



Power Supply Strategy Update

December 7, 2022 Finance Committee Open Session

Overview



- Activities Since Prior Update
- Noteworthy Issues
- Timeline

Activities Since Prior Update



- Staff is executing the steps proposed in the prior Finance Committee and Board briefings.
- We are holding a series of workshops to facilitate staff's development of a draft power supply strategy.
 - Goal is to identify potential approaches to reduce total power supply costs (\$/KWhr) and risk.
- Workshop 1 was held on November 16.
- A variety of questions related to planning assumptions surfaced that we are working through.

Noteworthy Issues



- On November 10 the PUCT released a market design report that recommends adoption of a Performance Credit Mechanism intended to improve ERCOT grid reliability.
 - Opposition to the PUCT's proposal appears to be growing
- As follow-up to the recommendation that BPUB align its method of determining load/resource balance with ERCOT methods, we have reviewed ERCOT's load forecast report.
 - We have determined that adoption of ERCOT's method will slightly reduce BPUB's projected peak load.
 - We are updating BPUB's projected load/resource balance and capacity needs accordingly.
- Because of these issues and the overall level of uncertainty in market design changes, we recommend that BPUB close out the currently-open power supply RFP with no award.

Timeline



Task Name	Nov	Dec	Jan	Feb	Mar	Apr	May	
[₫] BPUB Power Supply Strategy							i	
Workshop 1: Identify Key Issues	♦ 11/16							
Work on issues/questions raised								
Update models								
Workshop 2: Define short-list of strategies & resources	12/15							
Analyze strategies & options			h					
Workshop 3: Discuss analysis results and identify preferences	1/10							
Refine and finalize draft strategy			+					
Present draft strategy to board as information item (Tent.)					3	/13		
Conduct Board workshops (TBD)					+			