OPALCO

BPA 2028-2044 Rate Structure

Provider of Choice Initiative
PRDM (Public Rate Design Methodology)

Existing BPA Power Rates

Tiered Rate Methodology (TRM)

Composite

- Fixed $ per Month
- Based on OPALCO Tier One Cost Allocation (TOCA)
- Similar to having a high base rate covering portions of energy and demand costs
- Tier 1 Energy and Demand charges/credits to fluctuate for actual readings not covered in composite charge

Energy

- Energy purchases above forecasted OPALCO allocated Federal Syste shape

Demand

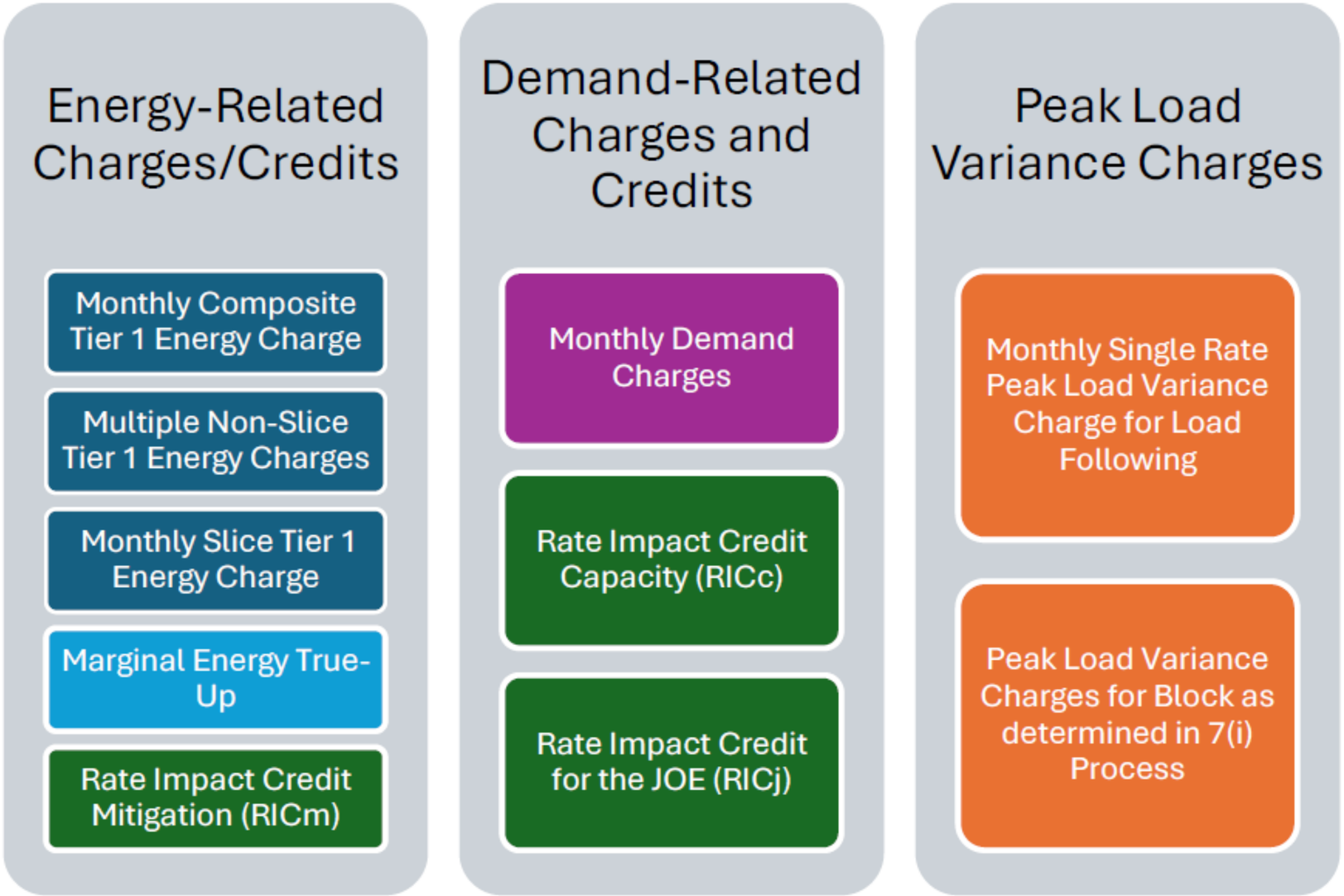
- Demand purchases above forecasted OPALCO allocated Federal System shape

New BPA Rates: Public Rate Design Methodology (post 2028)

- Restructuring of allocation components to shift from power requirements to BPA revenue requirements
- Full separation of Tier 1 and Tier 2 cost components
- No more TOCA (system % allocation) sold by mils/kWh
- HLH and LLH – initially still use for pricing energy, subject to change in future years
- Removal of contracted demand (CDQ) so that flattening load can be better incentivized

TOCA = Tier One Cost Allocator
HLH = Heavy Load Hours
LLH = Light Load Hours
CDQ = Contract Demand Quantity

New Rate: Tier 1 Breakout



OPALCO Cost Control Mechanisms New Contract

- **Flatten Growth**
  - Avoid/Mitigate Tier 2 and Market Resources
  - Maximize Tier 1
    - Efficiency first (i.e. Switch It Up measures like ductless heat pumps)
    - Target <1 annual aMW greater than CHWM
    - 5-year Tier 2 is <5% of power costs
- **Minimize Demand Spikes**
  - Peak Shaving and Load Shifting
    - Cost of Energy Storage vs Demand/Long-Term Forecasted Resources
- **Dispatchable Resources if Tier 2, Market, or NFR are not avoidable**

Note: OPALCO's CHWM = 26.2 aMW

CHWM = Contracted High Water Mark
NFR = Non Federal Resources