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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 Board of Directors for the Tohono O'odham Utility Authority (TOUA), we submit the following comments to the Recommendation published in the Federal Register (88 FR 26298) on April 28, 2023.

TOUA provides energy resources to the Tohono O'odham Nation in the Southern part of Arizona. Just over 50% of TOUA's customer base is at or below the poverty line, which requires TOUA to keep power costs as low as possible. To help meet this objective, TOUA relies on hydro resources provided by the various WAPA and the Bureau of Reclamation systems. Unfortunately, TOUA has seen a reduction of hydro resources due to the draught conditions experienced in the Southwestern states. Furthermore, the last three North American Reliability Corporation Summer Reliability Assessments has identified the Desert Southwest in an Elevated Energy Emergency Risk Area.

With the early retirement of baseload fossil fuel generation, TOUA's CRSP contract for energy, capacity and resources is vital to TOUA's financial plan in keeping energy rates as low as possible for the members of the Tohono O'odham Nation. This is especially true as the energy markets in the West continue to expand and evolve. Which is the reason that TOUA is concerned about the decisions CRSP is making in regards to joining the SPP market.

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As an IEDA member, we have followed this process through their seat on the Colorado River Energy Distributors Association Board. Despite repeated questions and requests (Including letters from IEDA dated August 16th & October 19, 2022) 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, WAPA must -under other requirements- 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.

WAPA has a responsibility to ensure that TOUA receives the same attributes of the CRSP resources as the customers located inside 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”.

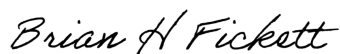
To protect the commercial value of the CRSP contracts, we insist that WAPA examine the split signal at Glen Canyon Dam. We have confirmation from SPP, through IEDA, that they can accommodate both pseudo ties and dynamic schedules in the Western Interconnection BA if the SPP RTO expansion is pursued.

The Recommendation for the Western Area Power Administration’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,



Brian Fickett
General Manager

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>.

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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.

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