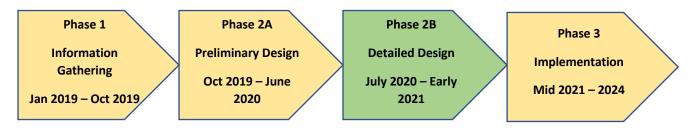
Status of Resource Adequacy Program for Northwest Power Pool Members and Stakeholder Engagement Opportunities

"Resource Adequacy" or RA describes the ability of the electric system to meet demand for the next one to four years under a broad range of conditions, subject to an acceptable standard of reliability. Nineteen members of the Northwest Power Pool comprise the Steering Committee (SC) for a Resource Adequacy Program that will begin operating in 2021 and become fully functional in 2024.

The RA Program is developing over four distinct phases. Already, the SC has gathered information (Phase 1) and completed preliminary design (Phase 2A). Next, the SC and Program Developer will add detail and specificity to the conceptual design under Phase 2B. This phase, occurring now, will establish the rules, regulations, governance and modeling tools necessary for program implementation.



How will an RA Program work for NWPP Members?

- In a large portion of the NWPP footprint, utilities manage RA individually, using different methods. The RA Program will allow utilities to forecast and manage RA in a coordinated manner.
- The RA Program will respect local autonomy over investment decisions and operations and will continue to respect the rights and characteristics of individual utilities, transmission service providers, balancing authorities and other entities.
- While voluntary to join, once a utility becomes a member, it will be contractually committed to the RA Program requirements.
- The RA Program will establish:
 - > common measures of adequacy, including peak load standards and methods of measurement;
 - common measures of resource contribution to resource adequacy;
 - > an approach for the allocation of the regional adequacy requirement;
 - > methods for accessing the regional diversity and unlocking investment savings; and
 - incentive and enforcement mechanisms.

What are the deliverables of Design Phase 2B?

Phase 2A focused on developing a conceptual design for the RA program, including a proposal for the organization structure and governance, the high-level technical design elements, a forward showing workbook took, management plan, and planning level cost elements. With that process complete, the SC has transitioned into Phase 2B. This phase will include the development of the rules, regulations, governance and modeling tools necessary for implementation of the RA Program. To support this phase, the SC hired a Program Developer, the Southwest Power Pool, to assist in detailed program design, end-state modeling design, cost estimation, and regulatory and stakeholder communications.

Who are the Steering Committee Members for the RA Program?

Nineteen NWPP members comprise the SC and have committed to fund the next phase of RA Program development. The Steering Committee includes Avista, B.C. Hydro/Powerex, BPA, Calpine, Chelan PUD, Douglas PUD, EWEB, Grant PUD, Idaho Power, Northwestern Energy, NV Energy, PacifiCorp, Portland General Electric, Puget Sound Energy, SMUD/Banc, Seattle City Light, Snohomish PUD, Tacoma Power, Turlock Irrigation District.

What opportunities exist for stakeholder input?

The NWPP has established a Stakeholder Advisory Committee (SAC) of stakeholders that will provide input to SC. The SAC includes approximately 25 members representing state regulators, public power, the environmental community, independent power producers, large consumers, ratepayer advocacy groups, and natural gas utilities. In addition, the SC may create specialized workgroups and/or workshops to provide for more focused and technical design and implementation conversations on key topics.

The NWPP also holds regular public updates to all interested stakeholders about the process and options under consideration. The webinars occur quarterly and provide a summary of SAC input. Webinar slides, whitepapers and other materials related to the RA effort are posted at: <u>https://www.nwpp.org/about/workgroups/12</u>.

How do I get involved?

If you would like to be notified about public webinars and other updates on the NWPP Resource Adequacy Program, please sign-up by emailing inquiries@nwpp.org.