



February 17, 2023

RNW Comments to BPA on Provider of Choice  
*Submitted via email at post2028@bpa.gov*

Renewable Northwest appreciates the time and effort that BPA has devoted to the workshop discussions for Provider of Choice.

First, we would like to reiterate our principles:

- The contracts must be compatible with state clean energy requirements in the region, allow for load growth due to increasing electrification, and allow for customers to benefit from federal incentives for renewable and energy storage resources.
- Contracts must be flexible enough to allow for BPA and its customers to participate in any markets that may develop in the region during the contract period, including the Western Resource Adequacy Program, a day-ahead market, or a full RTO.
- BPA should be supportive of its customers integrating renewable resources. This includes elimination or significant reduction of the RSS, which can be done by methods such as using the security constrained economic dispatch model in the Western Energy Imbalance Market and future day ahead markets to integrate variable generators.
- BPA should include a carbon-free offering which values the diversity benefits of renewable generation and storage.

Additionally, we would like to express our support for several of comments submitted by other parties earlier this month:

### **Non-Federal Resources**

RNW supports PPC, WPAG, and NRU's comments to continue to roll transfer service for non-federal resources serving AHWM customers into PF rates. Given the projected load growth in the region, BPA should be promoting policies that make it easier for its customers to acquire non-federal renewable and storage resources, not building more barriers. Non-federal specified resources will help to reduce the overall size of any needed Tier 1 augmentation. RNW continues to support exploration of ways to maximize efficiency of integrating non-federal resources through exploring lower or alternate RSS fees and utilizing the EIM to integrate new variable resources. RNW also supports NRU's proposal to allow billing credits for utilities that develop and integrate new, cost-effective resources in lieu of Tier 1 augmentation.

### **Transmission**

RNW supports PPC's comments related to the crucial role that transmission access will play in the next contract period. Not only does BPA need to ensure that transmission planning and asset management have necessary resources, but transmission planning should also occur in an

open, transparent manner accessible to all stakeholders. RNW also strongly supports PNGC's request that BPA commit to either building out its current transmission system or moving quickly to an RTO/ISO construct. RNW believes that BPA should do both.

### **Carbon**

RNW echoes NWECC's and NRU's comments related to BPA offering a 100% carbon-free product. BPA should continue to explore how BPA's POC contracts will make significant progress on decarbonization. The opportunity for integrating clean energy into the grid has never been greater than it is today and RNW expects BPA to think creatively about how to value the diversity benefits of renewables and storage AND support rural economic development throughout the region. BPA needs to explore ways to offer its customers a pathway to 100% clean energy before the end of the POC contract period, or it will need to either shorten the contract period or offer customers an opt-out prior to 2045. BPA should commit to discussing this issue at a future workshop.

### **NLSL**

RNW supports WPAG's comments that NLSL policies that do not create cost shifts should be explored in the POC process. While the costs of NLSL should not be shifted to other customers, BPA should explore policies that will not stymie economic growth in its customers' service territories.

### **System Allocation**

RNW supports comments to allow for credit for non-federal renewable resource investments and self-funded conservation resources. Both energy efficiency and non-federal renewable resources will be critical to meeting customers' AHWM load growth, and customers should not be penalized with Tier 1 allocation deductions for acquiring these least-cost resources to meet their growing load needs.

### **2023 Test Year**

RNW echoes PNGC's support of the 2023 test year. This will allow customers to continue to invest in conservation and non-federal resources with more certainty on how it will impact their post-2028 contracts.

Sincerely,

/s/ Robin Arnold

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