

Submitted via electronic mail

June 7, 2021

Members of the Northwest Power and Conservation Council Power Committee
851 SW 6th Ave #1100
Portland, OR 97204

Re: Energy Efficiency Goals and Resource Adequacy Analysis

The Public Power Council (PPC) appreciates this opportunity to comment on the 2021 Power Plan (Plan). PPC values the transparent discussion that the NWPCC has provided on the Plan to date, and we believe that this open approach will result in a more robust and useful document. Please find PPC's comments on energy efficiency (EE) and resource adequacy at this juncture below. PPC will be submitting more detailed and comprehensive comments once the Draft Plan has been released.

Resource Adequacy

PPC and its members are concerned that the NWPCC has not yet thoroughly vetted the Redeveloped GENESYS model results and is presenting these in a way that minimizes or is counter to mounting, credible concerns about resource adequacy in the region. In fact, the NWPCC's current analysis is contrary to its own past findings, as well as the findings of other significant studies on the issue. This should prompt NWPCC Members and staff to consider whether assumptions and modeling are accurate.

Importantly, the suggestion that adequacy issues could largely resolve themselves by the mid-2020s could substantially undermine the work to develop adequacy programs and invest in appropriate resources. Even if an adequacy program is stood up, the NWPCC's models may be overestimating the ability to coordinate short-term operations to resolve adequacy needs. PPC understands and appreciates that NWPCC staff have offered caveats on the modeling results and point to the Northwest Power Pool Resource Adequacy Program as a potential solution, but this does not resolve the fact that the underlying message to date is that the region will not have adequacy issues by the mid-2020s.

Similarly, hydro modeling and assumptions need to continue to be vetted. The NWPCC's modeling points to increased use of the hydrosystem's flexibility, a new operating paradigm that may not be feasible. As you are aware, BPA, the Corps, and the Bureau have extensive obligations and constraints to meet non-power project purposes for the federal hydrosystem. BPA also has statutory obligations related to preference that may shape the way the hydrosystem is used and the way in which reserves are held. Operation of these systems requires the

coordination of a host of experts, and new modeling results may not accurately consider every relevant issue.

Because resource adequacy can have such a profound impact on the region, it will be important for NWPCC Members to structure the narrative and recommendations in the Plan in a way that recognizes the uncertainty lying ahead and the limitations of the NWPCC's modeling and analysis.

Energy Efficiency

PPC continues to support the use of an EE goal range in the 2021 Power Plan, rather than a single point target. PPC appreciates comments from Members at the May 27 Power Committee meeting that advocated this approach. It is also promising that Members are considering language in the Plan which would recognize that deviation from a target may simply indicate changed circumstances and not a failure on the part of BPA or public utilities.

The goal range should reflect the majority of Scenario results on the low end and the opportunity cost of clean resources such as wind and solar on the higher end. Given this, we find that a levelized cost of roughly \$50-\$60/MWh, or 700-800 aMW, appears reasonable for an upper range at this time. This target will be sufficient to maintain robust EE programs, and is supported by the quantitative analysis in the Plan.

PPC is concerned that the proposed methodology for adding credits to select energy efficiency measures could negatively impact EE programs. The qualitative aspects of EE being considered by the NWPCC may not be valued uniformly across utilities, and requiring the same methodology and credits for each would not be appropriate. For example, some utilities might place high value on specific measures (for flexibility, equity, or other reasons) such as residential weatherization that are on the higher end of the cost curve, while others might not. Rather than set a target that forces adoption of these measures, the NWPCC should structure the Plan in a way to provide utilities the flexibility to implement what is valuable to them; Public power utilities are non-profit organizations that are responsive to their community and customer preferences via local democratic governance.

The NWPCC's mandate is for planning, analysis, and recommendations. BPA and utilities are the decision makers and implementers for final resource decisions. Due to these distinct mandates and roles for planning and implementation, BPA's EE program acquisition will ultimately be based on the Administrator's balancing of multiple statutory directives supported by the Resource Program analysis.

Thank you for your consideration of these comments.

Sincerely,



Scott Simms, Executive Director
Public Power Council