



Platte River Power Authority

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November 21, 2017

Mr. Rodney Bailey, Power Marketing Advisor
Western Area Power Administration
299 South Main Street, Suite 200
Salt Lake City, Utah 84111

Dear Mr. Bailey:

Pursuant to Western Area Power Administration's (WAPA) Federal Register Notice (FRN) regarding "Recommendation for the Western Area Power Administration Loveland Area Projects and Colorado River Storage Project to Pursue Final Negotiations Regarding Membership in a Regional Transmission Organization," published on September 21, 2017, please consider the following as Platte River Power Authority's (Platte River) formal comments.

Platte River supports WAPA's recommendation to pursue final negotiations regarding membership in a Regional Transmission Organization, specifically the Southwest Power Pool (SPP). As studies have shown, an RTO and day-ahead market will provide significant economic benefits to electric customers in the Rocky Mountain region. These economic benefits flow directly from operational efficiencies offered by SPP, including greater access to renewable resources and the opportunity for a more economic dispatch of generation resources. These benefits could not be realized absent WAPA participation in SPP.

Over the last four years a number of regional utilities, collectively referred to as the Mountain West Transmission Group, have worked diligently to create an RTO and market structure. During these formative discussions both Platte River and WAPA sought protections for public power customers, both those at the table and those who were not. One of the most important agreements reached by the Mountain West Transmission Group involves the cost shift mitigation process. From day one in the RTO development process WAPA took the position that it would not join if its cost shifts were not mitigated to zero during the transition period. This was accomplished. The cost shift mitigation agreement includes the guarantee of an annual seven-year cost shift mitigation payment to WAPA to protect the Firm Electric Service customers. We are appreciative of the efforts WAPA put forth to keep its customers insulated from cost shifts that will occur from market restructuring.

Platte River is in full agreement with WAPA's assessment that markets are inevitable. It is unlikely that WAPA would be able to negotiate future protection for customers if WAPA delays or decides not to join SPP. The proactive participation of WAPA during the formative stages of RTO creation, and the customer protections that WAPA was able to negotiate during this process, was the most effective strategy for both WAPA and its customers. It is a good hedge for future market scenarios, and we are in full support of your recommendation.

Thank you for the opportunity to attend your customer meetings in Phoenix, Loveland and Salt Lake City as well as provide these formal comments in response to your FRN. If you have any questions, please contact me at (970) 229-5377.

Sincerely,

Andy Butcher
Chief Operating Officer