Avra Valley Irrigation and Drainage District

PO Box 2305; Cortaro AZ 85652
520-791-2409
james.kai@kaienterprises.com

Rebecca Johnson, Transmission and Power Markets Advisor at (720) 376–2400,
Western Area Power Administration,
12155 West Alameda Parkway
Lakewood, CO 80228–8213.
SPP-Comments@wapa.gov

RE: Avra Valley Irrigation and Drainage District, Pima County, Arizona comments in response to the 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

Avra Valley Irrigation and Drainage District, Pima County, Arizona respectfully provides the following to the Recommendation published in the Federal Register (88 FR 26298) on April 28, 2023.

1. **Avra Valley Irrigation and Drainage District, Pima County, Arizona** is an Arizona political subdivision electric utility Federal preference customer of the **Western Area Power Administration.** representing providing the electrical needs of approximately five thousand irrigated acres serving ten agricultural irrigation consumers in Pima County, Arizona.

2. CRSP has provided long-term energy and resource adequacy (RA) benefits equitably to both Upper and Lower Basin regions. Recent assessments conducted by the North American Electric Reliability Corporation and Western Electricity Coordinating Council have identified a significant capacity shortfall in Avra Valley's Desert Southwest region. Such capacity shortfall, coupled with increased volatility in the wholesale power markets, increased costs in goods & services, and supply chain disruptions greatly support the need for continued dynamic operational accessibility and affordability of the CRSP Resource evidenced by its contractual obligations to the Desert Southwest and Arizona.

3. As a condition of WAPA agreeing to enter into final negotiations with SPP, Avra Valley requests 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, if WAPA cannot secure the necessary arrangements to provide the benefits of FES contracts through participation in SPP WAPA must indicate that it will not finalize membership in SPP for CRSP. 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.

4. Customers must be assured the same attributes of the CRSP resources will be provided to the customers located inside and outside of the SPP RTO 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".

5. Consistent with Section 1232 of the Energy Policy Act of 2005, WAPA must specifically delineate how any final agreement executed between SPP and WAPA will ensure consistency in delivering the full benefits of existing FES contracts in the final decision to proceed with negotiations. 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.

RESPECTFULLY SUBMITTED this 5th day of June 2023.

Avra Valley Irrigation and Drainage District

By _____
John Kai, Jr., President

[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. [Entity Name] 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 accordance with terms of the NERC dynamic transfer electronic signal and integration guidelines. Dynamic Transfer Reference Document Terms[1]:
    - 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.

[1] Dynamic Transfer Reference Document, Version 4, Terms – Page IV
https://www.nerc.com/comm/OC/ReferenceDocumentsDL/Dynamic_Transfer_Reference_Document_v4.pdf