

Regional Dialogue Slice Product Review Principles Discussion Handout

Originating Principles established for Slice in 1998

1. *No risk or cost shift to non-Slice ratepayers.*
2. *No risk or cost shift to taxpayers.*
3. *Slice must recover its share of fish-related costs.*
4. *No interference in FCRPS operating decisions.*
5. *No change in federal law.*

Proposed Additional Principles

(In addition to the Originating Slice Principles)

Proposed By NRU

Reliability

BPA's ability to provide power to the region in emergencies to keep the lights on should not be diminished.

Renewables

The ability to use the FCRPS to integrate renewable resources should not be diminished.

Benefits of a Diverse, Flexible, and Coordinated FCRPS

The existence of slice contracts should not reduce the total benefit of the integrated, coordinated FCRPS to the region; that is the value of the whole should continue to be greater than the sum of the parts.

Alignment of Interests

After the new contract is executed, PBA and the slice customers should have the ability to make operational, financial, and other decisions without triggering disputes, controversy, or animosity. Alignment of interests with regard to BPA power pricing in future is a key interest.

Rates

The price for requirements power should be equivalent over time for slice and non-slice customers, with the exception of a premium for risk and any other explicit customer agreed upon contract "carve-outs". Rate adjustments for differences between forecast and actual conditions should be minimized, with the objective of eliminating them entirely.

Proposed by Slice customers

2(a)(2) «Customer Name» shall have the same rights, on a proportional basis, to the Slice System output that the PBL does, except as provided in sections 2(c), 5(b), 6(c), and 6(e) below;