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June 7, 2022

MEMORANDUM

TO: Council Members

FROM: Jennifer Light, Interim Director of Power Planning

SUBJECT: Bonneville Resource Program Report, Part 2

BACKGROUND:

Presenter: Ryan Egerdahl, Torsten Kieper, Eric Graessley and Dave Moody, Bonneville

Summary:

Bonneville staff will continue their presentation of its Resource Program. Bonneville's Resource Program develops forecasts of federal system energy, capacity, and balancing needs and evaluates resource development solutions to meet those needs. The timeframe for the next Bonneville Resource Program is 2024-2033, which aligns with the beginning of the next rate case.

This presentation is the second of a two-part presentation to the Council's Power Committee. At this meeting, Bonneville staff will:

1. Revisit the key findings presented at the May Power Committee
2. Share the results of the Resource Program

(1) Revisiting Findings from Part 1

At the May Power Committee meeting, Bonneville staff shared its analysis and findings from its needs assessment, wholesale market price forecast, and wholesale market depth analysis. At the June meeting, Bonneville staff will briefly revisit the key findings

shared during the May discussion. The purpose is to allow committee members to ask additional questions and ensure a full understanding of the inputs, before digging into the results.

(2) Resource Program Results

After wrapping up discussion on the inputs, Bonneville staff will share out the results of the Resource Program. These results show a range of energy efficiency acquisition, demand response, and some need for resources like solar PV and offshore wind in later years of the study. These results are an input into Bonneville's acquisition strategy, which is to be consistent with the Council's 2021 Power Plan.

Relevance:

Bonneville's resource acquisition strategy is also a subject for the Council's power plan under the Northwest Power Act. To summarize briefly and at a high level, the Council's power plan is to set forth a scheme for implementing conservation measures and developing resources to reduce or meet Bonneville's obligations (Section 4(e)(2)) and the power plan is to include: a conservation program to be implemented under this Act (Section 4(e)(3)(A)); a forecast of the amount of power resources estimated by the Council to be required to meet Bonneville's obligations and portions of such obligations that can be met by resources in each of the priority categories; and the approximate amounts of power the Council recommends should be acquired by Bonneville, with an estimate of the type of resources from which such power should be acquired (Section 4(e)(3)(D)).

In turn, the Act specifies that all of Bonneville's actions to acquire resources pursuant to Section 6 of the Act are to be consistent with the Council's power plan except as otherwise specifically provided for in the Act (e.g. Sections 4(d)(2), 6(a), 6(b)). This includes acquiring conservation resources, with Section 6(a)(1) obligating Bonneville to acquire conservation and implement conservation measures "as the Administrator determines are consistent with the [Council's power] plan," as well as the acquisition of other resources, with Section 6(b)(1) adding that "[e]xcept as specifically provided in this section, acquisition of resources under this Act shall be consistent with the plan, as determined by the Administrator." Therefore, Bonneville's resource authorities and decisions are tied to the Council's power plan through a consistency obligation.

The Council's 2021 Power Plan provides specific recommendations to Bonneville, informed by the analysis in the plan, including a Bonneville specific scenario. The recommendations to Bonneville around resource acquisitions include:

- Acquire between 270 and 360 aMW of cost-effective energy efficiency by the end of 2027, of which at least 243 aMW must be from programmatic savings, and at least 865 aMW by 2041, and additionally Bonneville should
 - Use the Council's methodology and associated parameters for determining which energy efficiency is cost-effective
 - Contribute to all aspects of the regional conservation program
 - Work with the Council to ensure that budget is established successfully to meet the plan's efficiency targets

- Work to enable and encourage its customer utilities to pursue low-cost and high-value demand response, including time-of-use rates and demand voltage regulation
- Look to mid-term and long-term market resources for additional energy when needs are beyond those met by the recommended energy efficiency and demand response resources
- Compare market products, both in price and capacity, to renewable power purchase agreements to ensure that the lowest-cost product that suffices to meet any need is identified

Our understanding of the current iteration of Bonneville's Resource Program is that it is intended to work within that framework. And the Council's ultimate interest is in seeing Bonneville make resource decisions consistent with the Council's power plan as provided for under the Act. Council staff are committed to continuing to work with Bonneville staff as they develop their strategy acquiring resources consistent with the Council's 2021 Power Plan.

More Info:

[May Power Committee Presentation on Part 1 of the Resource Program](#)