



June 6, 2023

VIA U.S. Mail and e-mail (SPP-Comments@wapa.gov)

Rebecca Johnson, Transmission and Power Markets Advisor
Western Area Power Administration
12155 West Alameda Parkway
Lakewood, CO 80228–8213.
(720) 376–2400

Re: Comments of Sulphur Springs Valley Electric Cooperative, Inc. (“SSVEC”) 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

Dear Ms. Johnson:

SSVEC respectfully provides the following comments to the Recommendation published in the Federal Register (88 FR 26298) on April 28, 2023.

1. Established in 1938, SSVEC is the largest electric cooperative in the State of Arizona, providing approximately 60,000 meters across four counties in rural, southeastern Arizona. Like all electric cooperatives, SSVEC is not-for-profit organization. As such, our focus is on providing safe, reliable and affordable energy to our members.
2. SSVEC is a member of Arizona Electric Power Cooperative, which has executed a contract for Firm Electric Service (FES) with the Western Area Power Administration (WAPA) for capacity and energy provided by the Colorado River Storage Project (CRSP).
3. 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 SSVEC’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 accessibility and affordability of the CRSP Resource to SSVEC.
4. SSVEC is concerned that only about 12 percent of CRSP resource would be delivered inside CRSP’s prospective SPP zone.¹ Customers such as SSVEC therefore 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

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>.

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.
6. In light of these considerations, 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 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, SSVEC 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. 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..

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Bowling', with a stylized, flowing script.

Jason Bowling
Chief Executive Officer of SSVEC

SVR

Cc: David Lock (via e-mail only)