



NW Energy Coalition
for a clean and affordable energy future

September 3, 2021

John L. Hairston
Administrator and Chief Executive Officer
Bonneville Power Administration
905 NE 11th Avenue
Portland, Oregon 97232

Dear Administrator Hairston:

The NW Energy Coalition (NWECC) appreciates the opportunity to comment on the draft decision by the Bonneville Power Administration to participate in the Phase 3A Non-Binding Forward Showing Program of the Northwest Power Pool Western Resource Adequacy Program (WRAP).

NWECC supports Bonneville's participation in the initial non-binding phase of the WRAP. While recognizing the progress that has been made in recent months, we summarize here our ongoing concerns with several aspects of the proposal.

The importance of regional coordination on resource adequacy arises from a number of factors. The draft decision notes the changes in the spot markets resulting from retirement of thermal resources and the increase in variable energy resources. But it should also be recognized that fuel delivery and price risk for gas power plants is creating new challenges, and the demand shape and peaks are shifting as more climate change affected weather patterns occur.

We believe the WRAP proposal offers potential value for addressing these challenges, but it is necessarily complex and evolving. It is important that program participation be compatible with Bonneville's existing power and transmission contractual requirements, but also with its statutory obligations including protection of fish and wildlife resources.

NWECC also takes the view that the WRAP program should provide a level playing field for all resources that can provide resource adequacy value, including generation of all types, grid-connected stand-alone and hybrid renewable storage, and customer side resources (energy efficiency, demand response, distributed generation, storage). Ongoing improvements in program design can open up opportunities for new entry, and we encourage Bonneville to

consider how augmenting the capabilities of the federal hydro and transmission systems with customer side resources in particular can contribute to that outcome.

Concerning program governance, we are encouraged by recent refinements to the structure that will strengthen transparency, breadth and balance. We also support the call by Bonneville's preference customers for a more defined role for their participation in the process.

We continue to have concerns about specific program elements, in particular whether the 7-month deadline for filing the forward showing data can accommodate the inherent interannual variability in hydropower availability as well as renewable energy sources and demand. The current water year, where Northwest runoff estimates ranged from well above 90% of average last November 1 to well below 80% by June 1, offers an instructive example.

Other broad concerns include the alignment of the WRAP proposal with ongoing efforts to expand regional markets, particularly the proposed Enhanced Day Ahead Market (EDAM).

Finally, it will be important to situate the WRAP proposal appropriately in the federal and state regulatory and policy context. Issues of federal jurisdiction await the second binding phase of the program, but state regulatory concerns are already ripe. We encourage Bonneville, in its role as a federal power marketing and transmission agency providing services to many state jurisdictional entities, to provide its cooperation and expertise to states in their important review and oversight activities.

Thank you for considering NWECC's comments as Bonneville moves toward participation in the WRAP non-binding forward showing program.

Sincerely,

Lauren McCloy
Policy Director

Fred Heutte
Senior Policy Associate