September 3, 2021

Comments of Public Utility No. 1 of Snohomish County in Response to Bonneville Power Administration’s August 20, 2021, Draft Decision to Continue Participation in Development of the Resource Adequacy Program

Submitted via https://publiccomments.bpa.gov/

Public Utility District No. 1 of Snohomish County (“Snohomish”) appreciates the efforts of the Bonneville Power Administration (“Bonneville”) in taking a proactive, leadership role in considering how to improve resource adequacy within the Western region. As noted in the August 20, 2021, Draft Decision and accompanying letter, resource and transmission adequacy concerns have increased significantly in recent years, driven by accelerating resource retirements, extreme weather events, and a changing regional resource mix accelerated by a changing policy environment. An industry-led, regional effort to address resource adequacy is essential in considering an appropriate framework for ensuring sufficient generating and transmission capacity is available to meet demand, even under extreme weather and operating circumstances.

Snohomish supports Bonneville’s participation in the Phase 3A Non-Binding Forward Showing Program. Bonneville has been an active participant in regional discussions on the conceptual and detailed design of the Resource Adequacy Program being developed by members of the Northwest Power Pool. The insight and expertise of Bonneville staff has informed the technical operation of the Program as well as the envisioned governance structure. Phase 3A will include work to address outstanding issues with the Program, and Snohomish believes it is important that Bonneville staff be involved in all aspects of that work.

However, important questions remain. Bonneville’s customers will need to carefully review the business case for joining Phase 3B, which requires a common understanding of how Bonneville plans on a forward basis to meet its peak loads today, including the reserve margin Bonneville applies to those forecasted peaks. This baseline will allow customers to judge whether the proposed Resource Adequacy Program is an improvement over current operations.
Bonneville’s customers must also have an understanding of how the proposed Resource Adequacy Program fits within Bonneville’s statutory and contractual obligations, including the preference rights of customers to both energy and capacity. This necessarily includes how the Program will operate technically, including how resources will be counted, how power products might be impacted, and how information will be exchanged.

The Public Power Council (“PPC”) is including a list of questions with their comments, and Snohomish encourages Bonneville to work with PPC to resolve those questions. In addition to the topics above, of concern to Snohomish is the allocation of costs and benefits among Bonneville customers. The allocation method should be equitable to all of Bonneville’s customers, and to the extent the allocation method is limited by the current rate constructs, Bonneville should ensure that all customers understand those limits and what modifications would be necessary to resolve those limits.

PPC has been organizing conversations with Bonneville, the Northwest Power Pool, and other Program participants. These conversations have been valuable in furthering understanding about the Program and about customer concerns, and Snohomish supports Bonneville’s continued engagement in these conversations during Phase 3A. A robust public process, as well as a comprehensive business case, are essential components to Bonneville’s evaluation of the Program as a whole and the upcoming decision whether to participate in the Phase 3B Binding Program. Public engagement for Phase 3B should begin immediately, as many of the questions posed to Bonneville are foundational questions and do not require final design of the Resource Adequacy Program.

Snohomish looks forward to continuing dialogue on this important regional issue.