

COMMENTS OF THE WESTERN PUBLIC AGENCIES GROUP REGARDING BPA 6/1/23 WORKSHOP ON 2024 RESOURCE PROGRAM

Date Submitted: June 12, 2023

A. Introduction

The utilities that comprise the Western Public Agencies Group (WPAG)¹ thank the Bonneville Power Administration (BPA) for the opportunity to submit comments regarding BPA's June 1, 2024, Resource Program workshop.

WPAG appreciates BPA's recognition of the complex planning environment facing its 2024 Resource Program planning process. As BPA notes, regional and national clean energy policies, supply chain challenges, emergent technologies, developing day-ahead markets, the rise of the Western Resource Adequacy Program (WRAP), and the new 2028 long-term power contracts all present uncertainties that add to the complexity and challenge of resource planning.

WPAG largely supports BPA's planning approach for the 2024 Resource Program, but makes the following requests and recommendations as described in more detail in the comments below: (1) request for additional information on how BPA plans to expand its analysis to further align BPA power planning with WRAP and future organized markets; (2) request for additional information and clarification with respect to resource costs under BPA's proposed two scenarios; and (3) recommend expanding the sensitivities relating to how AHWM load growth will be served by BPA.

On process, WPAG respectfully requests that BPA post all comments submitted by stakeholders regarding the 6/1 workshop, as well as comments submitted in response to future workshops, to aid in the collective understanding of stakeholder perspectives on BPA's 2024 Resource Program. WPAG also supports requests from stakeholders on the call to consider adding additional workshops to the schedule if it becomes clear that this is necessary to cover all content and questions. Lastly, WPAG supports the request made for a future workshop on the resource plan that occurs in conjunction with a Provider of Choice workshop to address sensitivities around resource selection and product switching.

B. WRAP and Future Organized Markets Considerations

In describing its planning approach for the 2024 Resource Program, BPA described how it plans to expand its analysis to include limited topological considerations to further align BPA power planning with the WRAP, which BPA is currently participating in as a non-binding

¹ WPAG includes the following utilities: Benton Rural Electric Association, Eugene Water and Electric Board, Umatilla Electric Cooperative, the Cities of Port Angeles, Ellensburg and Milton, Washington, the Towns of Eatonville and Steilacoom, Washington, Elmhurst Mutual Power and Light Company, Lakeview Light & Power, Ohop Mutual Light Company, Parkland Light and Water Company, Public Utility Districts No. 1 of Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Kittitas, Lewis, Mason and Skamania Counties, Washington, Public Utility District No. 3 of Mason County, Washington and Public Utility District No. 2 of Pacific County, Washington.

participant and is slated to participate in as a binding participant in the 2027/2028 time frame. At the workshop, WPAG asked BPA whether there were other considerations that WRAP would have on BPA's resource planning that would or should be accounted for, such as whether BPA will be relying on the WRAP capacity accreditation approach in its resource planning. This is relevant to BPA's resource planning, as it could impact the least-cost strategies identified in the candidate resource assessment to fill expected system needs. One specific example is market purchases. Under WRAP, there is less flexibility for market purchases to qualify for capacity under WRAP rules. As a WRAP participant, BPA will need to consider whether and how a resource qualifies under WRAP in its resource selection process. WPAG recognizes that BPA does not expect to be capacity constrained in the near term, and as such, the practical impacts of resource qualification under WRAP for resource planning may be lower in early years, but nonetheless, WPAG believes it would be helpful to understand how BPA plans to approach WRAP program rules and implementation with its resource planning process in more detail and what impacts BPA anticipates.

While BPA acknowledged that future markets are an element of the uncertainty included in the 2024 Resource Program planning landscape, WPAG is unclear on how BPA's participation (or not) in a day-ahead market or full RTO is being considered in the scenarios or sensitivities for the 2024 Resource Plan. When WPAG raised this question during the call, BPA indicated that it was not planning to include BPA's participation in a day-ahead market as a sensitivity with a toggle (yes, or no), but that under both scenarios it is assumed that BPA is in an organized market with centralized dispatch.

BPA's participation in an organized market is relevant to its resource plan because its participation (or lack thereof) will impact BPA's ability to meet its needs by relying on market purchases. For example, if a day-ahead market exists in the region and BPA does not join, it will likely have decreased opportunities to make market purchases in the bilateral market given that an organized day-ahead market is expected to decrease bilateral market liquidity.

WPAG would like to better understand and requests more details with respect to what assumptions BPA has included in its scenarios around organized market participation. WPAG believes it may be helpful to look at the three possible outcomes: No BPA participation in a day-ahead market, BPA participation in a day-ahead market and BPA participation in a fully organized market (RTO).

C. Resource Costs

WPAG appreciates BPA's recognition on the call that resource costs will be of high interest to BPA stakeholders, and while not yet ready, BPA expects to be able to provide this information at a future workshop. WPAG believes it would also be helpful for BPA to explore assumptions around resource costs and how these might differ between the base scenario and fast transition. For example, in last resource plan² BPA assumed lower cost forecasts for renewable generation resources in the "high policy" scenario versus base case.

² <https://www.bpa.gov/-/media/Aep/power/resource-program/20220809-resource-program-workshop.pdf>

D. AHWM Sensitivities

WPAG appreciates and supports BPA considering Tier 2 elections in its load sensitivities and agrees with other stakeholders that BPA should expand sensitivities beyond only assuming all AHWM load growth is served by BPA, but rather look at a range of alternative sensitivities. One approach to consider would be to include sensitivities that track the potential AHWM product offerings BPA has put on the table in the Provider of Choice process. As noted earlier in these comments, WPAG supports the request made for a future workshop on the resource plan that occurs in conjunction with a Provider of Choice workshop to address sensitivities around resource selection and product switching.

Thank you for the opportunity to comment.