



February 18, 2022

Western Power Pool
7505 NE Ambassador Place, Ste R
Portland, OR 97220

Re: Joint comments to Western Power Pool's WRAP on Governance and Program Design
Proposals from NW Energy Coalition and Renewable Northwest

Governance Proposal Comments

Board of Directors/Nominating Committee

NWEC and RNW are pleased to see the attention given to the importance of an independent board populated with individuals with deep experience in the utility sector. We would also appreciate consideration of board members with experience working with public interest organizations, rate payer advocacy and independent power producers. These experience qualifications are consistent with the qualifications of EIM Governing Body members. We recommend editing section 1.2.3 to include the following BOD member qualifications: Experience in the independent power producer sector and public interest sector (including experience in state and local government, consumer advocacy, environmental non-profits, clean energy advocates and trade associations, and other public interest organizations). With this addition, the BOD member's qualifications will better match the sectors represented in the rest of the governance proposal.

In addition, related to nominating committee voting, we recommend that if consensus cannot be reached and a vote of $\frac{2}{3}$ majority is used, the board should be notified of the vote and details of sector voting.

Resource Adequacy Participants Committee

NWEC and RNW encourage the greatest amount of transparency within this committee's activities as possible. In previous comments we have shared that the lack of transparency that the participants committee has provided to date has resulted in a lack of trust and mystery around how and who is making important decisions related to the program. We recommend that all RAPC meetings be open to the public. However, if closed meetings cannot be avoided, we recommend language be included in Section 1.3.1, item (9) to include documentation of why and under what circumstances the RAPC will hold closed meetings. Additionally, we recommend

that for closed meetings, the agenda is still made public as well as meeting minutes outlining any major decisions. Alternatively, for consistency across the governance proposal, the standard for closed meetings of the BOD could be applied to RAPC meetings as well.

Committee of State Representatives

NWEC and RNW appreciate efforts by the WRAP to address the state representatives' concerns over how they weigh in on proposals in the most recent governance proposal. However, we continue to believe that granting states filing rights under Section 205 of the Federal Power Act is needed to ensure adequate consideration of state's interests. We note that Section 205 filing rights are granted to states over resource adequacy in the Southwest Power Pool, which includes public power entities. The denial of this request represents a lack of willingness to act on the promise of a "meaningful" role for states, and the customers they represent. We are ultimately concerned that the program will result in a disruption of current resource procurement practices and jeopardize our ability to decarbonize the electricity grid. With a commitment to transparency and memorializing a truly meaningful authority position for states, the correct balance of interests across the region are preserved.

Program Review Committee

The draft governance proposal states (p. 27), "The PRC, as a working group, will primarily have closed meetings; however, in addition to any public meetings necessary for the comment process, the PRC may schedule public meetings if the PRC determines doing so would be beneficial. PRC will host a public meeting to review proposals, feedback from public comment, COSR, and PO before a recommendation is taken to the RAPC for consideration." This paragraph should be struck and replaced as follows:

"PRC meetings will be open, except as set forth in generally applicable rules adopted by the WPP Board or specific criteria in the committee charter adopted by the PRC. Notice of closed sessions shall be given, including the topic areas to be discussed, and the Chair shall provide a report to the next open session of the PRC to describe any action taken or recommended."

The directive that the PRC "will primarily have closed meetings" does not comport with the open and transparent process necessary to ensure broad stakeholder input and help achieve the best review process and recommendations by the PRC. The WRAP should follow best governance practices for similar stakeholder advisory committees throughout the electric power industry.¹

¹ For example, the PJM Stakeholder Process provides: "Unless otherwise noted, PJM stakeholder meetings are open to the public and to members of the media." (PJM Manual 34, October 2021, p. 23, <https://www.pjm.com/-/media/documents/manuals/m34.ashx>) The MISO Stakeholder Governance Guide states: "With the exception of individual sector meetings and meetings discussing confidential or proprietary information, MISO Stakeholder meetings are open to all interested participants." (MISO Stakeholder Governance Guide, December 2021, p. 4, <https://cdn.misoenergy.org/Stakeholder%20Governance%20Guide105455.pdf>) The WECC bylaws provide: "All committee meetings will be open, except as set forth in these Bylaws or in Board-approved policies or committee charters describing the criteria for entering into closed session applicable to the committee in question." (WECC Bylaws 8.4, June 2018, <https://www.wecc.org/Corporate/WECC%20Bylaws.pdf>)

NWEC and RNW note that when voting must be used to move a proposal forward, 5 out of 10 sector votes are needed to move a proposal forward. Typically, when voting processes are used, a majority vote requiring greater than 50% approval of the proposal is needed. Additionally, we note that 4 out of the 10 sectors within the PRC will be populated with utility representatives who participate on the RAPC, and one sector is for LSE's not represented by other sectors. This will likely result in votes across utility/non-utility lines and will not adequately represent a majority approval of the sectors. We recommend changing the voting threshold to 7 out of 10 sectors for a proposal to move forward and notes this standard is more consistent with other voting requirements within the governance proposal such as the $\frac{2}{3}$ vote requirement used in the nominating committee. A $\frac{2}{3}$ voting requirement for the sectors is also appropriate for the PRC, as approval from the PRC results in a lower approval threshold in RAPC.

Detailed Program Design Comments

NWEC and RNW appreciate the continued engagement of the WPP and WRAP staff to discuss these issues in workshop settings. We believe that having a strong technical foundation is critical for the WRAP to function effectively across the western footprint. The following recommendations address some of the remaining issues in the detailed program design:

- We recommend ensuring transparency around the calculation of the capacity critical hours. As part of that, ensuring more zonal based 'capacity critical hour' analysis after year 1 of operation to avoid under/over-valuing resources would be crucial. Potential updates to the methodology could be brought to the Program Review Committee (PRC) for consideration.
- We would like clarification around what resources qualify for forward showing under the i) Binding PRM and ii) Advisory PRM. Specifically, how are projects which are under-construction or in the final shortlist of RFPs counted towards the PRM calculation. Another consideration should be planned retirement of thermal resources (usually in IRPs) across the region could be folded into the Advisory PRM calculations.
- We recommend revisiting the north-south zonal system for solar accreditation after year 1 to ensure more granularity in ELCC values in the future. A regional capacity accreditation that considers variable resources pooled across the region would most likely produce a lower capacity credit for solar than a local IRP assessment. Therefore, if states' grant capacity credits that are different from what the RA program recognizes, an LSE may have a capacity deficit with the RA program, but meet the state's capacity requirement.
- We appreciate WRAP revisiting the 3 year data requirement for ELCC analysis of renewable energy resources since averaging over a limited dataset can risk over or undervaluing resources. Some utilities in the PNW have seen significant year to year differences in ELCC values. Considering at least 5 to 7 years of generation profiles would provide a more accurate ELCC than using 3 years.
- Regarding the 75% firm/conditional firm transmission requirement, the exception process for some paths (especially BPA) may be more pronounced and may require design changes to the 75% firm/condition firm requirement. We recommend more

discussion on this and this issue should be brought before the PRC after year 1 of operation.

- We believe that independent load forecasting under the guidance of the Program Operator with periodical review from Independent Evaluator is essential for transparency and consistency going forward in the WRAP program.
- WRAP should continue to evaluate the role of customer-side resources like demand response and distributed energy storage in the program.