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Ms. Julia L. Kyriss  
Colorado River Storage Project (CRSP) Manager  
CRSP Management Center  
150 East Social Hall Avenue, Suite 300  
Salt Lake City, Utah 84111-1580

**RE: Proposed Revision to the Final Principles of Integrated Resource Planning**

Dear Ms. Kyriss,

Thank you for the opportunity to provide comments on the Western Area Power Administration's (WAPA) proposed revision to the final principles of Integrated Resource Planning (IRP).

Missouri River Energy Services (MRES) is a joint action agency that provides electric energy and services to 61 communities that own and operate electric systems in the states of Minnesota, Iowa, North Dakota, and South Dakota. Fifty-nine of the 61 MRES members receive a hydro power allocation from WAPA. A power supply contract exists between each municipality and WAPA through 2020. In aggregate, these municipalities represent over 20 percent of WAPA's Upper Great Plains (UGP) region firm allocations.

MRES provides the following comments on the proposed revision:

**A. Proposed Procedures and Evaluation Criteria for Long-Term Resource Acquisition.**

Focus should be on short-term contracts: MRES believes there is no need for WAPA to consider contracts longer than five years. Opportunities for short-term contracts provide WAPA with sufficient flexibility in resource planning. Limiting contracts to five years or less reduces the possible risk of WAPA over-extending its needs to the firm power customers. This risk could be troublesome when water conditions can change as rapidly as the UGP region has just experienced.

Preserve regional planning flexibility: MRES requests that WAPA allow each region, in consultation with its customers, the flexibility to determine the planning methods best suited for the unique needs of that region and not be required to use a prescribed WAPA-wide planning model.

Specificity on need: Specifics on why the additional resource is needed should be provided to the customers. Resource need should be no higher than the level necessary to fulfill the contract commitments to the customers.

Hydropower as a renewable energy resource: MRES would request that hydropower also be included as a renewable resource under A.5.g of the June 29, 2011 Federal Register Notice.

Request for proposals should be an open process: If WAPA is considering requests for resource proposals (short or long-term), notices and invitations for bids should be posted on WAPA's website with sufficient notice to the public.

Customer education on all resource proposals: In the event a particular region of WAPA is detecting a need to reduce exposure to short-term markets to fulfill its obligations, customers need to be advised on the terms and conditions of any resource proposals WAPA is seriously considering. Contract pricing is, in part, based upon risks the off-taker is willing to assume or not. Customers need to know more of the specifics in order to provide informed feedback to WAPA.

**B. Proposed Elimination of the Transmission Planning Principles From the Existing Final Principles of the IRP.**

The proposed elimination of the transmission planning principles from the IRP since the new principles have been memorialized in WAPA's Open Access Transmission Tariff is a reasonable request. However, MRES concern is more related in the actual implementation of transmission planning process as specified. Regular joint planning activities with WAPA's UGP customers have been more of an exception than the rule. There needs to be more routine meetings, such as quarterly meetings to keep the customers informed of regional activities, specifically regular status updates on the regional transmission studies. Also, information relating to those meetings needs to be submitted at least five days before the meetings so the stakeholders have adequate time to review the material to be discussed. The preceding recommended actions would commensurate with the spirit of the recent Federal Energy Regulatory Commission Order No. 1000.

MRES values its working relationship with WAPA and looks forward to working with WAPA and MRES members on the proposed revisions to WAPA's IRP process.

Sincerely,



Jeff M. Peters  
Director, Marketing and Development