



CREDA

Colorado River Energy Distributors Association

ARIZONA

Arizona Municipal Power Users Association

Arizona Power Authority

Arizona Power Pooling Association

Irrigation and Electrical Districts
Association

Navajo Tribal Utility Authority
(also New Mexico, Utah)

Salt River Project

COLORADO

Colorado Springs Utilities

CORE Electric Cooperative

Holy Cross Energy

Platte River Power Authority

Tri-State Generation & Transmission
Association, Inc.
(also Nebraska, Wyoming, New Mexico)

Yampa Valley Electric
Association, Inc.

NEBRASKA

Municipal Energy Agency of Nebraska
(also Colorado)

NEVADA

Colorado River Commission
of Nevada

Silver State Energy Association

NEW MEXICO

Farmington Electric Utility System

Los Alamos County

UTAH

City of Provo

City of St. George

Heber Light & Power

South Utah Valley Electric Service District

Utah Associated Municipal Power Systems

Utah Municipal Power Agency

WYOMING

Wyoming Municipal Power Agency

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Rebecca Johnson, Transmission and Power Markets Advisor
Western Area Power Administration
12155 West Alameda Parkway
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Via email only: SPP-Comments@wapa.gov

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")

The Colorado River Energy Distributors Association (CREDA) appreciates the opportunity to provide comments on the above-referenced Recommendation, published in the Federal Register (88 FR 26298) on April 28, 2023. CREDA members serve over 4.1 million consumers in the Colorado River basin states of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, and represent the majority of the firm electric service customers of the Colorado River Storage Project (CRSP). As such, CREDA and its members have a unique interest and role in issues associated with CRSP operations, including but not limited to WAPA's potential participation in any market construct that may affect capacity, energy, or transmission system operations necessary for WAPA's obligation to meet firm electric service deliveries to all its Salt Lake City Area Integrated Projects (SLCA/IP) customers.

Each CREDA member has its own SLCA/IP Firm Electric Service (FES) agreement with WAPA. In addition, some members have individual transmission service contracts of various types with WAPA. Given that level of diversity, the following comments will for the most part not focus on specific text or portions of the Recommendation Report.

CREDA appreciates WAPA's extensive efforts over the past year to convene customer meetings and forums to discuss market evolution and challenges, leading up to this formal process seeking input on WAPA's proposal to pursue final negotiations regarding membership in the Southwest Power Pool (SPP)'s Regional Transmission Organization (RTO West).

CHALLENGES

Utilities in the West and WAPA face significant challenges related to

drought, integration of renewable resources, energy availability and operating reserves and regulating resources needed to meet NERC requirements for operation and system reliability. WAPA has communicated its challenges to customers and has facilitated many discussions regarding market development in the West. WAPA has indicated its expectation that RTO West will provide additional options to WAPA and its CRSP customers for operating reserves, regulating resources, resource adequacy and purchased power during extreme drought conditions. Some CREDA members perceive the benefits of RTO West participation to clearly outweigh the risks, whereas other members have concerns that the risk of participation has not yet been fully analyzed.

PRINCIPLES AND RECOMMENDATIONS

- Through discussions among WAPA and its CRSP customers and among CREDA members, CREDA offers the following principles in response to WAPA's request for public input on the Recommendation:
- The WAPA Federal Provisions Specific to CRSP (Recommendation Report p. 38-39) must remain in place as a condition for WAPA-CRSP to be a participant in RTO West.
- WAPA-CRSP should condition participation in final negotiations with SPP only if final membership assures all WAPA-CRSP customers will be afforded the benefits of their FES contracts, regardless of the balancing authority in which the customers reside.
- WAPA-CRSP must assure its CRSP customers that they will be able to utilize their CRSP resources consistent with individual FES contracts.
- As technical issues are identified as necessary to maintain the principles noted above, WAPA (and RTO West as appropriate) must continue to engage the CRSP customers to implement technical solutions as soon as practically feasible. WAPA should implement appropriate processes to brief and update customers on progress in final negotiations.
- Letter Agreement 92-SLC-0208 (Sept. 24, 1992) established a long-standing process and principles among WAPA, Reclamation and CREDA regarding "review of financial and work program data related to the SLCA/IP." As supplemented on October 2, 2002, this process was broadened to "create operational efficiencies and cost-saving measures." This Letter Agreement process must include information related to RTO West planning, operations, and proposed costs.
- As markets have formed and continue to evolve in the West, a continuing concern of potential participants is governance structure. As WAPA reported on May 25, 2023, please confirm that SPP has concurred that WAPA-CRSP would have its own representation on (at a minimum) SPP's Markets and Operations Policy Committee. CREDA recommends WAPA-CRSP memorialize its commitment to collaborate with WAPA-CRSP FES customers through the Letter Agreement, as supplemented, which is also attached to and incorporated into each FES contract.

CREDA generally supports WAPA-CRSP's pursuit of final negotiations regarding membership in the Southwest Power Pool Regional Transmission Organization (RTO West), subject to the above principles.

Sincerely,

Leslie James

Leslie James
Executive Director

Cc: CREDA Board
Tracey LeBeau
Rodney Bailey
Jim Horan – Midwest Electric

