

NLSL Group Comments on BPA's BP/TC-26 Sept 25, 2024 Workshop

The NLSL Group¹ includes discrete large loads that are expected to result in 1.5-4.5 GWs of BPA's Total Retail Load by 2028. The NLSL Group is focused on developing plans for load service in a rapidly evolving regional landscape, which includes substantive changes to BPA's *New Resource (NR)* related services for the remainder of the Regional Dialogue Contract.

On September 25th, 2024, BPA conducted a BP/TC26 workshop where proposals for WRAP Resource Adequacy, Energy Shaping Services (ESS), and Unauthorized Increases (UAI) were shared publicly with customers. The NLSL Group is grateful for BPA's thoughtful proposals and appreciate the collaborative approach that was used to develop the proposals for ESS and UAI.

The NLSL Group is actively evaluating the impacts of these proposals and offers the following comments to specifically address concerns related to the Western Resource Adequacy-New Large Single Load proposal on Slide 16 for BPA's consideration.

BPA proposed that Load Following customers with an NLSL would be subject to monthly Resource Adequacy Service (RAS) charges for any Peak NLSL loads where customers failed to provide sufficient resources with WRAP Qualifying Capacity Contributions or do not have a WRAP Load Exclusion in place nine months before the beginning of each binding season. BPA also proposed to initiate this charge at the start of BP-26.

The NLSL Group offers the following comments:

- The NLSL Group is committed to paying its fair share for energy and capacity and requests that BPA explore outcomes that provide equitable treatment across all customer groups.
- Customers should not be subject to WRAP charges until BPA is obligated (or subject) to actual WRAP program costs. It is our understanding that BPA will not be subject to WRAP program costs until the Winter--Forward Showing period in March of 2027 (or thereafter).
- BPA and its customers must work collaboratively to develop the load exclusion process well in advance of administering program charges. Utilities will need time to thoroughly weigh options, advise retail customers and members, and devise plans to ensure reliable load service.

Additional questions:

- Can BPA confirm that paying for WRAP services will result in BPA becoming the load responsible entity (LRE) for the NLSL loads for WRAP purposes?

¹ The NLSL Group is comprised of BPA preference customers who serve or expect to serve retail members and customers that the Northwest Power Act categorizes as "New Large Single Loads" (NLSLs). Member utilities include: Umatilla Electric Cooperative, Northern Wasco County PUD, Grant PUD, PNGC Power, Clatskanie PUD, Harney Electric Coop, Klickitat PUD, Eugene Water and Electric Board, and Benton Rural Electric Association.

- What are the implications for customers who elect to pay the NLSL WRAP charges, rather than acquiring their own resources to meet their WRAP QCC obligations? For example, would a customer be able to use unspecified market purchases to serve their loads?
- Can BPA describe at a high-level how the NLSL WRAP service charges will be determined?
- Will BPA apply any requirements beyond those specified by the WRAP program for load exclusion attestation?
- Has BPA considered how a credit would be applied for the times when customers provided excess capacity or energy during WRAP sufficiency or sharing pool periods?

The NLSL Group thanks BPA for the time spent on NLSL issues in BP-/TC-26, it's engagement with the NLSL Group and our representatives and look forward to continued productive collaboration on finding solutions to meeting the needs of our retail customers and members who are NLSL loads.

Submitted by Steve Kerns (Sandpiper Solutions, LLC), on behalf of the NLSL Group.

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