Status of Resource Adequacy Program for NWPP Members and Stakeholder Engagement Opportunities

What is the Resource Adequacy Program for NWPP Members?

The NWPP is pursuing the first stage of design of a voluntary capacity Resource Adequacy Program (RA Program) for the NWPP members.

- Resource Adequacy looks out 1 – 4 years to ensure adequate resource capability is available to meet customer demand.
- In a large portion of the NWPP footprint, utilities manage Resource Adequacy individually and with different methods. An RA Program would allow utilities to forecast and manage Resource Adequacy in a coordinated manner.
- The RA program will respect local autonomy over investment decisions and operations and will continue to respect the rights and characteristics of individual utilities, transmission service providers, BAs and other entities.
- The RA Program will be voluntary to join, but once a utility joins, it will be contractually committed to the requirements of the RA Program.
- The RA Program will consider:
  - Common measures of adequacy, including peak load standards and methods of measurement;
  - Common measures of resource contribution to resource adequacy;
  - An approach for the allocation of the regional adequacy requirement;
  - Methods for accessing the regional diversity and unlocking investment savings; and
  - Incentive and enforcement mechanisms.

What is the Status of Developing the Resource Adequacy Program for NWPP members?

NWPP Participants

- A total of 18 NWPP members have committed to fund the next phase of the program’s development.
- These include the following members: Avista, B.C. Hydro/Powerex, BPA, 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.

Program Development Timeline

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<th>Phase 1: Information Gathering</th>
<th>Phase 2A: Preliminary Design</th>
<th>Phase 2B Detailed Design</th>
<th>Phase 3 Implementation</th>
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Updated 2020.01.03
Current Phase: Preliminary Design Phase (Phase 2A)

- The preliminary design phase of a NWPP RA program, Phase 2A, launched in November 2019 and will end in spring 2020.
- Phase 2A Key Deliverables include:
  - Proposal for RA Program entity type and organizational structure and governance;
  - Agreement in Principle to high-level design elements (e.g. resource adequacy objective/metric, capacity contribution of resources, resource commitment period, capacity procurement showing period and incentive structure, deliverability, fuel supply, performance framework and potential resource sharing approach);
  - Refined model results (update to a currently available model);
  - Planning-level program cost assessment and estimate of anticipated benefits;
  - Refined project cost estimate for phases 2B and 3 (detailed design and implementation);
  - A Stakeholder Advisory Committee, which will hold regular Advisory Committee meetings and public webinars.

Project Organizational Structure

- A Steering Committee of NWPP members has been organized to guide the NWPP resource adequacy development process.
- A NWPP RA Communications/Stakeholder Engagement Team has been convened to lead stakeholder engagement efforts, including helping convene the Stakeholder Advisory Committee.
- The NWPP RA Steering Committee may create specialized workgroups to provide for more focused and technical design and implementation conversations on key topics. The specialized workgroups could include periodic outreach on design and implementation discussions with possibly affected parties including direct access customers, load serving entities and with independent power producers.

What are the options for Stakeholder Engagement?

Stakeholder Advisory Committee (Advisory Committee): The NWPP has established a committee of stakeholders that will provide input to NWPP Resource Adequacy Steering Committee:

- The Committee includes approximately 25 members, with individuals being willing to represent perspectives and serve as liaisons within their industry sector. Sector representation includes:
  - State Representatives (Commissions or State Energy Office)
  - Public Power Stakeholder groups
  - Environmental community stakeholders
  - Independent Power Producers
  - Large consumers
  - Ratepayer advocacy groups
  - Natural Gas Utility
- The Advisory Committee will provide input to the NWPP Resource Adequacy Steering Committee as the Steering Committee develops RA Program concepts;
- Advisory Committee meetings will be between the Advisory Committee and designated NWPP RA Steering Committee members; and
Quarterly in-person meetings of the Advisory Committee will be scheduled in advance through 2020. The first meeting is planned for late January/early February 2020.

**Regular Public Webinars:** The NWPP will hold regular public updates to all interested stakeholders about the process and options under consideration. The webinars will:
- Occur quarterly and be scheduled in advance;
- Provide a summary of Advisory Committee input; and
- Be set for 2020 once the Advisory Committee meetings dates are scheduled.

**Specialized Workgroups:** The NWPP RA Steering Committee may create specialized workgroups to provide for more focused and technical design and implementation conversations on key topics. The specialized workgroups could include periodic outreach on design and implementation discussions with possibly affected parties including direct access customers, load serving entities and with independent power producers.

**How do I get involved?**

If you would like to be notified about public webinars and other updates on the NWPP Resource Adequacy Program, please sign-up by emailing inquiries@nwpp.org.