

Resource Adequacy Decision Process Meeting

September 13, 2022

9 a.m. to 12 p.m.

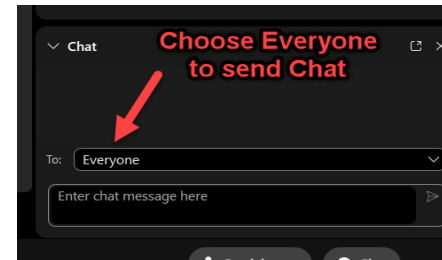
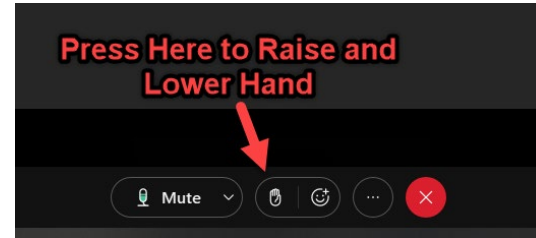


Welcome to the Resource Adequacy Engagement Workshop:

The meeting will begin momentarily

Meeting Participation and How to Ask Questions:

- After you join the WebEx Event, you will not be able to unmute yourself until the host recognizes and unmutes you.
- **To be recognized for asking a question:**
 1. Use the “Raise your Hand” option to signal you have a question
 2. Or use the Chat option to send a question request to “Everyone”
- When finished the Host will re-mute you. Please remember to re-mute and **lower your hand** when done speaking.
- **Participants on the phone:**
 1. ‘*3’ to raise hand and lower hand



Agenda

Time	Topic	Presenter
9:00 – 9:15 a.m.	Safety Moment and Introduction	Suzanne Cooper
9:15 – 9:30 a.m.	WRAP Update	Russ Mantifel
9:30 – 10:15 a.m.	Phase 3A Stakeholder Engagement Summary	Mai Truong
10:15 – 10:30 a.m.	BREAK	
10:30 – 11:15 a.m.	Formal Decision Process Kick-Off	Russ Mantifel, Mai Truong
11:15 – 11:30 p.m.	Consideration of Customer Feedback	Mai Truong
11:30 – 12:00 p.m.	Questions and Next Steps	Russ Mantifel

Safety Moment and Introduction

Suzanne Cooper



Fall Maintenance

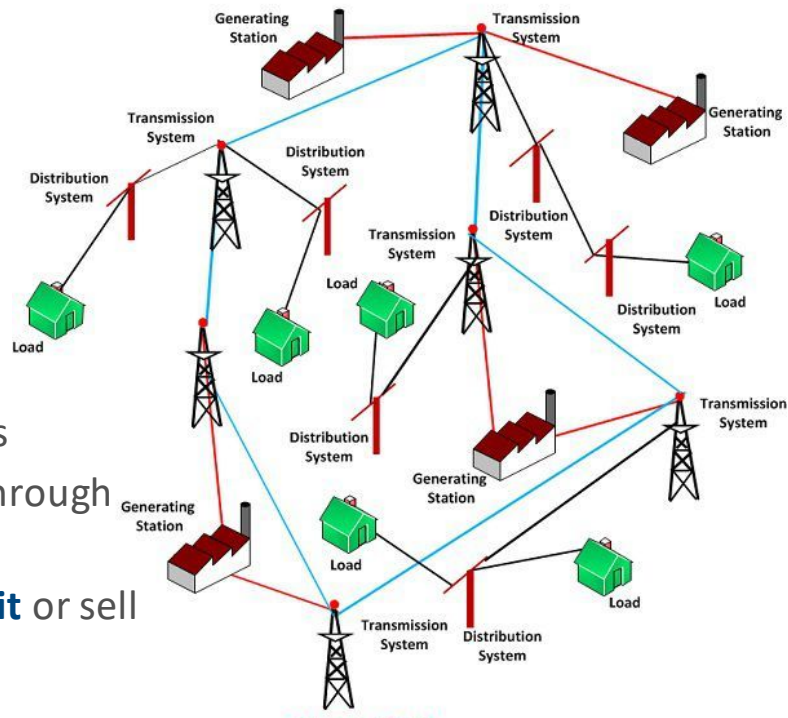
- **Fire Safety:**
 - When we “fall back” is the time when everyone should replace the batteries in smoke alarms and carbon monoxide detectors.
 - Have a working fire extinguisher in the house, and everyone who lives there should be familiar with how it works.
 - Hold a Fire Safety Meeting with family members and go over the steps. Do not do any outdoor burning when fire dangers are high. Flying embers can travel and start fires. Never leave candles unattended, especially in Jack-O-Lanterns or on table centerpieces.
- **Fireplaces:**
 - Get your chimney inspected every fall. Hire a chimney sweep to clean out your chimney of debris, nests, etc. before you light your first fire.
 - Use the fireplace screens to protect from flying sparks and embers.
 - Never pour lighter fluid, kerosene or gasoline on a fireplace, and never leave a fireplace unattended.

Introduction

- BPA is initiating a public process to develop an agency decision on whether to participate in the binding phase (3B) of the Western Resource Adequacy Program
 - Should BPA join Phase 3B?
 - If yes, which binding season should BPA select?

Why is BPA Engaging in WRAP?

- **We don't operate as an island**
- **A regional Resource Adequacy program:**
 - Provides a clear, **uniform standard** with **accountability** and **commitment** from each participant to meet it
 - Puts **bounds around** how much **capacity BPA is responsible for providing**
 - Creates **transparency** of individual resource plans
 - Creates potential for **cost and resource savings** through **diversity benefits**
 - Additional source to **purchase supply when deficit** or sell supply when surplus



WRAP Update

Russ Mantifel



Western RA Program Updates

- Filed WRAP Tariff and supporting materials with FERC on August 31
- In the midst of Winter 2022-23 and Summer 2023 forward showings
 - Winter 2022-23 showing deadline: September 15
 - Summer 2023 showing deadline: October 4

Western RA Program Updates

- **Asking for commitment from participants by December 16, 2022**
 - If WPP has FERC approval, this will begin signing of the WRAP Participation Agreement (WRAPA)
 - WRAP needs to have a commitment to ensure funding for WPP and SPP to set up critical program components
- **WRAP engagement opportunities and more information**
 - See WPP website for information on the public webinars, approved task force proposals, video overviews and the latest WRAP updates @ <https://www.westernpowerpool.org/>
 - Contact wrap@westernpowerpool.org to be added to WRAP mailing list

CURRENT PHASE ACTIVITIES

PO collected data from participants

Design refinement and public webinars

PO running LOLE/ELCC models – *draft results to participants*

Showing for Winter 2022-2023 Non-Binding season

Showing for Summer 2023 Non-Binding season

Asking for sign ups in late 2022 for transition to Binding program

Oct 2021

We are here

Dec 2022

1/23 Requested effective date for WRAP implementation

Design refinements led into tariff drafting

Participant review of tariff in Spring

Draft tariff out for public review and webinar

Filed with FERC August 31

Asking for FERC order prior to sign-up window

PO = Program Operator
LOLE = Loss of Load Expectation
ELCC = Expected Load Carrying Capacity

TRANSITION TIMELINE

Non-Binding Forward Showing

Winter 22-23, Summer 23, Winter 23-24, Summer 24, Winter 24-25

Transition Seasons (Ops and FS)

Summer 25, Winter 25-26, Summer 26, Winter 26-27, Summer 27, Winter 27-28



Non-Binding Operations Program

Summer 23 (trial – will include testing scenarios), Winter 23-24, Summer 24, Winter 24-25

Binding Program Without Transition Provisions

Summer 28 and all seasons following

Phase 3A Stakeholder Engagement Summary

Mai Truong



BPA Milestones – 3A Engagement

Close Out Phase 2B/ Phase 3A Implementation Planning (2020/2021)	BPA Customer Engagement	Decision on Non- Binding Forward Showing	Non-Binding Forward Showing Winter (2022/23) and Summer (2023)	Decision on Binding Phase (Fall/Winter 2022) and BPA Customer Engagement
<ul style="list-style-type: none"> •BPA staff/executive resources participate in WRAP workgroups •Finalize Phase 2B deliverables •Develop implementation plan for Phase 3A •WPP hires Program Operator 	<ul style="list-style-type: none"> •July 29, 2021 – Share BPA perspective on program details and implementation issues •Aug 20, 2021 – Publish draft letter to the region (Aug 20-Sep 3) •Aug 25, 2021 – Public meeting to provide clarification on issues in draft letter 	<ul style="list-style-type: none"> •Sept 29, 2021 - Final letter to the region with decision on participation in NBFS phase of WRAP program 	<ul style="list-style-type: none"> •Complete program and governance design •Submit data for detailed modeling to establish Resource Adequacy value and PRM •FS submittal to Program Operator <ul style="list-style-type: none"> • Mid-July for Winter 2022/23 • Mid-Oct for Summer 2023 •Refine design/modeling requirements based on continued learnings •<i>Continue engagement with BPA customers/stakeholders</i> 	<ul style="list-style-type: none"> •Public Process - BPA customer review and input prior to decision •Consider lessons from NBFS and program/governance design •Evaluate ability to meet BPA's WRAP Participation Principles

NBFS = Non-Binding Forward Showing

BPA Approach to Engagement

3A Workshops
(Nov 2021 – July 2022)

- Provide transparency of program design updates and information that may impact **BPA's business case** for binding program participation decisions. Engagement will be **consistent with external WRAP engagement** outside of BPA's process
- Pursue effective and efficient **two-way communication** between BPA and customers, stakeholders, and external interested parties
- Engage on a **predictable, standardized cadence** provided there is adequate content or relevant information to discuss
- **Ensure engagement opportunities** occur sufficiently to inform interested parties based on program timelines and information availability and applicability

BPA Engagement Plan To-Date

- Focused on discussing program updates and impacts to BPA and customers, outcomes from BPA's participation in non-binding forward showing program, and resolving BPA and customer questions and key considerations
- BPA hosted workshops
 - BPA and Resource Adequacy Today; BPA Planning with WRAP; Planning Scenarios and Preference Rights; Transmission; NLSL and AHWM Unspecified Resources; and Decision Process Plan
 - WRAP Topics: Annual Assessment Data Submittal and BPA Metrics Review
- BPA has maintained a “WRAP public considerations” tracking spreadsheet (posted to BPA Resource Adequacy webpage)
 - Add questions and key considerations from comments submitted following workshops
- In September 2022, BPA is shifting from information sharing to its decision process on whether BPA will join the next phase of WRAP

Phase 3A Engagement Summary

- Annual Assessment Data Submittal ([Nov 19, 2021](#))
- BPA & RA Today ([Jan 27, 2022](#))
- BPA Planning with WRAP ([Apr 13, 2022](#))
- Planning Scenarios and Preference Rights ([Apr 13, 2022](#))
- Transmission Overview ([June 13, 2022](#))
- BPA Metrics Review ([June 13, 2022](#))
- NLSL and AHWM Unspecified Resources ([June 13, 2022](#) and [July 26, 2022](#))
- Decision Process Plan ([July 26, 2022](#))
- Consideration of Customer Feedback (Standing Item)
- FS Data Submittal Update and Position Estimate (Coming soon - Sept 29, 2022)

BREAK

Formal Decision Process Kick-Off

Russ Mantifel

Mai Truong



BPA Milestones – 3B Decision

Close Out Phase 2B/ Phase 3A Implementation Planning (2020/2021)	BPA Customer Engagement	Decision on Non- Binding Forward Showing	Non-Binding Forward Showing Winter (2022/23) and Summer (2023)	Decision on Binding Phase (Fall/Winter 2022) and BPA Customer Engagement
<ul style="list-style-type: none"> •BPA staff/executive resources participate in WRAP workgroups •Finalize Phase 2B deliverables •Develop implementation plan for Phase 3A •WPP hires Program Operator 	<ul style="list-style-type: none"> •July 29, 2021 – Share BPA perspective on program details and implementation issues •Aug 20, 2021 – Publish draft letter to the region (Aug 20-Sep 3) •Aug 25, 2021 – Public meeting to provide clarification on issues in draft letter 	<ul style="list-style-type: none"> •Sept 29, 2021 - Final letter to the region with decision on participation in NBFS phase of WRAP program 	<ul style="list-style-type: none"> •Complete program and governance design •Submit data for detailed modeling to establish Resource Adequacy value and PRM •FS submittal to Program Operator <ul style="list-style-type: none"> • Mid-July for Winter 2022/23 • Mid-Oct for Summer 2023 •Refine design/modeling requirements based on continued learnings •<i>Continue engagement with BPA customers/stakeholders</i> 	<ul style="list-style-type: none"> •Public Process - BPA customer review and input prior to decision •Consider lessons from NBFS and program/governance design •Evaluate ability to meet BPA's WRAP Participation Principles

Tentative BPA Phase 3A Stakeholder Engagement Schedule – as of 09/09/2022

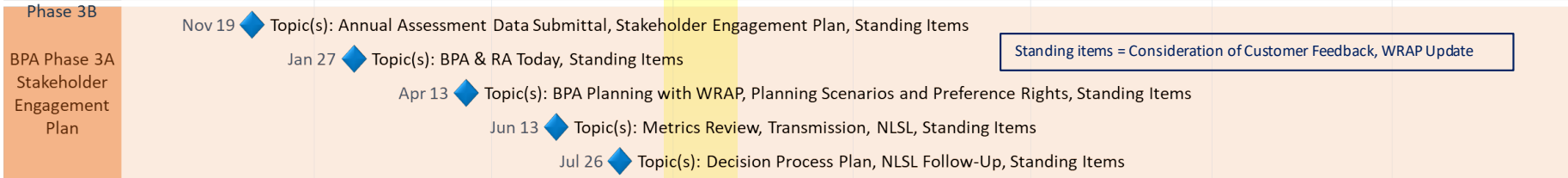
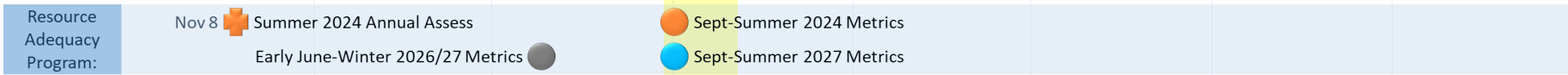
Schedule is based on WRAP timelines and is subject to change

We are here

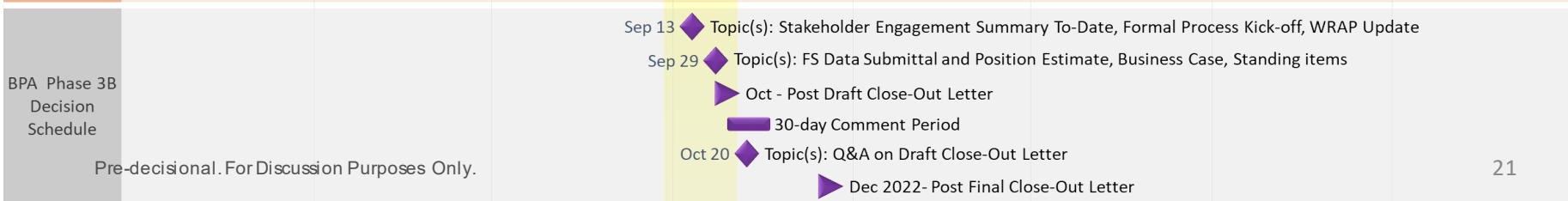
Dec - BPA Phase 3B Decision



Legend
 + Participant
 ● Program Operator

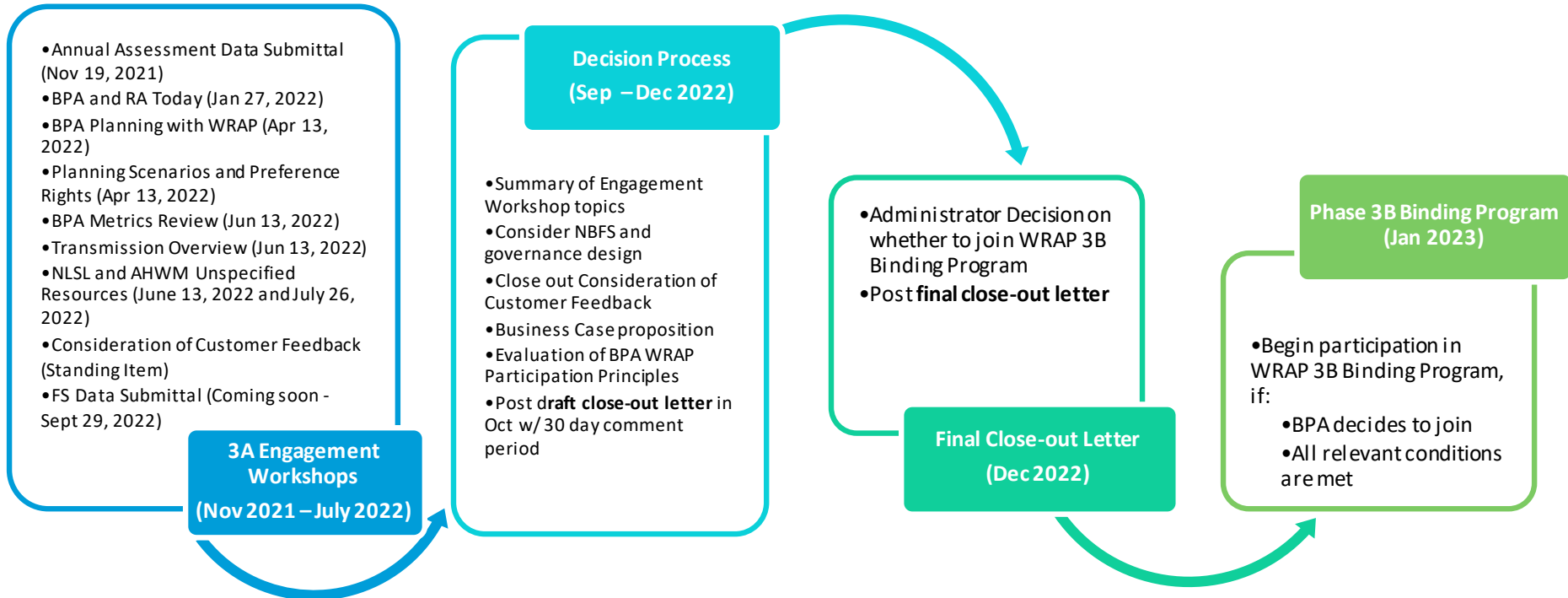


Standing items = Consideration of Customer Feedback, WRAP Update



Pre-decisional. For Discussion Purposes Only.

From Phase 3A Engagement to Decision Process



BPA Approach to the Decision

Decision Process
(Sept – Dec 2022)

- BPA intends to make a decision before the start of the next phase (3B) of the WRAP, which is scheduled to start on January 1, 2023
 - Adjustments to BPA’s timeline may occur to accommodate external WRAP developments outside of BPA’s decision process
- BPA expects to share its decision in a close-out letter
 - Evaluation of decision will be consistent with BPA’s Participation Principles.
 - BPA will continue to address customer questions and outstanding topics or issues impacting BPA’s continued participation in WRAP

BPA Approach to the Decision

Decision Process
(Sept – Dec 2022)

- Including today, BPA will hold three public meetings in order to provide customers, stakeholders and interested parties an opportunity to provide feedback throughout the decision process, including a 30-day comment period after BPA post's a draft close-out letter
- Although the formal decision process kick-off in September 2022, BPA has been conducting an extensive stakeholder process, since November 2021, providing program design updates and information that may impact BPA's decision
 - BPA has been engaged in the development of WRAP since 2019

Public Engagement Timeline**

Milestone	Date
Kick-off formal decision process - public meeting #1	Sept 13, 2022
Public meeting #2	Sept 29, 2022
Post draft closeout letter with initial decision on BPA RA webpage	Oct 2022
Public meeting #3	Oct 20, 2022
Post final closeout letter with final decision on BPA RA webpage	Dec 16, 2022

** Timeline is contingent upon external factors, such as FERC acceptance of WRAP Tariff

Decisions

- Should BPA join the WRAP Phase 3B, binding program?
 - Yes
 - No
- If yes, which binding season should BPA select?

Participation Principles for Binding Program

1. BPA's participation is consistent with its statutory, regulatory and contractual obligations.
2. BPA will maintain reliable delivery of power and transmission to its customers.
3. BPA's participation is consistent with a sound business rationale.
4. BPA's participation is consistent with the objectives of Bonneville's Strategic Plan.
5. BPA's evaluation of WRAP participation includes transparent consideration of the commercial and operational impacts on its products and services.

Statutory, Regulatory & Contractual Obligations

- **Evaluation of decision will consider:**
 - Programmatic implications
 - Consistent with statutory authorities and legal obligations
 - Governance implications
 - Participation in WRAP Governance (through WRAP Tariff and WRAPA)
 - BPA OATT – no implications

Maintain Reliable Delivery of Power & Transmission

- Evaluation of decision will consider:
 - WRAP participation does not change BPA's BAA, TOP, or TSP responsibilities
 - No changes are expected:
 - To BPA's OATT or Business Practices
 - To how customers acquire transmission service;
 - To how BPA operates and manage its transmission system; or
 - To scheduling and tagging requirements, or curtailment procedures.
 - WRAP provides another tool for BPA Power Services to continue meeting its obligations

Sound Business Rationale

- Evaluation of decision will consider:
 - Qualitative and quantitative analysis for reliability program
 - Benefits vs costs vs risks

Aligns with BPA's Strategic Plan

- Evaluation of decision will consider:
 - BPA's Strategic Plan sets forth its high-level vision as well as specific goals and objectives to ensure its competitiveness and ability to continue meeting customers' and regional future needs while leveraging and enabling industry change

Consideration of Impacts on Products & Services

- Evaluation of decision will consider:
 - Existing BPA contracts
 - RA engagement workshops:
 - NLSL and AHWM loads using Unspecified Resources
 - Planning and scenario presentations
 - WRAP participant use of BPA Transmission
 - Use of BPA surplus power

Binding Season Election

- If BPA's initial decision is to join Phase 3B, the binding season decision will be based on a combination of:
 - Access provided through the program
 - Season of entry with known potential benefits

Binding Season Election

Season*	Forward Showing Submittal Deadline	Start of season
Summer 2025	October 31, 2024	June 1, 2025
Winter 2025-2026	March 31, 2025	November 1, 2025
Summer 2026	October 31, 2025	June 1, 2026
Winter 2026-2027	March 31, 2026	November 1, 2026
Summer 2027	October 31, 2026	June 1, 2027
Winter 2027-2028	March 31, 2027	November 1, 2027
Summer 2028	October 31, 2027	June 1, 2028

* Participants may provide 2 years notice (before the start of the season) to change their election

Consideration of Customer Feedback

Mai Truong



Considerations Tracking Update

- BPA will continue providing responses to address customer questions and key considerations at the September 29, 2022 public meeting

Considerations Tracking Update

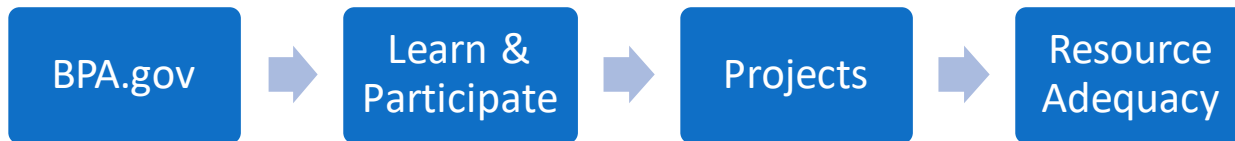
- Added 12 items (#98-109) to “WRAP Public Considerations” tracking spreadsheet (posted on the BPA Resource Adequacy webpage) in response to comments received following the July 26, 2022 workshop (see Appendix)
- Status:
 - 109 questions and considerations to-date (September 2022)
 - 70 questions and considerations resolved to-date (September 2022)
 - There may still be outstanding items at the time BPA’s final decision is made

QUESTIONS?



Next Steps

- Please submit your feedback @ techforum@bpa.gov by September 27, 2022
- Public Meeting #2 on September 29, 2022
- Post draft closeout letter on BPA RA webpage by Mid-October 2022
- Public Meeting #3 on October 20, 2022
- More information on BPA's participation in the Western Resource Adequacy Program can be found on the [BPA RA webpage](#):



APPENDIX



List of Acronyms

Acronym	Description	Acronym	Description
AHWM	Above High Water Mark	NT	Network Integration Transmission Service
ATC	Available Transfer Capability	OATT	Open Access Transmission Tariff
BA	Balancing Authority	OPS	Operations
BAA	Balancing Authority Area	PCM	Preemption and Competition Module
BPM	Business Practice Manual	PO	Program Operator
CONE	Cost of New Entry	PRM	Planning Reserve Margin
ELCC	Effective Load Carrying Capability	PTP	Point-to-Point Transmission Service
EIM	Energy Imbalance Market	QCC	Qualifying Capacity Contribution
FERC	Federal Electric Regulatory Commission	RA	Resource Adequacy
FS	Forward Showing	RD	Regional Dialogue
HLH	Heavy Load Hour	RFO	Request for Offer
LLH	Light Load Hour	ROR	Run of River
L&R	Load and Resource	TRL	Total Retail Load
LF	Load Following	TX	Transmission
LOLE	Loss of Load Expectation	UAI	Unauthorized Increase Charge
LRE	Load Responsible Entity	UCAP	Unforced Capacity
LSE	Load Serving Entity	VER	Variable Energy Resource
NLSL	New Large Single Load	WPP	Western Power Pool
NERC	North American Electric Reliability Corporation	WRAP	Western Resource Adequacy Program

Considerations Tracker Update

Items Added to the Considerations Tracker in Response to Comments Received Following the July 26, 2022 Workshop

Q/C#	Question/Consideration (May be summarized)
98	Whether and how BPA will consider any type of limit on the amount of eligible NLSL load that can be excluded, and whether the consideration for that limit would be a BPA decision, or whether BPA views that as a determination made at the WRAP level.
99	Request for BPA to clarify its thinking if BPA is considering limits, given NLSL determinations are made annually, to a customer's ability to make new elections each forward showing season and what those limits may be.
100	Seeks further discussion around how customers may exclude NLSL and treat PF-served portion separately when the customer has grandfathered PF-serving load and NLSL at the same site.
101	Request for BPA to clearly articulate the potential costs and benefits to UEC's members of WRAP participation.
102	Encourage BPA to develop its analysis [for the formal decision] with consideration of at least two timeframes: (1) the benefits and risks to customers during the Regional Dialogue contract term, and (2) the benefits and risks to customers thereafter. This analysis will permit BPA's customers like UEC to make informed decisions regarding the participation of the loads they serve currently, and in the future.

Considerations Tracker Update

Items Added to the Considerations Tracker in Response to Comments Received Following the July 26, 2022 Workshop

Q/C#	Question/Consideration (May be summarized)
103	Concerned that BPA is requiring customers who signed Regional Dialogue contracts which remain in force until 2028 to discuss and resolve credits/penalties in the BP-24 rate case setting (covering Fiscal Years 2024-25) for services and obligations that were never a part of the contract, but now are “required” due to BPA’s potential and entirely elective participation in a voluntary Resource Adequacy program. The disconnect between current contract rates, terms and conditions and the WRAP has not been adequately considered or articulated.
104	Disconnect between BPA having sufficient QCC on a planning basis, but then asserting a risk of unidentified cost-shifts as the basis for creating and allocating to BPA customers credits and penalties needs far better articulation - including the contractual basis for doing so in the current contract period. Respectfully, there cannot be a “credit” for NLSL WRAP participation without an accompanying cost, and it is reasonable to characterize that cost which will be allocated in BP-24 to some or all of BPA’s preference customers as a “penalty”.
105	Provide more details regarding how loads served with unspecified resources will impose costs on the customers of the Federal power system, whether Tier 1 or Tier 2 (or other resource pools).
106	Identify the benefits, by way of avoided costs, that BPA anticipates will be realized by Tier 2 customers as a result of some preference customers choosing to serve these loads with unspecified resources.

Considerations Tracker Update

Items Added to the Considerations Tracker in Response to Comments Received Following the July 26, 2022 Workshop

Q/C#	Question/Consideration (May be summarized)
107	Explain why BPA is not allowing the exclusion of A-RHWM load. Identify the costs and benefits that would be realized by Tier 2 customers as a result of some customers serving AHWM loads with unspecified resources.
108	Request to elaborate on what new planning requirements, accounting and application(s) are being contemplated for the post-2028 contracts.
109	Appears to be a conflict in messages between BPA's intent to encourage resource development under Provider of Choice discussions and the policies related to WRAP for unspecified resources. Has BPA considered allowing a specified portion of load to be served with unspecified resources?