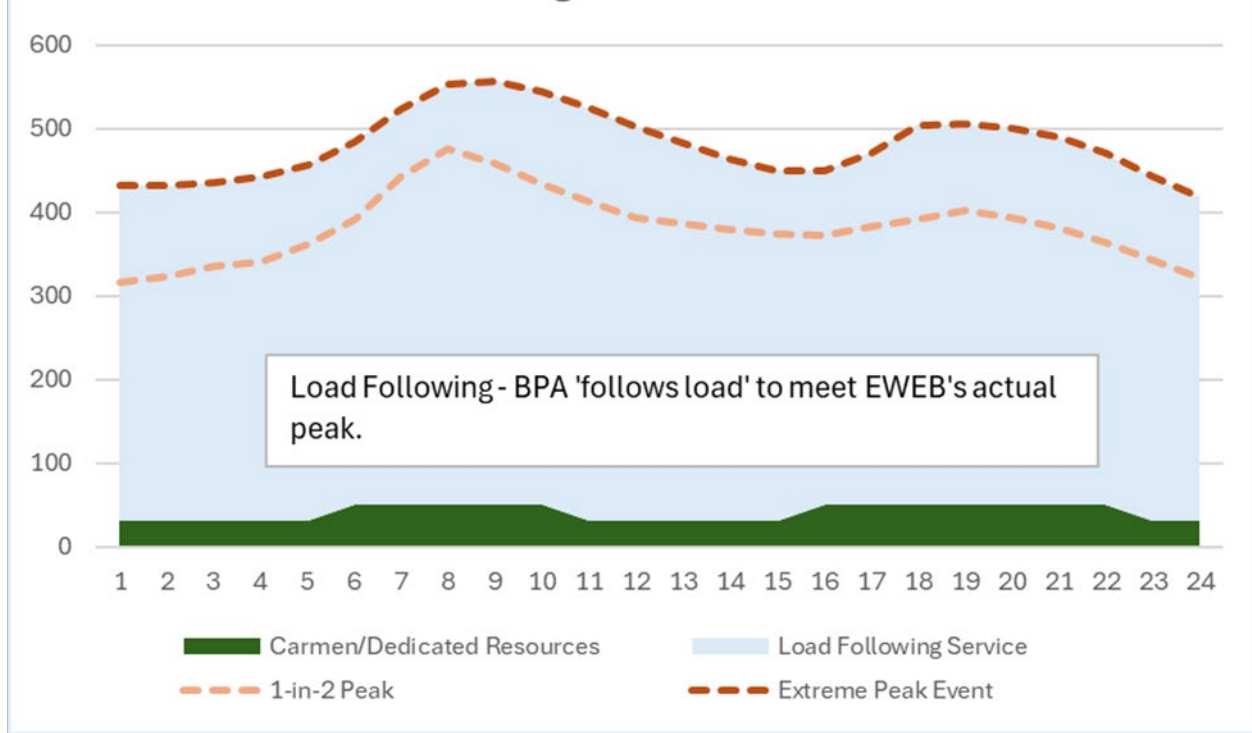
Product Decision Inputs



Discussion

Leading Product Operational Differences

Load Following Extreme Peak Event



Block with Shaping + PLVS Extreme Peak Event

