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BY EMAIL: SPP-Comments@wapa.gov

Rebecca Johnson
Transmission and Power Markets Advisor
Western Area Power Administration
12155 West Alameda Parkway
Lakewood, CO 80228-8213

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 (88 FR 26298)

Dear Ms. Johnson:

Platte River Power Authority (Platte River) supports the Western Area Power Administration (WAPA) recommendation for its Rocky Mountain Region (RMR) and Colorado River Storage Project (CRSP) to pursue final negotiations regarding participation in the Southwest Power Pool (SPP) Regional Transmission Organization - West (RTO-West) and for the Upper Great Plains Region (UGP) to expand its participation.

Platte River is a not-for-profit, community-owned public power generation and transmission utility that provides safe, reliable, environmentally responsible, and financially sustainable energy and services to Estes Park, Fort Collins, Longmont and Loveland, Colorado. We are also one of the largest CRSP and RMR firm electric service customers. We have committed to join RTO-West because our analysis shows it provides the greatest value to our customers. Two of CRSP's other largest customers, Tri-State Generation and Transmission Cooperative, Inc. and Colorado Springs Utilities (among others), have also announced their plans to join RTO-West.

WAPA's *Recommendation Regarding Membership in the Southwest Power Pool Regional Transmission Organization* (Recommendation Report)¹ presents compelling reasons for CRSP and RMR to join RTO-West and for UGP to expand its existing SPP membership into RTO-West. WAPA anticipates—and Platte River agrees—that WAPA's participation in RTO West will:

- provide risk mitigation,

¹ Posted online at <https://www.wapa.gov/About/keytopics/Documents/spp-rto-recommendation-report.pdf>.

- optimize transmission,
- support reliability,
- improve economic resource dispatch, and
- support core mission success.

As the Recommendation Report observes, WAPA and its customers face “unprecedented industry change where status quo is no longer an option,” (p.4). WAPA explains how “SPP RTO membership is expected to mitigate reliability risks associated with thermal unit retirements, increases in variable energy resources, persistent drought, more frequent extreme weather events, and long-standing institutional impediments to regional transmission development,” (*id.*).

Cost-benefit studies such as those surveyed in the Recommendation Report (see pp. 17-22) consistently show significant cost savings to organized market participants. Including the RMR, CRSP, and UGP transmission systems in RTO-West will benefit participants and their customers by increasing capacity, improving efficiency, reducing seams, and optimizing co-owned lines. Enlarging RTO-West’s market footprint will help participants more reliably integrate expanding intermittent renewable resources (wind and solar) into the grid.

1. RTO-West can reduce rate and reliability impacts from ongoing drought while improving progress toward clean energy goals

Severe, prolonged drought threatens hydropower resources across the West. By participating in RTO-West, CRSP and RMR will be better able to secure low-cost replacement power for their preference customers. Over the past few years, preference customers like Platte River have incurred rising hydropower rates due to drought. These rate pressures are passed to our municipal customers and eventually to the households and businesses that rely on federal hydropower. Access to RTO-West’s expanded generation portfolio, variety of trading partners, more efficient unit commitment process and optimized real-time dispatch will enhance WAPA’s toolkit to secure dispatchable resources and replacement power. (See Recommendation Report pp. 38-42.)

While WAPA’s hydropower is notable as a “clean,” carbon-free dispatchable resource, most replacement power currently comes from fossil resources. Improved renewable integration from RTO-West’s broader footprint and diverse resource mix increases the probability that replacement power will come from noncarbon resources. This should make replacement power more economical and more environmentally responsible for WAPA customers like Platte River.

2. Improved transmission operations and planning

WAPA’s entry into RTO-West should help WAPA improve transmission coordination and better manage transmission constraints by streamlining transmission planning. Transmission is a vital part of the clean energy transition; regionally planned transmission projects can reduce congestion and increase access to renewable generation sites while improving resource adequacy in the West. In addition, the RTO-West proposal includes a “FERC [Federal Energy Regulatory Commission] waiver request for West-side interconnection queue processing without delay if East-side queue backlog still exists upon go-live,” (Recommendation Report p. 35). This will help insulate WAPA and the other RTO-West participants from challenges SPP is working to resolve with its eastern operations.

3. RTO-West addresses challenges for WAPA's Balancing Authority operations

In its Recommendation Report, WAPA observes that "WACM [Western Area Colorado Missouri] and other BAs [Balancing Authorities] across the West are working with a diminishing pool of capacity resources to provide the ancillary services that are necessary to ensure reliability in those footprints. Larger BAs, and particularly RTOs, have significantly greater access to resources necessary for reliable operations," (p. 15). The WACM Balancing Authority Area (WACM BAA) has experienced a dramatic increase in renewable resources. This challenge will grow more pressing as more utilities work to meet carbon reduction mandates by replacing baseload fossil generation with variable energy resources. This could erode reliability and increase costs for WACM BAA services. RTO-West will create a single integrated Balancing Authority for its participants, relieving operational burdens for WAPA while offering market-based ancillary services. This should increase revenue opportunities for generation owners as it helps reduce costs for WAPA and its customers.

4. WAPA has negotiated protections for its preference customers

In addition to the existing Federal Service Exemption for deliveries necessary to meet WAPA's power service obligations to preference customers, WAPA has negotiated measures to mitigate potential adverse effects to its transmission revenues. WAPA's Recommendation Report notes the RTO-West proposal includes "Point-to-Point drive-out revenue assigned to interconnection-exit side (East or West)" and "Point-to-Point drive-out rate would be West zone average instead of exit zone rate," (p. 35). Of particular importance to Platte River and other CRSP customers, "Point-to-Point transmission service revenue from CRSP reservations using CRSP facilities within the CRSP transmission pricing zone associated with the fulfillment of the CRSP contractual or Statutory Load Obligations would be distributed solely to CRSP," (p.36). WAPA, SPP, and all expected RTO-West participants have worked together to develop and support these protections, which other market options are unlikely to offer. The proven history of UGP's participation in SPP's RTO demonstrates how the SPP RTO market features and governance structure can benefit WAPA and its customers. (See, for example, Recommendation Report pp. 26-27.)

For the reasons discussed in the Recommendation Report and summarized above, Platte River supports WAPA's recommendation that CRSP and RMR join RTO-West and UGP expand its SPP membership into RTO-West. We thank WAPA for its sustained efforts and robust customer outreach, and for the opportunity to submit formal comments.



Melie Vincent
Chief Operating Officer
Platte River Power Authority