



Comments of the Northwest & Intermountain Power Producers Coalition on Tier 1 Augmentation Under BPA's Provider of Choice Initiative

March 21, 2023

The Northwest & Intermountain Power Producers Coalition (NIPPC)¹ is supportive of efforts by preference customers of BPA to address their existing and anticipated needs for more power after 2028 by expanding the avenues for procuring such power. One such avenue would be to increase the size of the Tier 1 federal system from approximately 7,000 aMW to upwards of 7,500 aMW.

As a general matter, NIPPC supports individual preference customers having multiple options to procure new generation and storage resources to meet incremental load, including through direct procurement by the distribution utility on behalf of retail customers; indirect procurement by the distribution utility through a generation and transmission cooperative, joint action agency, or other non-federal wholesale entity; and through purchasing incremental power from BPA as a part of the Tier 1 system. NIPPC recognizes the important discussions between BPA and its preference customers, and amongst preference customers, on the potentially shared cost of incremental additions to the federal system and does not opine on that topic here, nor on the allocation of such power through calculations of high water marks.

Generation and storage developers represented by NIPPC specialize in scouring the Northwest and adjacent regions to identify the highest quality energy resources, locating projects as economically as possible near the existing transmission system, securing necessary permits and transmission agreements, and offering a variety of offtake agreements and energy management services to potential purchasers. As the region's utilities (particularly investor-owned) enter a major procurement cycle to secure power necessary to meet their state decarbonization requirements and corporate goals, NIPPC observes that many highly competitive projects in the region are submitting bids into those utilities' solicitations. Power from regional development projects is also being offered to load-serving entities in other states as well as directly to some large commercial and industrial customers. Leveraging BPA's existing federal system and contractual relationship with Tier 1 customers may be one effective way to meet some

¹ NIPPC represents competitive power participants in the Pacific Northwest and Intermountain regions. NIPPC members include owners, operators, and developers of independent power generation and storage, power marketers, transmission developers, and affiliated companies.

of the anticipated load growth after 2028 and to secure some of the clean energy development of non-federal resources already underway in the region.

NIPPC does not believe that BPA's most recent (March 9, 2023) proposal on this topic, including the four specified adjustment categories, adequately expands the avenue to procure power via increasing the size of the federal system. NIPPC also notes that whether incremental power supply is added to the federal system or procured by preference customers through other means, BPA's transmission system requires significant upgrades to meet the region's state policy requirements and the load growth anticipated by utilities.