



IRP next steps: How and when will EWEB acquire new resources?

Similar to a Long-Term Financial Plan, an Integrated Resource Plan (IRP) provides long-term insights that will inform near-term EWEB decisions about our future energy supply. Because the 2023 IRP is the first plan that EWEB has conducted in a decade, it is foundational to our future portfolio and resource analysis, primarily identifying when EWEB will have resource needs and how big these needs will be. To this end, it has been successful, identifying small resource needs starting in 2026. Given this information, what are the next steps in the IRP process, and what types of near-term actions and/or decisions represent a low-risk, high-value path forward?

We have time to evaluate our resource options.

Because the resource gap in 2026 is small, EWEB has flexibility to manage it as part of our standard portfolio and risk mitigation practices or pursue other options if we desire. In other words, we do not need to go out and immediately procure or construct additional large-scale resources to fill this gap. The IRP also found that resource needs are likely to increase as electrification drives load growth in the 2030s. So, EWEB will have resource needs within the planning horizon, but has time to engage the Board of Commissioners and public in a thoughtful way about how we want to address these.

The 2028 Bonneville Power Administration (BPA) contract decision will inform other resource choices.

EWEB's long-term resource acquisition strategy is impacted by the details of a future contract with BPA, which currently constitutes about 85% of our power portfolio. Initial IRP analysis suggests that continuing a BPA contract will generally be a foundational element of a least-cost, low-carbon portfolio for EWEB over the planning horizon. However, even if EWEB decides to commit to the next 20-year BPA contract, there are choices around supplementing the BPA contract that will impact future resource procurement. For example, BPA will provide distinct product options that either give EWEB more local control to meet load growth or integrate resources, or alternately put those obligations on BPA.

The 2028 BPA contract details (products and options) are still being developed, and until BPA finalizes the terms and options, EWEB cannot decide which options provide the most long-term value for our community. BPA is expected to provide more details on the 2028 contract options, products, terms and conditions throughout 2023 and 2024 with a Record of Decision (scope) expected in late 2024 and intended contract signing timeline in late 2025.

There are actions we can take now regardless of which BPA product we choose.

Despite the uncertainty about future BPA contracts, there are still actions that EWEB can take *regardless of which BPA product we choose*. Identifying these actions represents an opportunity for EWEB to continue moving forward even if we are not procuring additional resources. For example, the IRP identified several resource types such as wind, batteries, and small modular nuclear reactors (SMR) as potential best-fit options. Further research on these resources and analysis of their viability or tradeoffs for EWEB could inform future acquisition strategies. Similarly, conducting demand response and conservation potential assessments would not commit EWEB to a specific acquisition path, but would



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provide more information about the availability of local options. These paths forward represent a flexible approach that entails low risk and will move EWEB toward our strategic goals.

We will develop a resource acquisition strategy.

Since the 2023 IRP has identified additional resource needs within the next decade, EWEB will develop a formal Resource Acquisition Strategy, which will create consistency for evaluating resource options. For example, EWEB may create a strategy that requires the issuance of an “all-sources” Request for Proposal (RFP) to developers for certain types of resource needs. In this RFP approach, EWEB would define the minimum criteria that resources must meet, and developers of many types of projects (such as wind, solar, nuclear, biomass, hydro or batteries) would all submit proposals. This approach allows for the comparison of multiple options at once, even if the projects aren’t exactly alike.

Because every resource has tradeoffs, EWEB may also choose to build a standardized ‘scorecard,’ or list of criteria to evaluate resources over time, similar to and including many of the same elements as EWEB’s Triple Bottom Line (TBL) analysis process. Likewise, EWEB may choose to conduct outreach and public processes to gather specific topical feedback to ensure alignment with community values and the values of diversity, equity and inclusion.

The Board of Commissioners plays a role in resource acquisition(s).

According to EWEB’s bylaws and Board policies, the Board shall provide oversight and *define those results or conditions that are acceptable and not acceptable to the Board and communicate them in the form of establishing policy and approval of Strategic Plans, Long-Term Financial Plans, Capital Improvement Plans, annual budgets and goals* (Board Policy BL3). The Board also shall have the sole authority to approve contracts consistent with the thresholds defined in Board Policy EL2, Purchasing Controls.

According to Board Policy GP7, resolutions are required when the Board approves the adoption of an Integrated Resource Plan, and for power purchasing agreements beyond the scope of the Risk Management Committee, presently *“fixed price transactions that are both greater than one (1) year in duration and exceeding \$3 million in nominal value”* (Board Policy SD8).

An anticipated outcome of the 2023 Integrated Resource Plan will be the development of formal resource acquisition policy amendments, consistent with Board Policy structure, public records and meetings laws, and other legal requirements. Supporting processes and procedures will be incorporated into Risk Management Committee policies.

We’re developing recommendations for the 2023 IRP Action Plan.

Aside from identifying EWEB’s resource needs, a key outcome of the IRP will be a formal Action Plan approved by the Board. This Action Plan will outline the near- and mid-term actions that EWEB will take to prepare for future decisions and investments. As discussed above, EWEB is not yet in a position that requires the pursuit of large-scale resource development, but can still pursue actions that support the long-term direction. Below is a short list of potential areas for which action items are being developed for potential Board approval in the 2023 IRP.

Visit EWEB’s website for more information: www.eweb.org/IRP

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Options for moving forward might include, but are not limited to, the following:

- **BPA 2028 Contract** – EWEB will need to continue to engage in 2028 contract negotiations and prioritize analysis of future products. This future analysis will intersect with evaluations of EWEB’s business model to determine whether EWEB wishes to own and/or develop resources or rely on BPA to manage load growth.
- **Demand-Side Resources** – EWEB will need to further quantify the potential available value, benefits, and costs of conservation and demand-response programs that reduce energy consumption and/or mitigate peak demand.
- **Resource Acquisition Strategy and Process** – The IRP modeling results show a need for energy resources in the coming years. While EWEB may use the wholesale energy market to meet short-term needs, a formal process for future resource acquisitions needs development.
- **High-Potential Resources** – The IRP modeling identified certain technologies as likely best-fit resources for EWEB. Gathering additional information on these resources such as tax incentives, transmission constraints, siting, and forecasted supply-chain impacts on cost will inform future IRPs and investment decisions.
- **Ongoing Modeling and Integrated Resource Planning** – During the 2023 IRP, staff identified several key modeling changes that would improve portfolio analysis and optimization. Staff plan to use continuous improvement to build on existing tools and continue to modernize EWEB’s approach to resource planning.