BPA “Provider of Choice” Product Selection
Management Recommendation (Update)

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Eugene Water & Electric Board

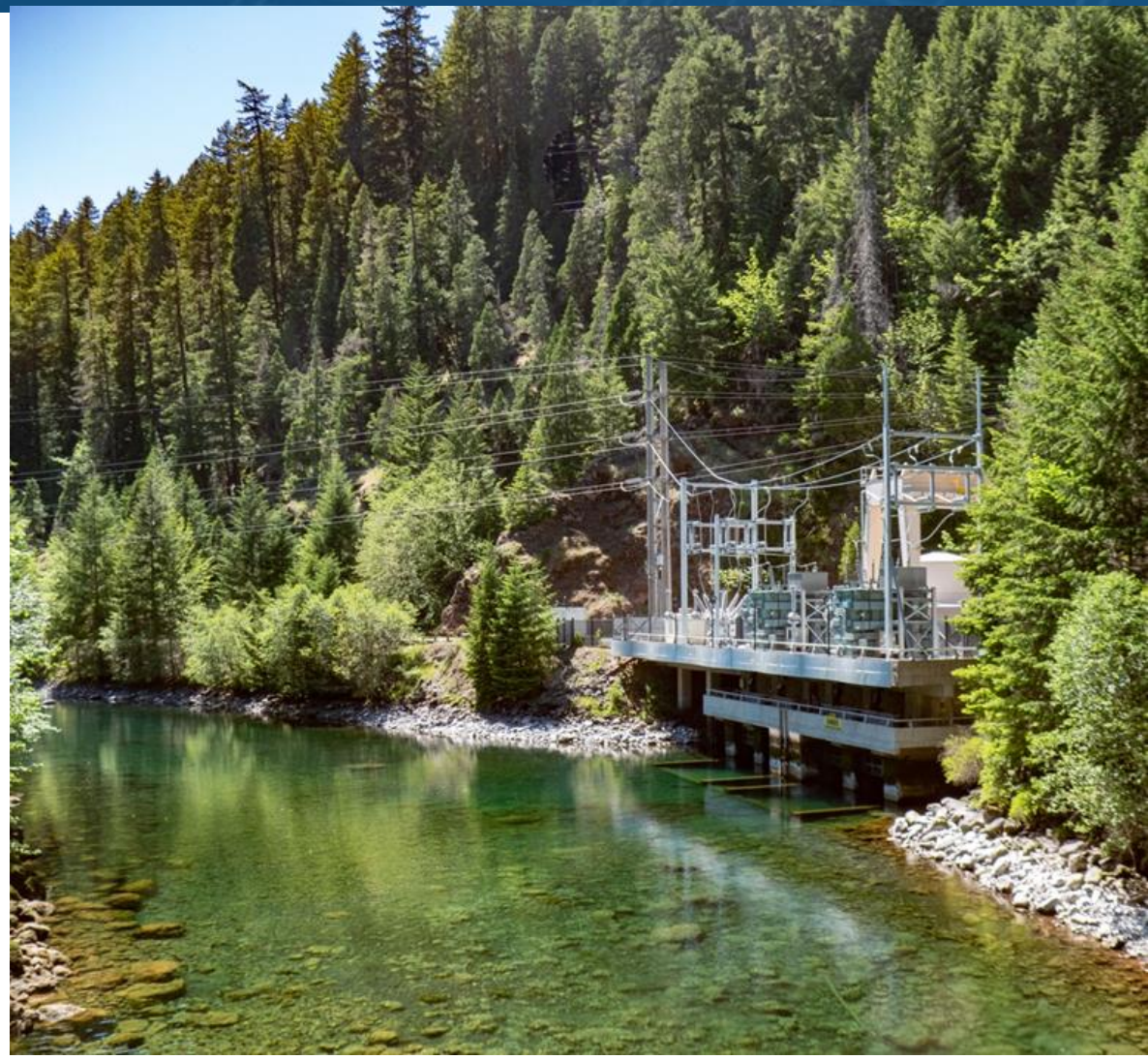
EWEB

Topic Agenda

Background/Review

Product Recommendation
(evolution from “initial leaning”)

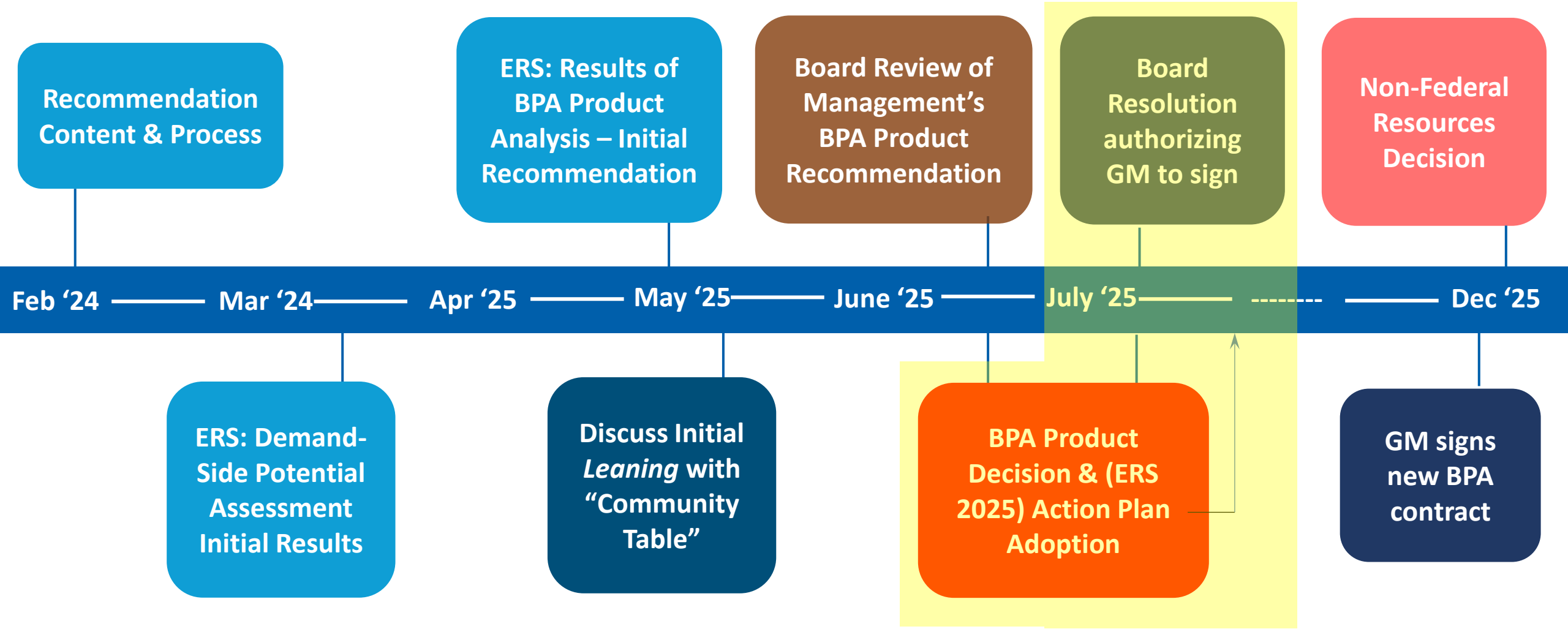
Discussion/Feedback



BPA “Provider of Choice” Contract

Background

BPA Product Choice and Energy Resource Study (ERS) Timeline



BPA Product Choice Management Considerations

Demand-Side Potential Assessment – Informs Portfolio Mix/Cost

Portfolio Economics

- ✓ 20-Year Portfolio Cost (BPA plus EWEB)
- ✓ Sensitivities (Variables)
- ✓ Future Scenarios (Most Likely and Potential Mixes of Variables)
- ✓ Portfolio Management Costs

Contract Components
Peaking/Capacity
Operational Impacts

Business Model Impacts

- ✓ Resiliency of Product Decision on Future Options/ Choices
- ✓ Business "Proforma" Analysis

Qualitative Assessment (Environmental, Social, Governance)

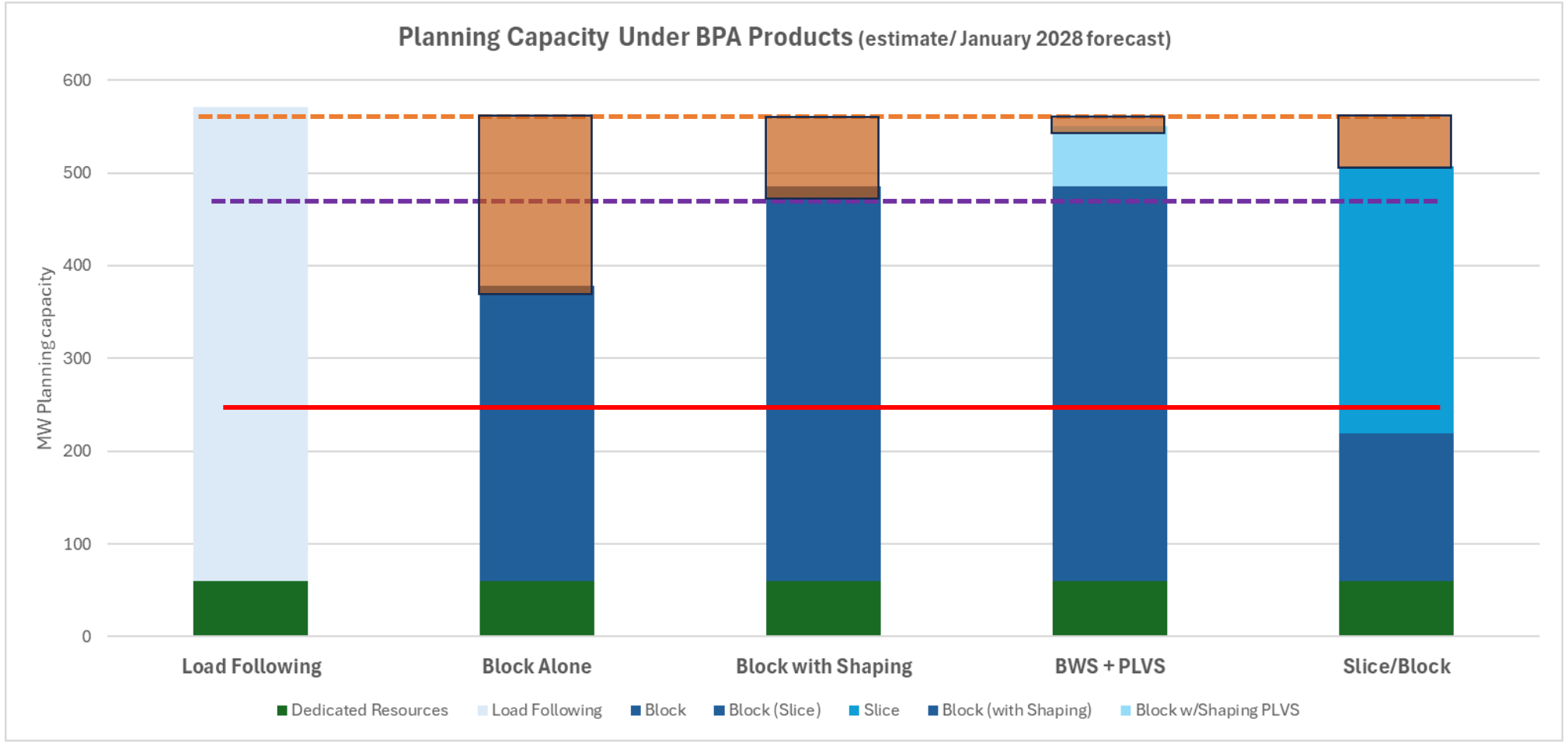
- ✓ **Local Control (Risk Points)**
- ✓ Environmental
- ✓ Decision "Resiliency"
- ✓ Policy(ies)/Resolutions
- ✓ Mission/Vision/Values
- ✓ Strategic Alignment
- ✓ Community Table

Community & Strategic Alignment

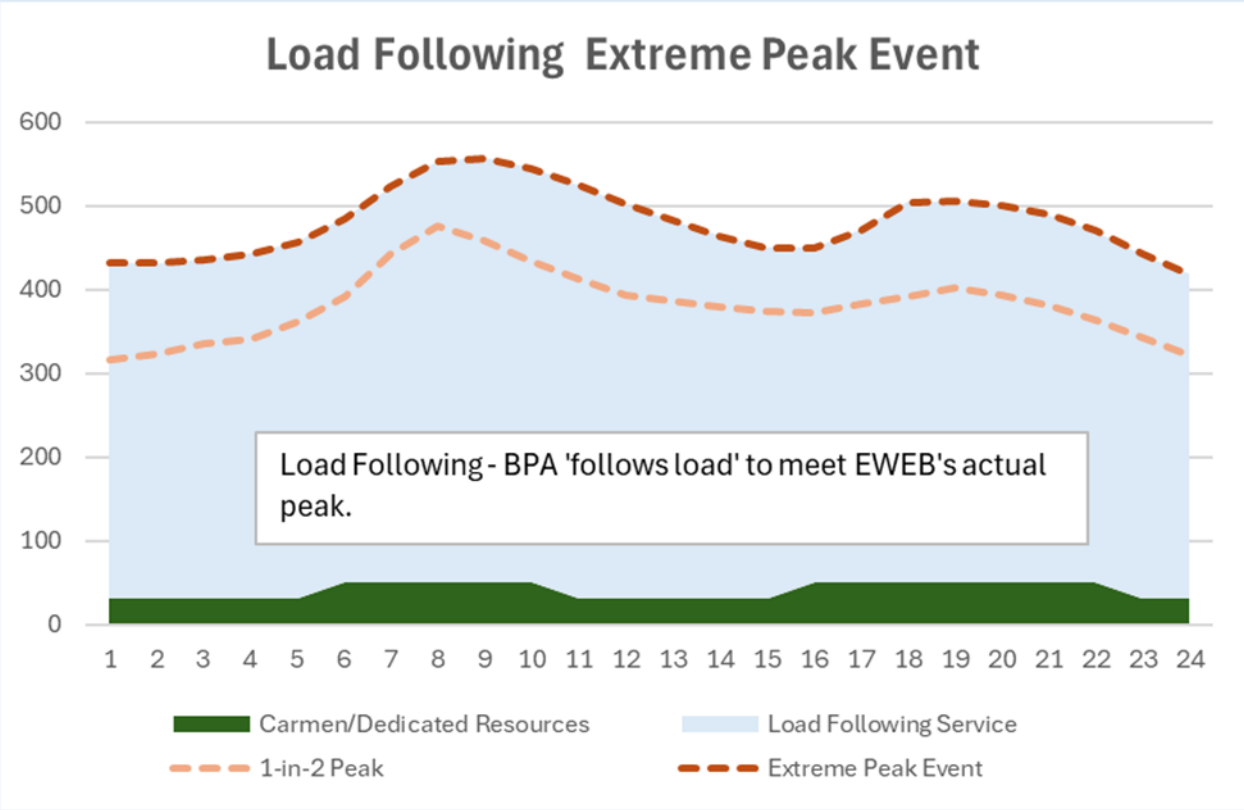
Leading BPA Product Options

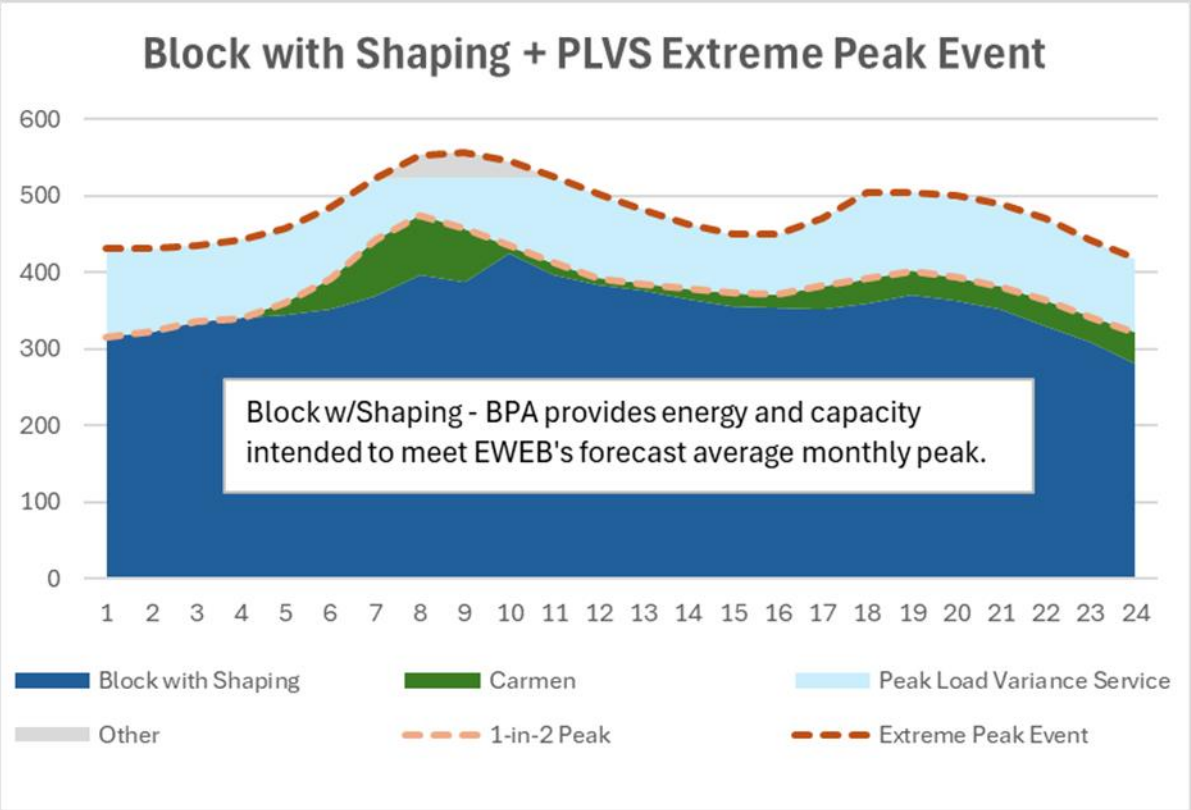
- Load Following, Block with Shaping + Peak Load Variance Service (PLVS) leading candidates.
- BPA provided multiple options for PLVS - Winter most often was least cost option.

Recap: Who fills the capacity gap differs between products



Leading Product Portfolio Management “Fronts”





BPA “Provider of Choice” Contract

Product Recommendation

BPA “Provider of Choice” Contract Revised Recommendation

Revised from management’s initial “leaning” and recommendation, as presented to the EWEB Commissioners on May 6, 2025…

…management’s recommendation will be for the Board

…via Resolution (presented July)

…direct the General Manager to negotiate and execute a contract with the Bonneville Power Administration consistent with the product features described as *“Block with Shaping”*, initially supplemented with a *“Peak Load Variance Service”*.

Revised Recommendation Path (Reasoning)

Load Following "Initial Leaning"

Maximize Federal Access
Least Cost (Expected Case)
Most Stable/Least Uncertain
Strategic Flexibility
Narrower Focus

May 2025

Refined Understanding

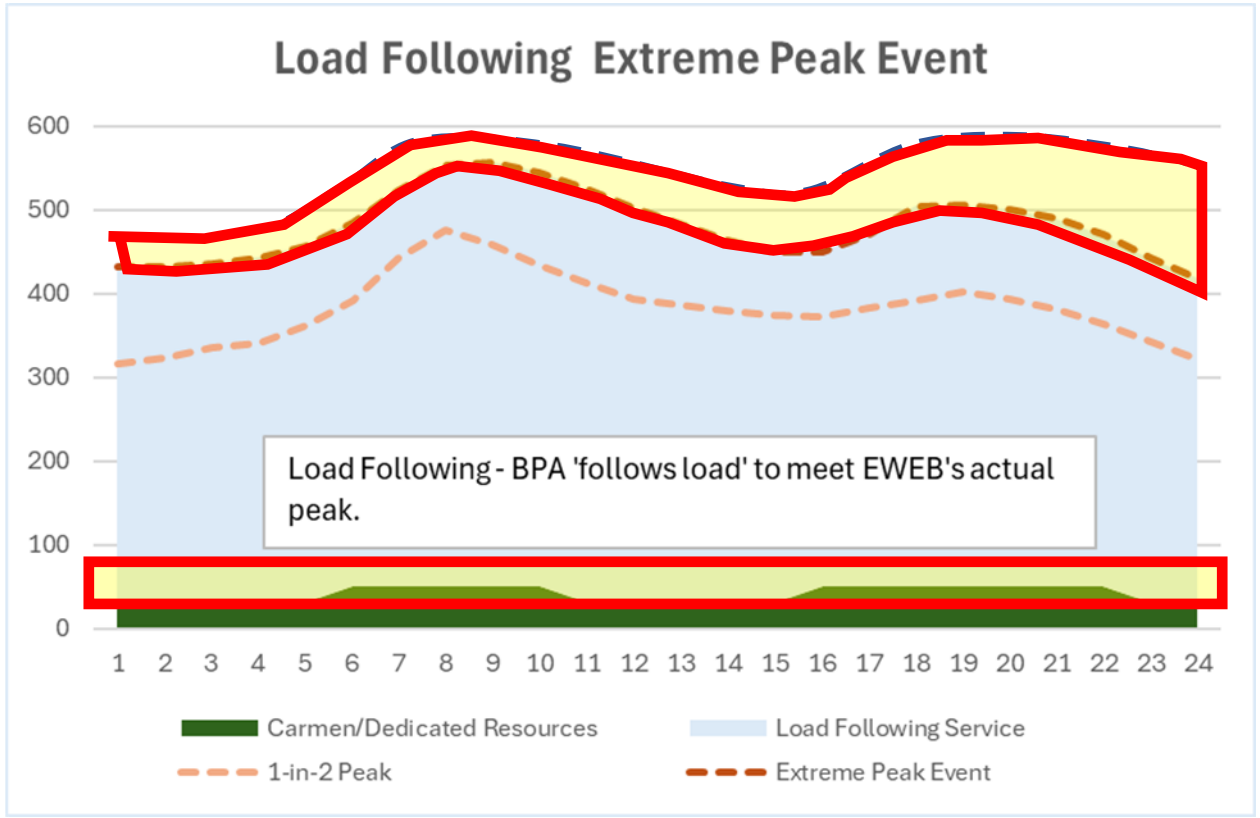
Contract Components (Cost/Operational Determinants)
Understanding of Operational Impacts
Countermeasures (unfavorable futures) - Means/Methods – Mitigate Uncertainty (Resource Adequacy Options)
Options for Implementing Peak Load Variance Service (PLVS)
Community Impacts & Interests (Values)
Qualitative/Strategic Impacts (Mission/Vision)

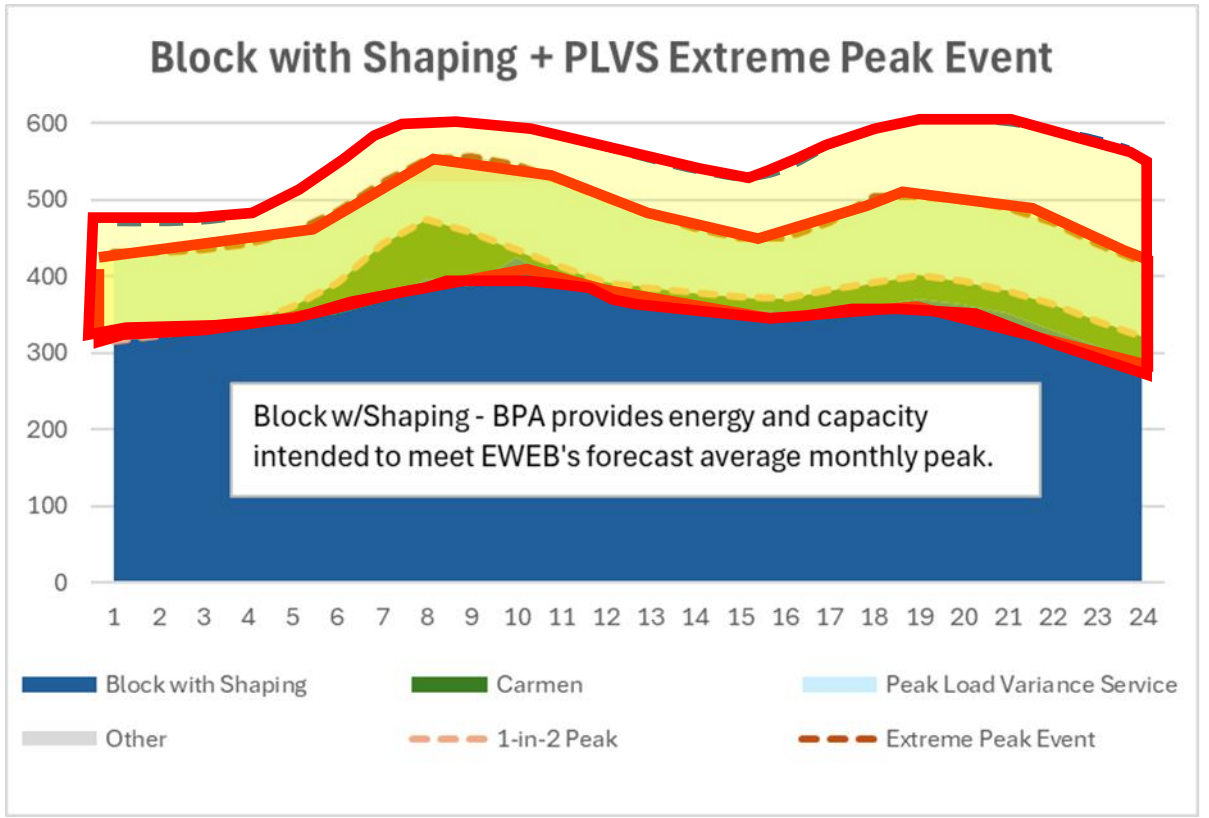
Management Recommendation: Block-with-Shaping (Peaking Svc.)

Significant Federal Access
Better Cost Improvement Potential
Greater Operational Flexibility
Increased Qualified Uncertainty Mitigation Oppys.
Comparable Contractual Risk(s)
Overall Better Strategic Alignment (local community alignment/reliance)

- ✓ Economic Development
- ✓ Electrification
- ✓ Distributed Generation
- ✓ System Optimization

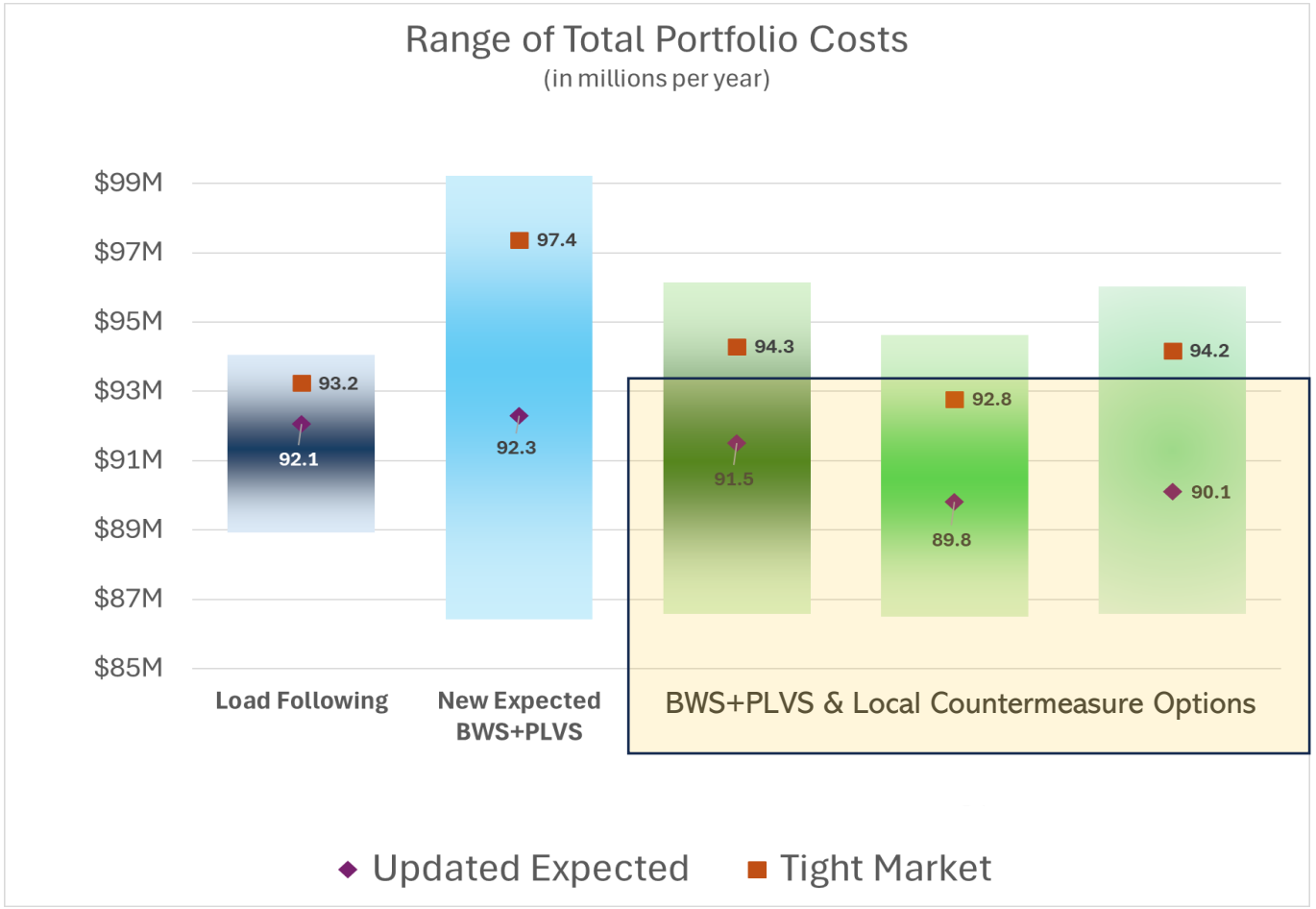
Leading Product Portfolio Management “Zones”





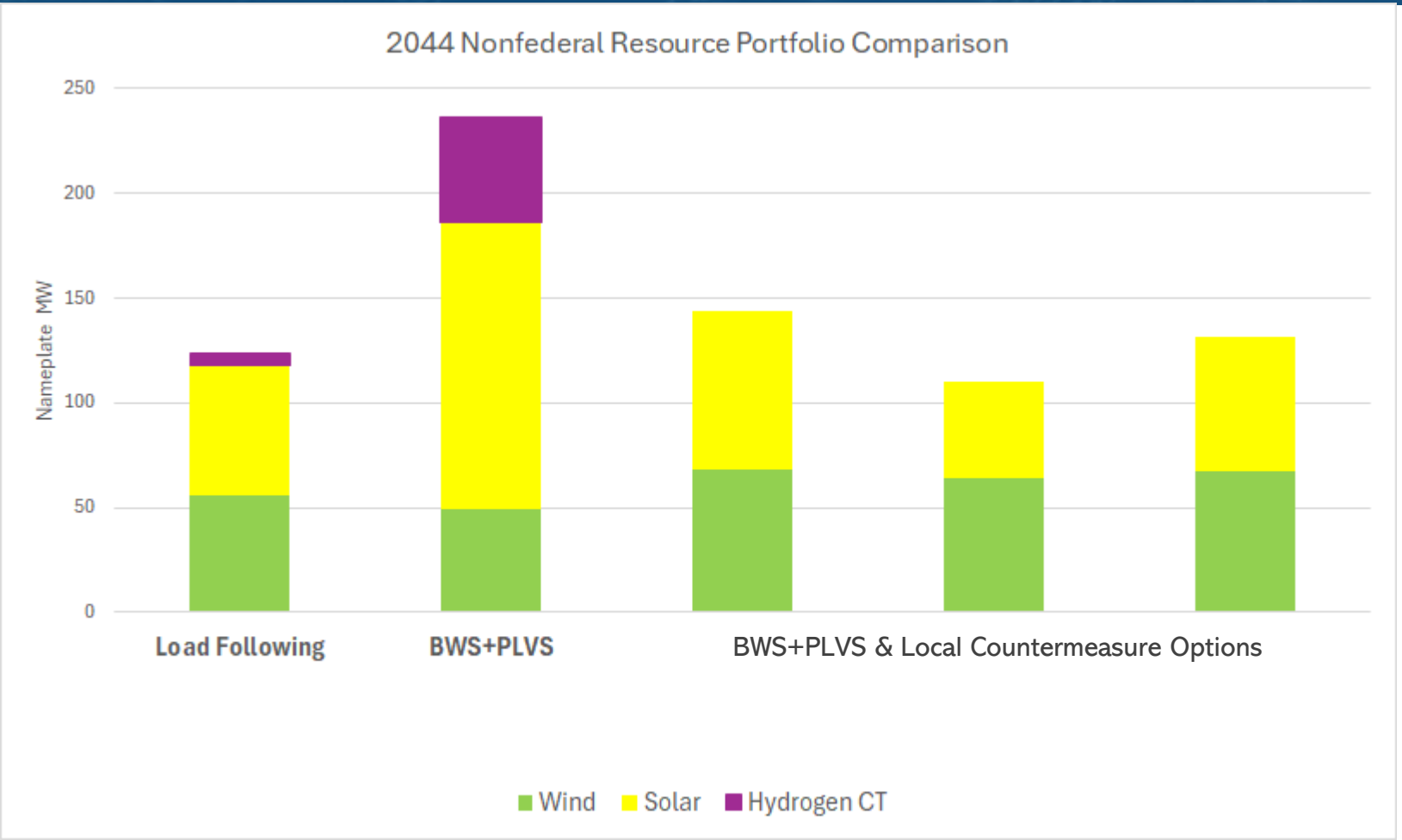
Re-Examining Access to Capacity

- Load Following cannot easily value demand-response or local capacity
- Load Following has minimal exposure to “tight” capacity markets
- Capacity “countermeasures” (contracts & demand response opportunities) have been identified
- Tangible Countermeasures are available under BWS & PLVS to:
  - ✓ Improve Total Contract Cost
  - ✓ Reduce Uncertainly/Mitigate Volatility
  - ✓ Limit Capacity Market “Tightness” (i.e., worst case downside)



Non-Federal Resources – total portfolio additions through the study period under the Expected Case.

- Adding local capacity/DR reduces/eliminates the need for EWEB to invest in additional peaking plants.
- Still need wind and solar to fill energy needs.
- With capacity needs met, BWS and LF have similar portfolio needs.



Discussion

Management Recommendation: Block-with-Shaping (Peaking Svc.)

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