



# JUICE

News from NIPPC

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## Welcome to Juice

"Juice" as in electricity - after all, Northwest independent power producers generate a lot of it. NIPPC's modest e-letter will go out whenever NIPPC staff come across something worth sharing with you.

### ***Bonneville at the Crossroads*** **Uncertain Transmission Futures**



Bonneville's TC-20 rate case has arrived at a decision point. After months of workshops, preliminary negotiations and dialogue, point-to-point transmission customers must decide whether or not to proceed to an adjudicated rate case or settle with BPA.

Bonneville insists on making fundamental changes to its transmission services wrapped around adoption of a new tariff. It wants customers to surrender existing transmission rights in exchange for an

uncertain future. The agency's priorities include limiting FERC jurisdiction, ending hourly firm service and enhancing the value of Network Service at the expense of its point-to-point customers.

NIPPC has challenged BPA to do better. "The agency," NIPPC's consultant Henry Tilghman has written, "evaluated its proposals against a wide variety of standards, but the impact to competition in the wholesale market in the Pacific Northwest does not appear to have been one of them. The entire TC-20 process," he asserts, "has been flawed from its inception." The Coalition's thoughtful White Paper on TC-20 can be found [HERE](#).

The stakes are consequential. "The impact of BPA giving itself more flexibility in its OATT and business practices," Tilghman writes, "will likely lead to reduced liquidity in the Pacific Northwest power market and increase wholesale energy prices for electricity consumers."

### ***New Load Direct Access*** **A Boost for Oregon Economic Development**

The Oregon Public Utility Commission recharged direct access last month by adopting a New Load Direct Access policy (NLDA). The Commission's [Order](#) collapses exit fees by approximately 75%. The policy applies to businesses with at least a 10 average megawatt load that choose market purchases over cost of service. The revision to Oregon's otherwise sluggish direct access program will help attract energy intensive businesses to Oregon while enabling in-state companies to expand with 100% renewable power.



NLDA left its mark before the OPUC officially adopted it. Facebook, with the option to leave PacifiCorp leveraged the utility into delivering it 437 MW of affordable renewables culled from power purchase agreements. Facebook now has what it needs to run its expanded server farm in Prineville, Oregon entirely on renewables. While transaction terms remain confidential, few observers doubt the deal would have happened were it not for SB 979.

"The Commission has adopted key elements of a bill which did not advance," NIPPC's executive director Robert Kahn observed. "Thankfully, the OPUC has delivered on economic development." And he added, "remaining ratepayers will benefit as competition drives down costs and dampens the utilities drive for building self-builds."

The OPUC is opening a second phase of the docket, [AR 614](#), to include smaller commercial and industrial loads.

Direct access," Kahn said, "is coming back to life in Oregon."

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## **As SB 978 concludes The Work Continues**



The original version NIPPC's [SB 978](#) would have required Oregon IOUs to exclusively acquire long-term resources from the market except for UFOs ("unique fleeting opportunities"), which the Oregon Public Utility Commission certified as real. The legislation morphed into a legislative mandate instructing the OPUC to review its regulatory oversight of investor owned utilities in light of accelerating technological change and mounting consumer expectations.

It was stakeholder engagement, expertly managed by OPUC staff and consultants that animated (pun intended) the process. NIPPC captured the input in graphic reports. Unfortunately, the Commission's final report to the Legislature was disappointing.

NIPPC and its allies, the Community Renewal Energy Association and Renewable Energy Coalition, [criticized the Commission's report](#) for failing to fully convey participants' positions summarized [HERE](#).

The good news is that the OPUC did commit to explicitly advancing the state's climate change policy agenda, do more to engage overlooked communities and consider environmental and social justice priorities. It also committed to making incremental improvements to advance



retail choice, competitive bidding and to add performance based ratemaking to its toolbox.

SB 978 Cartoon Recap

NIPPC will carry legislation in the 2019 session to expand the commission's mission statement to reflect what emerged from the SB 978 process.

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### ***Alderbrook Came Late This Year*** **15th Meeting Maintains "Big Reputation"**

This year's NIPPC 15th [annual meeting](#) attracted 125 participants to Alderbrook resort on the shores of Hood Canal. In nearly two days of compelling sessions, participants heard from top notch speakers including: FERC Commissioner Richard Glick, PJM CEO Andy Ott and many others. The conference opened with a rousing debate between NRDC's Ralph Cavanagh and the Montana PSC's Travis Kavulla. NIPPC executive director, Robert Kahn, concluded the meeting with his annual [State of the Industry Address](#). NIPPC awarded its Vito Stagliano Award for Excellence in Electricity Policy to [solar energy pioneer Tom Starrs](#).



Planning is already underway for next year's gathering at Alderbrook set for September 8-10, 2019.

**MARK YOUR CALENDAR NOW FOR ALDERBROOK!**

NIPPC's Annual Meeting



Northwest & Intermountain Power Producers Coalition

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