

September 30, 2024

BONNEVILLE POWER ADMINISTRATION
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Submitted via email: post2028@bpa.gov

Comments on Standards for Peaking Capability Resource Declarations

Pursuant to BPA's October 1st request for customer comments on suggested changes or approaches for the Standards for Resource Declarations under Provider of Choice¹, City Light submits feedback on BPA's proposal² and perspective on approaches for the Standards for Resource Declarations that would apply to its Skagit (Ross, Diablo, and Gorge), and Boundary hydro resources.

Further Discussion to Account for Hydro Energy Constraints

City Light appreciates BPA's acknowledgement in the Provider of Choice Policy "that the WRAP designed the QCC methodology for short duration events and not sustained operations"³ and the openness to further discussion of non-federal hydro resources during the policy implementation and contract development phase expressed in the Provider of Choice Policy Record of Decision (ROD)⁴. City Light considers the opportunity to comment on BPA's proposed update to the Regional Dialogue Contract Exhibit A Standards for Resource Declarations⁵ as the opportunity to engage in further discussion on incorporating hydro energy constraints into the Exhibit A peaking values.

Applicable Section: Resource Category 1. PNCA and Non-PNCA Hydro Resources

City Light's Skagit and Boundary hydro resources fall under the "Resource Category 1. PNCA and Non-PNCA hydro resources" section of the Regional Dialogue Contract Exhibit A Standards for Resource Declarations.

Issue #1: Identification of alternate methodologies for determining firm energy of hydro resources

As noted in BPA's April 25th presentation, the methodology established in the Pacific Northwest Coordination Agreement (PNCA) for determining the firm energy capability of hydro resources remains reasonable⁶. Yet the PNCA methodology is not the only reasonable methodology to establish firm

¹ [20240827-letter-kim-thompson.pdf \(SECURED\) \(bpa.gov\)](#)

² [2024-04-25-prov-of-choice-resource-declaration-standards-final.pdf \(bpa.gov\)](#)

³ Provider of Choice Policy, p. 8.

⁴ [rod-20240321-bonneville-power-administration-provider-of-choice.pdf \(bpa.gov\)](#), p. 43

⁵ [data-standards-external-09-09-2008.pdf \(bpa.gov\)](#)

⁶ April 25, 2024 Provider of Choice presentation, Slide 6, "Amounts established under PNCA still are reasonable."

energy amounts for Exhibit A. BPA adopted a revised methodology in June 2022⁷ to calculate its annual firm energy from the monthly 10th percentiles (P10) of generation based on streamflow assumptions from the recent 30 years (“monthly P10, 30 water year methodology”) after deciding that a monthly P10, 30 water year methodology would result in a more accurate forecast of the capability of BPA’s resources to produce power under constrained conditions.

Proposal #1: Specifically adopt alternate methodology

City Light proposes that BPA should update the Provider of Choice Contract Exhibit A Standards for Resource Declarations to allow for both (1) critical water year methodology consistent with Regional Dialogue contract Exhibit A values and (2) the monthly P10, 30 water year methodology BPA adopted in June 2022.

Issue #2: Peaking values for hydro resources with energy constraints

The Western Resource Adequacy Program’s (WRAP) qualified capacity contribution (QCC) methodology for storage hydro considers the past 10 years generation, potential energy storage, and anticipated operational constraints, which will be updated moving one year forward each year⁸. In contrast, firm energy amounts for Exhibit A are developed from a study period longer than the 10 years in order to account for climate cycles that impact river basin hydrology. Peaking values for hydro resources with energy constraints are dependent on hydrology and interact with firm energy amounts due to changes in head height, turbine efficiency, and license constraints.

Proposal #2: Peaking values consistent with Exhibit A Standards for Resource Declaration for firm energy

City Light proposes three general principles on peaking values to incorporate into Exhibit A Standards for Resource Declaration for monthly peaking capability.

1. Peaking values should be consistent with the firm water streamflow and storage assumptions in the Exhibit A Energy Resource Declarations, including:
 - a. Water neutral across each month
 - b. Energy neutral across Heavy Load Hours (HLH) for each month
 - c. Energy neutral across Light Load Hours (LLH) for each month
2. The peaking values cannot violate FERC hydro license requirements or other safety or natural resource constraints.
3. The peaking values address flexibility for conservative operation to reliably meet load service requirements, where relevant.

Issue #3: Updating peaking values during the contract

The Western Resource Adequacy Program’s (WRAP) qualified capacity contribution (QCC) methodology for storage hydro considers the past 10 years of operations of the hydro resource updated each year⁹. Since both the capacity critical hours and the hydrological assumptions will change with each newly

⁷ [climate-change-update-to-the-long-term-hydro-generation-forecast-letter.pdf \(SECURED\) \(bpa.gov\)](#)

⁸ [2023-03-10 WRAP Draft Design Document FINAL.pdf \(westernpowerpool.org\)](#), page 100

⁹ [2023-03-10 WRAP Draft Design Document FINAL.pdf \(westernpowerpool.org\)](#), page 100



calculated forward showing period, BPA will either need to update customer declared resource peaking values each year, or use values that are stale throughout the term of the contract.

Proposal #3: Peaking values consistent with firm hydro conditions

BPA should further adopt Proposal #2 because it addresses the concern of Issue #3. Establishing peaking values consistent with stream flows at firm energy capability establishes values that are both reasonable and do not require changes to declared amounts annually.

Provider of Choice Exhibit A Non-Federal Resource Values

In accordance with BPA's request to submit changes to non-federal resource amounts currently included in Regional Dialogue Exhibit A to BPA by October 31, 2024, City Light is developing updated energy and peaking amounts based on a monthly P10, 30 water year methodology. Since the application of the methodology is technically nuanced, City Light asks BPA to engage on appropriate documentation, data, and analysis to support approval of the submission prior to October 31st.

cc:

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