



Tier I Product Choice

(From Slice to Load Following)

NWPPA Annual Power Supply
Workshop - 2009

PNGC Power

- Generation & Transmission Cooperative
- 14 Member Cooperatives post 2011
- 7 Western States
- In OY 2012
 - 95.7% BPA Tier I
 - 1.3 % Pre-existing dedicated resources
 - 3.0 % Above Highwater Mark Load
- Operates as one utility (Joint Operating Entity)

BPA Tier I Product Selection

- Slice/Block
 - Customer gets access to “almost” real-time capabilities of the Federal Base System (FBS).
 - Must use the Slice Product and other resources to meet load.
- Load Following
 - BPA will follow customer’s load

How did PNGC choose?

Drew upon...

- Experience with current Slice product
- Analyses of “New” Slice
- Analyses of Load Following
- Vision for PNGC Power



Experience with Current Slice

- Winter-time capacity an issue
- Adversarial role with BPA not a healthy relationship
- No cost advantage
- Managing to budget a challenge

Analyses of New Slice

- More Complicated than current Slice – More personnel
- Model-based
- Capacity Issue still remains
- No cost advantage
- Less Slice % available to PNGC



Analyses of Load Following

- Less Complicated plus less volatility
- Physical capacity issue addressed
- Supply costs no different
- Reduced operations costs
- Less visibility in the market

PNGC Power vision – post-2011

A cohesive G & T Cooperative that actively manages a portfolio of resources to provide certainty, control and economic benefits to its owner-members



- Less BPA control while retaining FBS benefits
- Enabled by the new paradigm to chart our own course
- Requires active Board control and long-term commitment
- Operates on the cooperative principles
- Carefully balances risk / reward
- Positions PNGC to meet the Members' future energy needs in the most efficient manner