

June 27, 2022

Submitted via email to techforum@bpa.gov

Northwest Requirements Utilities (“NRU”) submits these comments in response to Bonneville Power Administration’s (“BPA”) June 13, 2022 Resource Adequacy Engagement Workshop (“Workshop”). As you know, NRU represents the interests of 56 Load-Following customers located in 7 states across the region that hold Network Transmission contracts with BPA and hold power contracts for almost 30% of BPA’s Tier 1 load. Of primary importance to NRU members is BPA’s ability to offer an affordable and reliable power supply and transmission that maximizes the value of the Federal system for the benefit of preference customers. Related to the Western Resource Adequacy Program (“WRAP”), NRU recognizes the benefits of additional regional cooperation while still ensuring BPA’s participation provides value to customers.

NRU appreciates the opportunity to provide feedback regarding two specific solutions concepts reviewed in the Workshop. First, as outlined in the Workshop, BPA customers would have the option to exclude a New Large Single Load (“NLSL”) served by non-federal resources through the WRAP Load Exclusion provision, impacting the overall load for which BPA would have responsibility. NRU believes there is value in enabling BPA customers to have the option to include or exclude NLSLs as a part of the load for which BPA is responsible under the WRAP. To further develop a position on the concept, NRU requests additional information regarding the approach and the impacts of a customer’s decision. Specifically, if a customer would make a choice to include or exclude an NLSL in one Forward Showing Submittal process, could the customer make a different choice in the future? How would the choice related to treatment of the NLSL impact the future ability of customers to directly join in the WRAP for those specific loads? What other impacts does BPA see that may be important for customers to understand?

Second, for BPA customers who elect to include NLSLs in the BPA WRAP load obligation, there are some additional factors for which we recommend consideration. For example; NLSLs that are data centers typically have a very high load factor and are served with blocks of energy that exceed the actual demand with a small margin (e.g. 1-2 MWs). In contrast, most of the non-NLSL loads have diurnal shapes exhibiting high peaks and low load factors – weather dependency is highly correlated to these loads. NRU believes the determination of NLSL responsibility for the WRAP Planning Reserve Margin (“PRM”) must consider actual load characteristics which will likely lead to a smaller PRM obligation in comparison to other load types. There may be other similar types of issues that are

unique to NLSLs that should be considered if BPA were to participate in the binding phase of the WRAP.

Third, NRU also seeks more information about how demand response resources (i.e., WRAP’s “Load Modification” and “Capacity Resources”) may factor into meeting BPA’s WRAP obligation. For example, if there is a “WRAP event” where WRAP-participant resources are required to be held back to ensure reliability in the region, we expect that there may be hours or days’ notice in which Load Modification and Capacity Resources can be placed on standby status to be called upon if an energy emergency is initiated (i.e., during an extreme weather forecast event). NRU seeks to know more about how BPA would utilize Load Modification and Capacity Resources during such events to meet its reliability requirements and support the region. Understanding BPA’s approach will help inform the appropriate approach for utilities to take with their NLSLs.

Fourth, as outlined in the Workshop, BPA is proposing an incentive via a credit for customers that use specified resources – rather than unspecified market purchases - to meet their non-federal resource obligations for service to Above High Water Mark Load. This approach appears to align with commitments made under the Regional Dialogue contracts and the purpose of the WRAP to ensure entities participating in the program do not collectively rely excessively on unspecified market purchases that exceed the physical resource capability of the Western resource and transmission systems to meet their load service obligations. NRU appreciates BPA’s proposal to provide an incentive rather than a penalty and looks forward to learning more about the rate treatment to implement the proposal.

Lastly, and a question to be addressed after BPA makes its decision whether to enter the binding phase, NRU believes it would be valuable to review current rate or cost structures that have the potential for redundancies were BPA to enter the binding phase of the WRAP. For example, would there be a potential for a BPA customer to be charged an Unauthorized Increase Charge if it were to take demand and/or energy more than its contractual entitlement and for BPA to incur a WRAP penalty related to the same excess demand? If BPA were to enter the WRAP binding phase, NRU requests BPA’s consideration regarding whether this rate construct and other costs may need to be addressed within the current BP-24 process.

We appreciate the public process and open dialogue provided by BPA. Thank you for considering these comments and questions.

Sincerely,

/s/ Tashiana Wangler

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