



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 System 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

Energy-Related Charges/Credits

Monthly Composite Tier 1 Energy Charge

Multiple Non-Slice Tier 1 Energy Charges

Monthly Slice Tier 1 Energy Charge

Marginal Energy True-Up

Rate Impact Credit Mitigation (RICm)

Demand-Related Charges and Credits

Monthly Demand Charges

Rate Impact Credit Capacity (RICc)

Rate Impact Credit for the JOE (RICj)

Peak Load Variance Charges

Monthly Single Rate Peak Load Variance Charge for Load Following

Peak Load Variance Charges for Block as determined in 7(i) Process

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