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via e-mail: comments@nwcouncil.org

Chair Phil Rockefeller
Northwest Power and Conservation Council
851 S.W. Sixth Avenue, Suite 1100
Portland, OR 97204

Subject: Draft 7th Power Plan

Dear Chairman Rockefeller and Members of the Council,

Thank you for the opportunity to comment on the 7th Power Plan. PGP member utilities own approximately 7,000 MW of generating resources and purchase 35 percent of the requirements power sold by the Bonneville Power Administration (BPA). As generation owners and load serving entities, PGP members routinely develop resource plans to determine the most cost-effective way to serve their load. Although the Council's Power Plan, as a regional analysis, cannot and is not intended to be reflective of any individual utility's needs, the Power Plan provides PGP member utilities with useful information on key planning assumptions and analytical methods. Further, it provides a regional view of key resource needs and options.

Process

PGP would like to thank the Council Members and Council staff for the clear and transparent process that was used to develop the draft 7th Power Plan. The creation of the Resource Strategies Advisory Committee proved to be a good forum for Executives to engage on key issues. PGP found the process to be well defined with a schedule of issues and events outlined in advance. Finally, we appreciated the willingness of Council Members and staff to meet with us upon request. The high level of availability and transparency have resulted in broad understanding of the assumptions and scenarios in the draft 7th Power Plan.

PGP anticipates that actual load, resource, and market conditions will vary from the assumptions made in the 7th Power Plan. We encourage the Council to implement a similar level of transparency and engagement in any update or evaluation of the impact of changed conditions.

Scenario Analysis

Given the inherent uncertainty in energy policy, the availability of new technology and changes in resource availability, evaluating multiple scenarios is a meaningful way to understand and evaluate risk. The suite of scenarios selected and evaluated by the Council in the draft Plan provided a sufficient range of outcomes to assess key areas of risk and impact. PGP appreciates the opportunity we had to provide input on the scenarios and to view results as they were developed.

In particular, the scenarios developed on carbon emissions strategies were illuminating. The Council evaluated this issue from various perspectives and we believe that approach has provided the region with very useful information. PGP is interested in finding the most cost-effective and efficient way to reduce carbon in the electricity sector. The analysis provided helps to narrow in on those options.

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Action Items

Overall, we find the action plan measures are consistent with and support the Power Plan's findings. We would like to recommend modifying or deleting a few actions that PGP does not believe are in direct support of the Plan's findings or consistent with the Plan's purpose.

Delete Action Item F&W 1

PGP recommends that Action Item F&W 1 be deleted. The idea of evaluating the impacts to fish and wildlife of renewable resource development was raised during the development of the Environmental Methodology for the 7th Power Plan. PGP submitted comment at that time and continues to strongly believe that this action is inappropriate for the Council and duplicative of several state and federal agencies' responsibilities. The comments that PGP submitted on this issue are still relevant:

On the specific question of whether the Council should "lead a region-wide effort to assess the suitability of sites for terrestrial and aquatic energy resources," PGP strongly believes that this is not only an inappropriate role for the Council but it is redundant to other regional processes. Existing regulatory agencies have the statutory responsibility to conduct extensive processes to assess the impact of new energy projects on fish and wildlife resources. Each of those processes include public participation and comment. Not only is Council involvement in this area not necessary, but it is not appropriate and would not be helpful for the region.

Delete Action Items BPA 7 and Council 7

Action Items BPA -7 and Council -7 require a cost-effectiveness analysis of the provision of operating reserves. Utilities that operate Balancing Authority Areas are responsible for assuring they have sufficient operating reserves to meet established reliability requirements established and enforced by North American Electric Reliability Corporation (NERC). These utilities have their own internal financial incentives to deploy operating reserves as cost-effectively as possible while balancing the need to maintain a reliable power system. Further, BPA and investor-owned utilities are subject to thorough review of their approach to meeting reliability through their rate proceedings. Given that operating reserves are used for reliability needs and that other forums exist to confirm cost-effectiveness, this type of review is both not appropriate for the Council but also redundant to internal and external processes.

PGP recognizes that the amount of operating reserves held impacts resource availability to meet load, specifically in peak load conditions. PGP supports Action Item *Regional – 4: Collaborate on collection of regional operating reserve planning data*. This item will provide the Council with data needed to conduct a meaningful resource adequacy analysis and to develop power plans.

Conclusion

Thank you again for the opportunity to comment. PGP and its member utilities look forward to continued collaboration with the Council as the 7th Power Plan is finalized.

Sincerely,



Therese Hampton
Executive Director, Public Generating Pool

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