

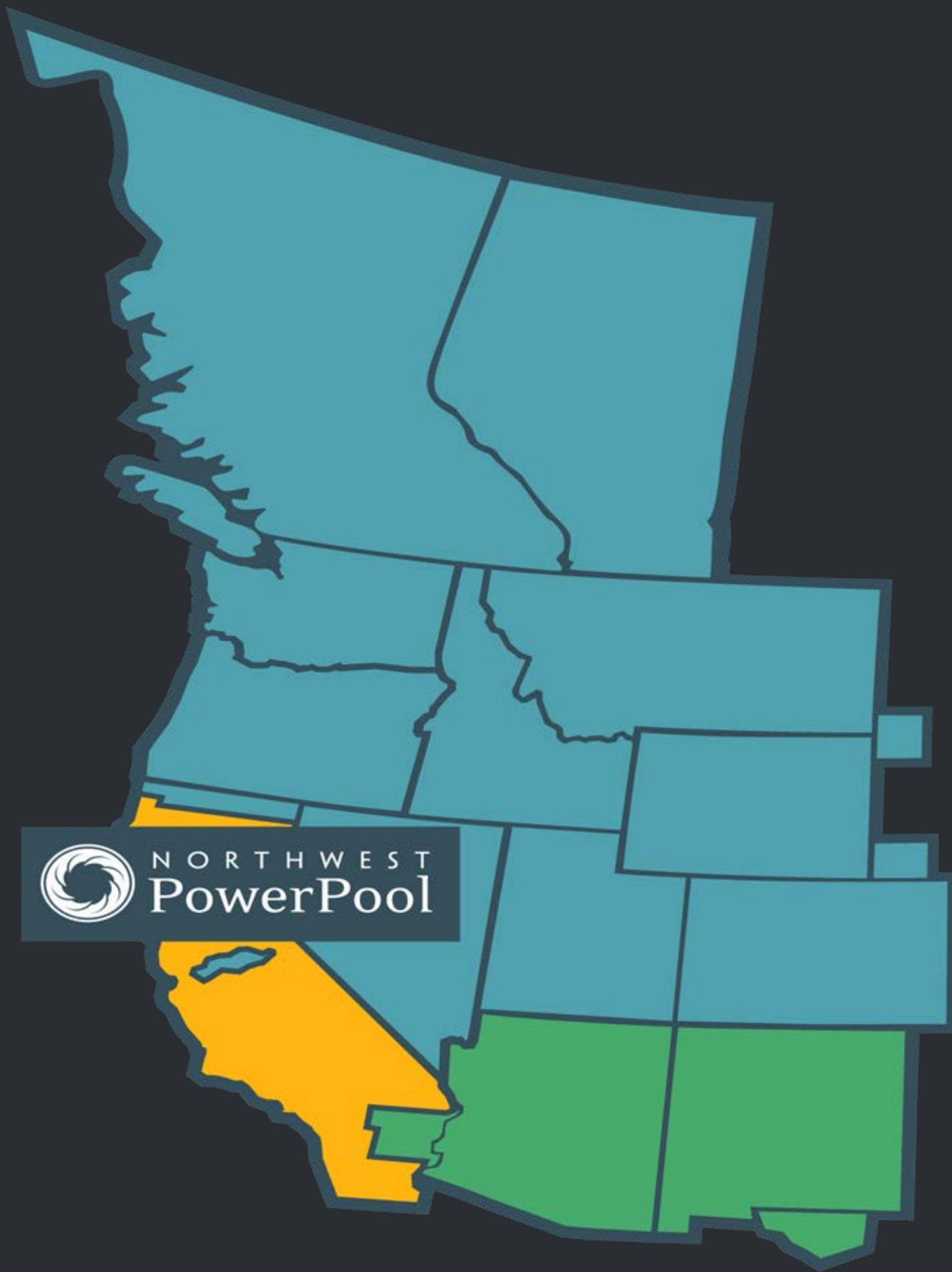
# NWPP RESOURCE ADEQUACY *UPDATE: OPUC WORKSHOP (UM 2024)*

**AUGUST 20, 2020**

**1:00 – 1:20**      *OVERVIEW OF NWPP REGIONAL RESOURCE ADEQUACY  
PROGRAM EFFORTS*

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- The NWPP Resource Adequacy (RA) effort is seeking to establish a regional RA program which will span the footprint of the member companies across the West
- Currently, 19 funders of NWPP RA effort:
  - Avista, B.C. Hydro/Powerex, BPA, Calpine, Chelan PUD, Douglas PUD, EWEB, Grant PUD, Idaho Power, Northwestern Energy, NV Energy, PacifiCorp, Portland General Electric, Puget Sound Energy, SMUD/Banc, Seattle City Light, Snohomish PUD, Tacoma Power, Turlock Irrigation District
  - *The effort is structured on the premise that only the companies that voluntarily choose to be a part of the program will be subject to its requirements*

# BENEFITS OF A REGIONAL RA PROGRAM

## TRANSPARENCY

- » **Transparent determination of adequacy**
  - In a regional RA program, common methods are established for measuring needs and contribution to needs for the entire footprint.
- » **Regional information on Resource Adequacy needs can inform a comprehensive solution**
  - When the region is in deficit, an RA program that is based on consistent standards and has captured the efficiency of existing resources can provide the region a clear picture of need.

## EFFICIENCY

- » **Consistent standards among members**
  - A regional RA program will establish a common method for determining adequacy needs and measuring the contribution of resources in meeting that need.
  - Utilities in the West each use different standards today.
- » **Opportunity to more efficiently use existing resources**
  - A regional RA program provides the opportunity to capture load and resource diversity and ensure efficient use of existing resources, thereby lowering the cost of reliability, in both the forward showing and operational timeframes.

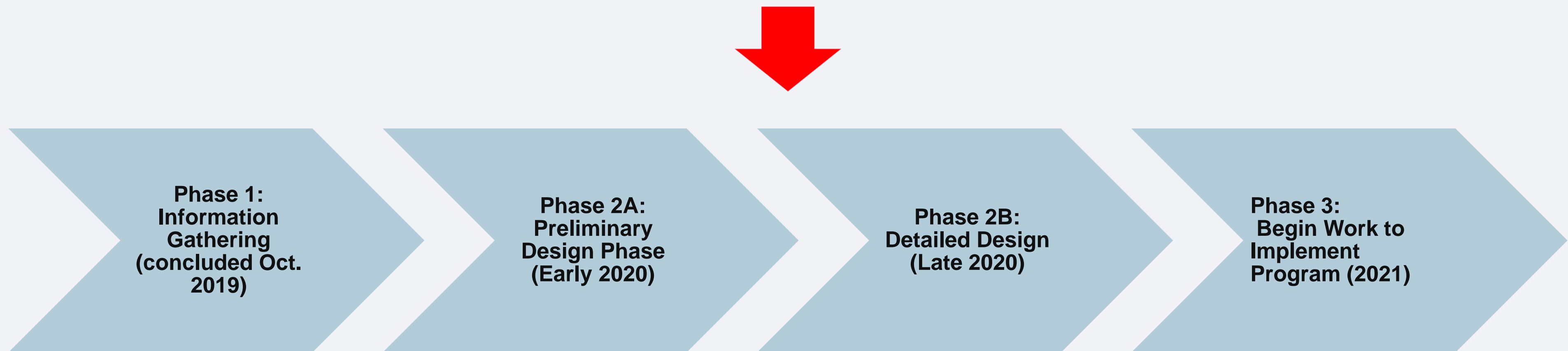
## CONFIDENCE

- » **Confidence in market transactions**
  - Consistent standards will provide clarity about the contribution of market transactions to RA rather than today where utility assumptions about availability of market transactions can vary greatly.

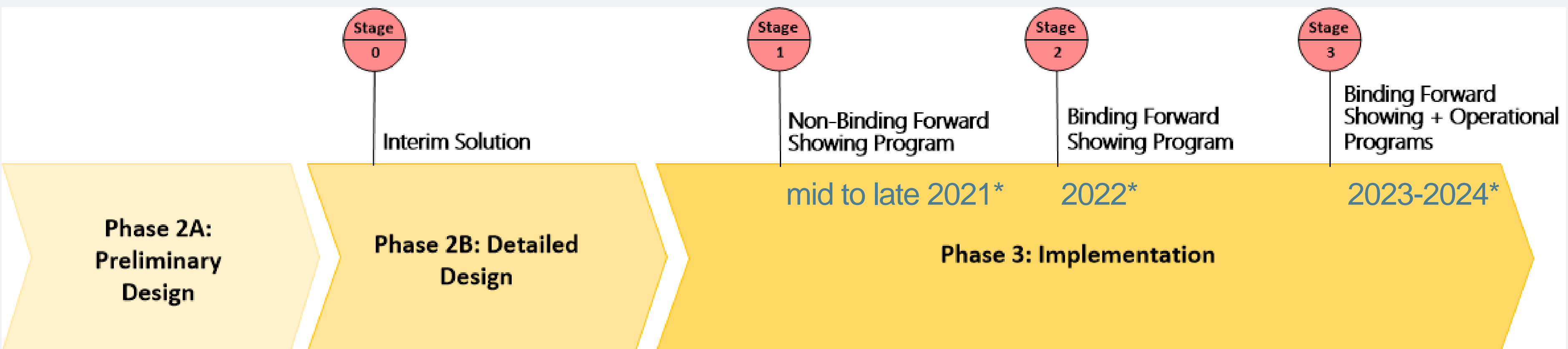


# NWPP RA PROJECT

## TIMELINE



# PHASED APPROACH TIMELINE



*\*Timeframes are estimated and do not include any project timeline contingencies*

# OVERVIEW OF NWPP REGIONAL RA PROGRAM FUNCTIONS

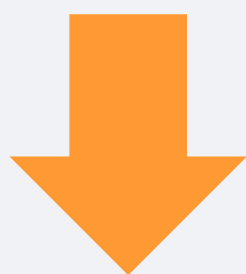
- Forward Showing (Non-Binding): 7 months ahead of season to 2-3 years ahead
  - › *Common regional metrics set the showing requirement for a multi-state footprint*
- Forward Showing (Binding): 7 months ahead of season
  - › *Common regional metrics set the showing requirement for a multi-state footprint (same as above)*
  - › *Entities comply with regional metrics months in advance of a season; and are subject to penalties for noncompliance*
  - › *Ensures reliability benefits*
- Operational (Binding): Day-ahead/TBD
  - › *Operating procedures to access to pooled regional resources using the footprint's transmission grid*
  - › *Unlocks investment cost savings through diversity benefits*

# PROGRAM FRAMEWORK

## DEMAND SIDE

*Calculate:* “PURE” CAPACITY  
NEEDED BASED ON:

- P50 LOAD FORECAST +
- Contingency Reserves +
- PRM needed to meet The RA  
metric (1 in 10 LOLE)



“PURE” CAPACITY NEEDED

## SUPPLY SIDE

*Calculate:* “PURE” CAPACITY AVAILABLE  
BASED ON:

- › Total Supply, de-rated and qualified as follows:

*Wind – ELCC*

*Solar – ELCC*

*Thermals – UCAP*

*Run of River Hydro – ELCC*

*Storage Hydro – UCAP + NWPP developed  
hydro methodology*



“PURE” SUPPLY AVAILABLE