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Northwest Power Pool
7505 NE Ambassador Place, Suite R
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Submitted via email to: inquiries@nwpp.org

RE: Northwest Power Pool Resource Adequacy Program Detailed Design Document; Comments by Invenergy

Greetings,

Invenergy LLC (“Invenergy”) appreciates the opportunity to submit comments on the Northwest Power Pool (“NWPP”) Resource Adequacy (“RA”) Program Detailed Design document, released July 28, 2021.

Background on Invenergy

Invenergy is a leading privately held developer and operator of sustainable energy solutions. We have developed 187 projects across four continents, totaling 29,255 megawatts of capacity. This includes several wind, solar, energy storage and thermal generating projects totaling 3,500 megawatts of capacity in operation or construction located in nine states across the NWPP geographic footprint.

Summary Comments

Invenergy applauds the NWPP’s initiative to establish a Western RA program and appreciates the extensive work that went into developing the Detailed Design. A robust, geographically broad RA program can promote system reliability during the transition to increased use of clean energy resources. Invenergy believes that the RA program should also facilitate cost-effective development and operation of resources, including fair and non-discriminatory opportunities for non-utility owned generators to participate in wholesale electricity markets.

Invenergy has participated in and supports comments on the Detailed Design submitted by the Northwest and Intermountain Power Producers (“NIPPC”). Invenergy’s comments here mainly address transmission-related aspects of the RA Program Detailed Design.

Comments on Transmission-Related Elements of the Detailed Design

Invenergy generally agrees with the principles for transmission listed at the start of Section 2.4.3 of the Detailed Design document. However, Section 2.8 (Transmission and Deliverability) specifies transmission requirements for the Forward Showing (“FS”) Program that appear overly restrictive and threaten to

unnecessarily limit opportunities for non-utility owned generators to participate in the wholesale power market.

1. Firm Transmission Requirements Are Not Necessary for the Forward Showing Program

Invenergy agrees that the Forward Showing (“FS”) Program is important to ensuring adequate resource capacity is committed to meet load requirements. However, it would be overly restrictive to require each Participating Load Responsible Entity’s (Participant’s) FS submittal to show firm transmission rights from each committed resource to load seven months before the start of each compliance season. A more relevant and sufficient transmission objective for the FS Program should be to ensure that the integrated grid is capable to deliver committed resources to reliably meet loads in each balancing authority area (“BAA”), as is done in the Southwest Power Pool (“SPP”). The RA Program Operator will have transmission path ratings, resource dispatch characteristics and other information needed to make this determination in the FS Program power flow studies without requiring Participants to provide transmission rights on a resource-by-resource basis. If penalties for non-performance are not enough to incent Participants to hold enough transmission rights to deliver their capacity resources, then perhaps the penalties should be changed to incent that performance rather than creating an arbitrary requirement.

2. If the NWPP Insists on Including Firm Transmission Requirements in the FS Program, it Should Demonstrate the Need to Do So

The Detailed Design does not provide a clear and rigorous justification for requiring each Participant to identify firm transmission rights from each of its FS resources to load. The Detailed Design also does not provide the basis for requiring Participants to hold firm transmission rights at a minimum of NERC Priority 6 or 7 service to deliver at least 75 percent of their FS resources to load. If NWPP insists on including such requirements in the FS Program, it should first demonstrate in detail why they are necessary and appropriate.

3. The FS Program Should Allow Use of a Broader Range of Transmission Rights

The Detailed Design would require each Participant to secure firm transmission rights at a minimum of NERC Priority 6 or 7 service in order for a resource to be eligible for Qualified Capacity Contribution (“QCC”). Invenergy believes this is unnecessarily restrictive. Other forms of transmission rights should be eligible for QCC.

4. The FS Program Should Not Require Firm Transmission Rights to be Held Exclusively by a Participant

As described in the Detailed Design, the FS Program would require firm transmission rights to be held exclusively by a Participant. More flexibility can and should be provided. For example, a non-utility generator should be able to hold and use firm transmission rights to deliver power to a Participant in conjunction with a forward power sale agreement. This type of transaction should be eligible for QCC.

5. The FS Program Should Not Impede Shared Use of Firm Transmission Capacity

The FS Program should recognize and facilitate shared use of firm transmission rights for variable resources such as wind in coordination with other, more dispatchable resources such as batteries and natural gas-fired generation. For example, the FS Program should not create new obstacles to using transmission capacity for multiple resources on the same path. Such obstacles could lead to unnecessary operating inefficiencies, overbuilding of transmission facilities, and excess costs.

6. NWPP Should Support Development of a Program for Expanded Transmission Sharing

Invenergy recognizes that some (perhaps many) existing transmission agreements do not envision or allow transmission rights to be shared among multiple entities. We recommend that this issue be addressed by NWPP and its members, with a goal of using the regional transmission grid more efficiently and effectively to facilitate capacity resource adequacy.

7. Resources Located in Non-Participating BAAs Should be Eligible for Qualified Capacity Contributions

It is not a certainty that all load responsible entities in the NWPP geographic footprint will elect or be authorized to become Participants in the NWPP RA Program. Invenergy recommends that NWPP consider this possibility and include provisions in the RA Program to allow resources located in non-participating BAAs to be eligible for Participant QCCs.

Invenergy recognizes the importance of ensuring adequacy of capacity resources during the transition to increased use of clean energy resources. We encourage NWPP to enhance its Detailed Design to pursue this goal without imposing unnecessarily restrictive requirements that would impair open and robust participation in competitive wholesale power markets.

Sincerely,/s/ Orijit Ghoshal
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