



Ak-Chin Energy Services

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June 9, 2023

Re: Recommendation for the Western Area Power Administration's Rocky Mountain Region and Colorado River Storage Project Management Center to Pursue Final Negotiations Regarding Membership in the Southwest Power Pool Regional Transmission Organization, and for the Upper Great Plains Region to Expand its Participation ("Recommendation") originally published in the Federal Register (88 FR 26298) on April 28, 2023

Dear Administrator LeBeau:

On behalf of the Ak-Chin Energy Services (ACES), I submit the following comments to the Recommendation published in the Federal Register (88 FR 26298) on April 28, 2023.

ACES's Colorado River Storage Project (CRSP) contract has long provided important capacity, energy, and resource adequacy (RA) benefits equitably to the the Ak-Chin Indian Community (Community). Over the last few years, we have slowly seen both our CRSP and Hoover capacity and energy shrink. The last three North American Reliability Corporation Summer Reliability Assessments have identified that the Desert Southwest in an Elevated Energy Emergency Risk Area.

The intermittent resources which have replaced the baseloads of fossil fuel plants that were retired early, do not provide the same capacity and resource adequacy benefits despite their affordable energy. As markets in the West expand and evolve, the value of the CRSP capacity and resource adequacy benefits will become even more valuable.

As a member of the Irrigation & Electrical Districts of Arizona (IEDA), ACES has followed this process through the IEDA seat on the Colorado River Energy Distributors Association board. Despite repeated questions and requests (August 16th & October 19, 2022, Letters from IEDA) in a formal process, neither adequate analysis nor responses to the questions have been provided.

Per Section 1232 of the Energy Policy Act of 2005, the Western Area Power Administration (WAPA) must specifically delineate how any final agreement executed between Southwest Power Pool (SPP) and WAPA will ensure consistency in delivering the full benefits of existing Firm Electric Service contracts in the final decision to proceed with negotiations.

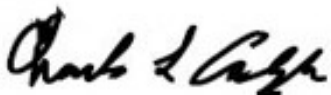
ACES believes that WAPA's trust responsibility to the Community requires that WAPA ensure that ACES and thereby the Community receives the same attributes of the CRSP resources as the customers located inside the SPP Regional Transmission Organization footprint through final negotiations and implementation of readily known technical solutions described in greater detail in the "Colorado River Storage Project Bifurcation – Principles Attachment A". Therefore, to protect the commercial value of the CRSP contracts, we insist that WAPA examine the split signal at Glen Canyon Dam. We have confirmation from SPP, through IEDA, that it can accommodate both pseudo ties and dynamic schedules in the Western Interconnection Balancing Authority if the SPP RTO expansion is pursued.

The Recommendation for the WAPA's Colorado River Storage Project Management Center to Pursue Final Negotiations Regarding Membership in the Southwest Power Pool Regional Transmission Organization, must ensure that the attributes of the CRSP resources are preserved for **all** customers.

As a condition of WAPA agreeing to enter into final negotiations with SPP, IEDA is requesting WAPA declare in the final decisional document to enter final negotiations that WAPA will ensure **equal** and **full** access to the CRSP resource and resource attributes for FES customers located inside and outside of the SPP RTO footprint in accordance with existing FES contracts.¹ Further, WAPA must indicate that it will not finalize membership in SPP for CRSP if WAPA cannot secure the necessary arrangements to provide the benefits of FES contracts through participation in SPP. Failure to mandate this condition as a prerequisite to WAPA agreeing to final negotiations would suggest that WAPA does not intend to address the discriminatory treatment and disadvantage to customers located outside of the footprint.

Failure to respond to this request and document an intent to honor contractual obligations will indicate that WAPA does not intend to honor the terms and conditions of the FES contracts and demonstrate an anticipatory abrogation of WAPA's contractual obligations to FES contractors.

Sincerely,



Charlie Carlyle
ACES Board Chairman

cc: Ak-Chin Community Council

Attachment

¹ Notably, this would appear to be a fundamental concern of the majority of CRSP contractors as WAPA has admitted that "only about 12 percent of CRSP resource would be delivered inside CRSP's prospective SPP zone." See Recommendation Regarding Membership in the Southwest Power Pool Regional Transmission Organization at p. 38. Accessed at <https://www.wapa.gov/About/keytopics/Documents/spp-rto-recommendation-report.pdf>.

Colorado River Storage Project Bifurcation – Principles Attachment A

Executive Summary

The Colorado River Storage Project (CRSP) has provided long-term energy and resource adequacy (RA) benefits equitably to both Upper and Lower Basin regions. Western Area Power Administration (WAPA) CRSP's consideration to join the Southwest Power Pool Regional Transmission Organization (SPP RTO) should ensure that the attributes of the CRSP resources are preserved for all customers. IEDA is requesting WAPA negotiate the necessary terms to provide for a "bifurcation" of the CRSP resources so that customers outside the SPP RTO footprint are assured the same attributes of the CRSP resources that will be provided to the customers located inside the SPP RTO footprint.

Principles

- Joining an organized market should not make a WAPA provided resource less valuable for a customer who is located outside of a market footprint.
- WAPA must negotiate with an organized market to ensure the benefits provided under the Firm Electric Service (FES) contracts are delivered regardless of the customer's location.
- Securing Dynamic Transfer of Southern Customers' allocations into WALC is a solution that could be used with hydroelectric projects use and RTO seams.
- CRSP Dynamic Transfer would be in accordance with terms of the NERC dynamic transfer electronic signal and integration guidelines. Dynamic Transfer Reference Document Terms¹:
 - Dynamic Transfer Signal (DTS): The electronic signal used to implement a Pseudo-Tie or Dynamic Schedule using either a metered value or a calculated value.
 - Integration: Dynamic Schedule and Pseudo-Tie above means the value could be mathematically calculated or determined mechanically with a metering device and incorporated into the associated ACE calculations for the Attaining and Native BA.
- The Dynamic Transfer would split/bifurcate CRSP resource deliveries between WACM and WALC.
- The Dynamic Transfer would be calculated in accordance with the capabilities and limitations of the CRSP resources and Southern Customers' FES contractual allocations.
- The bifurcation would not allow for a customer to control or dictate project operations, WAPA in coordination with Reclamation would have ultimate control of the generations.
- Customers shall continue to communicate, submit, and make schedule changes in accordance with the CRSP Scheduling, Accounting, and Billing Procedures (SABP).
- CRSP may choose to de-rate real-time parameters to satisfy operations, including the modifications to ramp rates and capacity schedules set forth in pre-defined system operating procedures.
- The Dynamic Transfer bifurcation solution will require communication connectivity, unit testing, integrations, and reporting.
- The bifurcation solution shall not delay Upper Basin entities potential of future SPP RTO participation and shall be transitioned in a manner that allows for proper testing, tuning, and system operating procedure development.