

# Update on the recent Auction of 5-year, 5% Rocky Reach and Rock Island Output

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# Product Highlights

- Term: January 1, 2024 through December 31, 2028
- Size: 5% of the Rocky Reach and Rock Island Output
- Environmental Attributes: The slice product conveys Environmental Attributes
- Risk Mitigation:
  - Protects against operational risk
  - Protects against streamflow risk



# Auction Results

1. Several bidders responded in the competitive bid process
2. Puget Sound Energy was awarded slice contract as highest bidder
3. Currently working with Puget on implementation for starting delivery on January 1, 2024

# How does this agreement meet “the Best for the Most for the Longest”?

- Modern 5-year slice template contract
- Provides revenue to support stable and predictable retail rates
- Supports a portfolio mix of fixed market price slice contract and cost of production-based slice contracts that reduces streamflow and outage risk
- Captures the market-based value for the District’s customer-owners through reduced risk, revenue stability, and collaborative partnerships.

# Benefits of Auction of 5% slice

Benefit	District	Purchaser
1. Hedge against market	X	X
2. Keeps interests aligned between District & Purchaser	X	X
3. Lock in value of carbon-free hydro for parties (environmental attributes, capacity and carbon)	X	X
4. Provides for market structure changes, organized markets or RTO	X	X
5. Provide Resource Adequacy value to purchaser		X
6. Provides capacity, pond, and storage value		X
7. Market price product which contributes to support low, predictable, and stable rates for District customer owners	X	
8. District is covered against streamflow and outage risks	X	