

NLSL Group Comments on the April 30th RP-24 Workshop

The NLSL Group¹ is closely following BPA's current Resource Program (RP24) stakeholder process. In light of the magnitude of expected load growth reflected in the load forecasts all BPA preference customers have provided to BPA and as reflected in the PNUCC's recently released Regional Forecast, we believe that resource acquisition decisions made by BPA and customers over the next several years are some of the most critical decisions we will collectively make. Members of the NLSL Group are experiencing unprecedented requests from developers that would like to locate large loads that would qualify as NLSLs within their service territory, but it is unclear how these loads can be served given changes in the energy markets, BPA's post-2028 power products, and BPA's ability to develop transmission solutions for new generating resources. The NLSL Group believes that RP-24 is an opportunity to develop a collaborative process between BPA and its customers who will have a need to acquire resources for load that is not met by BPA's post-2028 contracts and offers these comments on NLSL issues related to the April 30th RP-24 workshop. The NLSL Group appreciates BPA's consideration of previously submitted comments and thanks BPA staff for their engagement with the NLSL Group.

Incorporating NLSLs into RP-24

In our comments on the November 28th workshop, the NLSL Group encouraged BPA to consider the following as part of the Base and Fast Transition cases:

- As part of its baseline analysis, BPA should include any NLSL that has requested NR service during the study period.
- BPA should develop a methodology for capturing the impacts of integration services (ESS, NRFS, RSC, RSC Adjustment, GI) in its Needs Assessment studies.
- The studies should include an explicit assumption for how NLSLs are treated (for example, 25% at the NR rate, 50% with non-federal resources plus integration services, 25% block purchases with ESS).
- The resource program should include a specific analysis of the FCRPS' capability to provide the integration services which can be projected from the load forecasts BPA has received to date. This analysis should be performed on a "One-BPA" approach that considers the needs of BPAP customers along with the needs of BPAT customers to maintain load/resource balance in light of the load forecasts referenced above.
- The high load factor nature of many NLSLs and the appropriate resources required to serve this load should also be considered for those electing to be served at the NR Rate.
- BPA needs to consider and discuss with customers how BPAP/BPAT products and services can be studied based on expected shapes of load and non-federal generation

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, Klickitat PUD, Eugene Water and Electric Board, Harney Electric Cooperative, and Clatskanie PUD.

acquired to meet that load. For example, using a HLH/LLH index may not be appropriate for BPAP products as the region moves to a day-ahead market with hourly and sub-hourly granularity. The NLSL Group believes that a collaborative approach to create durable solutions on how NLSL load will be served with the expected mix of future resources is necessary for both BPA and its NLSL-serving customers.

In the April 30th RP-24 workshop, BPA proposed to incorporate NLSLs in RP-24 by including a sensitivity that represents NLSLs taking NR service as a flat block and to defer study of balancing reserves until RP-26. The NLSL Group offer these comments in response to the proposed studies:

- The scale of the flat blocks used in the sensitivity is in line with the range of 1.6-5.2 GW that the NLSL Group has mentioned in previous comments.
- While the NLSL Group strongly preferred to assess balancing reserve needs and FCRPS capability as part of RP-24, we support the plan to include these as part of RP-26.
- The NLSL Group reiterates the need to study the impact of integration services other than balancing reserves (e.g. ESS, NRFS, RSC, RSC Adjustment).

Resource Program Next Steps

As discussed at the April 30th workshop, BPA plans to initiate the RP-26 process later this year. In addition, it is the NLSL Group's understanding that BPA will need to initiate a process that follows the direction provided by the Northwest Power Act – specifically sections 6(b) and 6(c). The NLSL Group would like BPA to explain how this “6(c)” process will work in coordination with RP-26, and to indicate when this process will commence.

Finally, the NLSL Group would like to reiterate previously submitted comments regarding the importance of a “One-BPA” approach to resource acquisition decisions. BPA's Resource Program offers a unique opportunity to utilize a modeling framework that uses modern analytical tools to perform not only Needs Assessment for BPAP, but also assess the needs of BPAT for balancing services. In addition, new resource acquisitions will have deliverability requirements and have the potential to impact many areas of BPA's core business (e.g. BPAP/BPAT systems and processes, cost allocation used for rates and contracts). The NLSL Group believes that establishing a “One-BPA” approach for these critical resource acquisition decisions will result in an efficient and well-reasoned decision-making process that meets the current and future needs of BPA's customers, including those that serve NLSL loads.

Thank you for your consideration of these comments. The NLSL group would welcome the opportunity to follow up on them with BPA staff at their convenience.