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Submitted via email to [techforum@bpa.gov](mailto:techforum@bpa.gov) on December 3, 2021

**RE: Comments in Response to November 19 Resource Adequacy Stakeholder Meeting**

Development of a regional Resource Adequacy (RA) program in the West provides a great opportunity for BPA and its customers. Establishing a regional RA program by working together (as well as with other stakeholders) has the potential to result in economic and reliability benefits for utilities, and ultimately, end-use consumers in the West. These benefits will be contingent on development of a well-designed program that receives broad support across the region. It will be vital that any such program is beneficial and implementable for BPA's preference customers. This is particularly true if BPA participates in such a program.

The Public Power Council (PPC) sees Phase 3A of the Western Resource Adequacy Program (WRAP) as an important time for BPA and customers to work together to explore whether the current program design is workable for BPA and, if not, to work collaboratively with the Northwest Power Pool (NWPP) and other WRAP stakeholders so appropriate changes can be made to the program to facilitate BPA and preference customer participation. PPC appreciates the collaborative tone with which the agency has approached this initial workshop during the "Phase 3A Engagement" period and we look forward to working collaboratively to answer what may be challenging questions leading up to BPA's fall 2022 decision on whether to participate in the WRAP's binding program.

These initial comments are offered in that collaborative spirit, and we look forward to further conversations with BPA both in formal workshops and other forums where appropriate.

**Engagement Plan & Process**

PPC appreciates the overview of the upcoming engagement plan during Phase 3A and leading up to BPA's phase 3B decision. As stated above, we look forward to engaging in these processes. The expectations set by BPA for planned engagements over the next year are very helpful. We note that additional meetings may be needed to fully address issues in advance of BPA's decision on the binding phase of the RA program next year and understand that any need for additional engagements will need to be balanced with internal workload. We hope to continue an open dialogue with BPA on the progress of addressing customers questions – including potential forums for additional engagement opportunities if the need arises.

PPC also thanks BPA for developing the "Public Considerations Tracking Spreadsheet." This tracking sheet should help set customer expectations, clarify agency positions and lead to improved communication during the upcoming stakeholder process. We know updating this list will take additional work from BPA staff and we appreciate their efforts on this new tool.

## **Annual Assessment Update**

PPC thanks BPA for sharing information as part of the annual assessment update. We look forward to BPA sharing results from the WRAP studies and other relevant BPA analysis as it becomes available.

## **Initial Responses to Customer Questions**

During the workshop, BPA shared some initial responses to customer feedback in the presentation materials. PPC has some clarifying questions on these responses:

- Slide 18 of the presentation states, “BPA does not represent any additional parties.” Can BPA please clarify this statement? In addition to BPA itself? In addition to BPA’s preference or load following customers?
- The answers offered on the potential impacts/benefits to transmission operations resulting from the program were helpful. Based on these responses PPC has several additional questions:
  - How will new long-term transmission requests intended to support the program be studied since they would be going to Mid-C (given current restrictions on hubbing requests in long-term studies)?
  - What will the process be for entities redirecting their existing transmission rights to the centroid?
  - Will the centroid be used for all transmission rights used to demonstrate adequacy under the program? Or only for generation that is made available to others during the operational showing period?
- On slide 20, BPA notes that the program “does not change BPA’s commitment and obligation to operate a reliable transmission system.” PPC appreciates the agency’s confirmation of this continued commitment and looks forward to seeing more information about how BPA will retain or enhance reliability through its participation in the RA program as we work through additional details of BPA’s participation.

## **Comments on Other “Resolved” Issues in Presentation Appendix and Tracking Sheet**

PPC again reiterates its appreciation for creation and maintenance of the issue tracking sheet related to questions around BPA’s potential participation in a binding RA program. This tracking sheet offers customers the opportunity to seek clarity on BPA’s initial findings and clearly communicates to customers when the agency considers specific issues as “resolved.” This creates additional opportunities for communication and clarification in advance of BPA’s decision on participation in Phase 3B. PPC offers additional feedback and requests for clarification on two “resolved” items in the tracking sheet as of November 16, 2021.

Item #20: In response to PPC’s request that BPA conduct a business case sensitivity assuming all preference customers choose to have BPA serve their net requirements post-2028, BPA stated that it has a broad mandate which directs the agency to meet “its firm power customer needs, which is impartial to the product type chosen by preference customers.” PPC does not disagree with this statement; however, in this context BPA is specifically differentiating the treatment of

preference customers in the RA program based on their chosen product. Based on BPA’s interpretation of customers’ existing contracts, selection of a different power product would impact the agency’s obligations under the RA program. Thus, there is the potential that customers selecting different power products could impact BPA’s business case for participating in WRAP. A scenario assuming that BPA is responsible for all preference customer obligations post-2028 would provide a helpful datapoint since customers have the right to place those obligations on BPA. Regardless of whether this specific sensitivity is analyzed, some assessment of how varying levels of obligation under the program effect BPA’s business case for participation should be conducted.

Item #35: BPA states that “order of preference will not be impacted by the program.” PPC appreciates BPA’s stated commitment to maintaining preference. We look forward to working through specific scenarios with BPA to better understand how preference will be maintained if BPA is to participate in the binding phase of the forward showing program and the planned operational phase of the program.

### **Collaborative Effort to Address Outstanding Questions**

PPC’s support for participation in 3A was specifically conditioned on BPA agreeing to address the questions advanced by PPC and our members. In its decision letter for participation in Phase 3A BPA stated, “Bonneville is committed to collaboratively working with its customers over the course of Phase 3A to address questions and concerns that were identified in this process.”<sup>1</sup> We look forward to working with BPA to collaboratively address the questions already identified by PPC and its members, as well as additional questions that will arise during this stakeholder process. We appreciate the ongoing opportunity to discuss these issues with BPA staff, raise additional questions and ensure that we can work together to explore perinate questions in advance of BPA’s decision on Phase 3B participation in the WRAP.

Thank you for the opportunity to comment.

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<sup>1</sup> BPA Final Decision – WRAP Phase 3A Participation, pg. 8 [https://www.bpa.gov/Projects/resource-adequacy/Documents/BPA%20Final%20Decision\\_WRAP%20Phase%203A%20Participation.pdf](https://www.bpa.gov/Projects/resource-adequacy/Documents/BPA%20Final%20Decision_WRAP%20Phase%203A%20Participation.pdf)