



Wells Rural Electric Company

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February 17, 2023

John Hairston
Administrator and CEO

Suzanne Cooper
Senior Vice President of Power Services

Kim Thompson
Vice President of Northwest Requirements Marketing

Submitted via email to post2028@bpa.gov

Dear Administrator Hairston, Ms. Cooper, and Ms. Thompson:

On behalf of Wells Rural Electric Company (WREC), thank you for the information shared during Bonneville Power Administration's ("BPA") February 9th Provider of Choice Workshop and the opportunity to submit the following comments in response.

WREC was incorporated in 1958 as a not-for-profit rural electric cooperative to provide electricity to consumers in the ranching valleys surrounding Wells, Nevada. WREC has since grown to serve 6,254 accounts held by 4,161 members spanning 10,552 square miles of service territory in Elko, Eureka and Lander Counties in Nevada and in Tooele County, Utah. In addition to relying on Transfer Service to connect our system to the larger Pacific Northwest and Nevada power grids, WREC owns and operates 111 miles of overhead transmission voltage powerline, 102 miles of underground distribution voltage powerline and 1,204 miles of overhead distribution voltage powerline, totaling 1,417 miles, to serve its members.

WREC supports the Northwest Requirements Utilities (NRU) system size, allocation, and augmentation proposal (the "NRU Proposal"), which NRU submitted to the Bonneville Power Administration on February 8, 2023. We believe that a 7500 aMW baseline Tier 1 system size is the most equitable balance for all PF customers at what is estimated to be a very minimal cost of only about \$0.88 per MWh. A 7500 AMW system size addresses some of the growth we have seen in the region and best situates the region for the growth we are certain to see in the future. While WREC is expecting immediate growth and could certainly benefit from a larger Tier 1 system size, we appreciate the efforts of NRU and recognize that such deviations could negatively affect other preference customers and upset the balance that the NRU Proposal strikes.

WREC appreciates BPA's commitment to continue to act on behalf of transfer customers to ensure that the quality of transmission service received is consistent with the established contracts and tariffs. However, we are concerned about BPA's decision to no longer attempt

“comparable” treatment to quality and availability of service. WREC appreciates the difficulties BPA faces in acquiring transfer service from third party transmission providers, but those third-party contractual obligations are to BPA not WREC. WREC has no influence over our transmission providers to maintain or improve the quality or adequacy of our transmission service. We must look to BPA to proactively engage in any actions necessary to improve that transmission service. Regardless of whether the word “comparable” is used to characterize these responsibilities and expectations, we believe that BPA’s obligation to transfer customers remains the same.

WREC appreciates BPA’s intention to insulate customers from costs associated with each other’s load changes and resource decisions, but is disappointed that BPA continues to propose a return to the pre-Regional Dialogue policy of not rolling the cost of Transfer Service for non-federal power into the PF rate. While transfer service has insulated direct connect customers for decades from millions of dollars in avoided transmission construction costs, it comes at a cost to transfer customers who continue to experience system constraints, congestion, and differing levels of service. Development of non-federal resources closer to load in utilities delivered by transfer may even reduce costs to all BPA customers. With multiple points of delivery over three legs of transfer, direct assignment of non-federal transfer would significantly reduce the feasibility of any non-federal resource development in WREC’s service territory. Not only would local resource development be unlikely, non-federal market purchases would also be cost prohibitive. WREC would almost certainly be forced to rely on BPA to meet all our AHWM load requirements. BPA policy shouldn’t prohibit or discourage non-federal resource development for transfer customers. It’s very possible that a non-federal generation resource, delivered by transfer, or local generation with third-party firming and shaping, could be more cost effective for all BPA customers than a newly acquired federal resource delivered by network transmission.

The opportunity provided by BPA to participate in the public process and open dialogue continues to be very valuable for WREC. BPA’s efforts in drafting a post 2028 power marketing policy that ensures long-term resource adequacy and rate stability are greatly appreciated. We look forward to continuing to work with BPA.

We would welcome an opportunity to discuss or clarify any of the information provided. Please feel free to contact WREC by sending email to tballard@wrec.coop or by calling 775-752-1523.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thad S. Ballard". The signature is written in a cursive, flowing style.

Thad S. Ballard
Director of Administration and Power Supply