



September 29, 2020

The Honorable Dan Brouillette
Secretary
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Secretary Brouillette:

The Northwest & Intermountain Power Producers Coalition (NIPPC) respectfully requests your consideration of the following recommendations as you evaluate candidates to be the next permanent Administrator of the Bonneville Power Administration (BPA).¹

NIPPC's core recommendation is to select a permanent Administrator who, among other duties, will focus on improving open-access transmission service to meet the increasingly integrated demands of the Pacific Northwest. As part of this focus, the next permanent Administrator should lead BPA to continue supporting regional initiatives within the Western Interconnection to create a more seamless and efficient transmission system.

NIPPC represents competitive power participants in the Pacific Northwest, including owners, operators, and developers of independent power generation and storage, power marketers, and affiliated companies. Collectively, NIPPC represents over 4,500 megawatts of operating generation and an equal amount permitted or under development. NIPPC members are transmission customers of BPA who purchase a variety of transmission capacity and ancillary service products.

BPA is the singular entity that gives reality to the notion that the Pacific Northwest is an identifiable, integrated region within the Western Interconnection. The reason is the federal transmission system. While marketing power to preference customers was the

¹ NIPPC here references the authority vested in the Secretary of Energy to appoint the BPA Administrator (16 U.S.C. 832a) while acknowledging the recent delegation order (Delegation Order No. 00-002.00S to the Under Secretary (effective January 15, 2020)) and re-delegation order (Redelegation Order No. 00-002.10E to the Assistant Secretary for Electricity (effective February 14, 2020)) that affect BPA.

originating objective of BPA, transmitting power—both federal and non-federal—has become an equally important role of BPA within the region and beyond.

Notwithstanding recent budget proposals related to BPA's transmission assets, BPA remains the indispensable transmission provider in the Pacific Northwest. The amount of revenue collected from BPA's transmission customers each year (\$942 million in Fiscal Year 2019²) is large, but even that amount belies the topology that makes BPA's network so critical. In a bilateral market context in which energy is frequently wheeled across multiple balancing authority areas, BPA's system is the backbone. Yet providing actual open access on a "fair and non-discriminatory basis"³ to three-quarters of the high-voltage transmission lines in the region does not happen by accident. It requires active and sometimes creative executive-level leadership.

As Administrator, Elliot Mainzer took critical steps in this regard, including leading BPA toward joining the Western Energy Imbalance Market and engaging productively in the regional resource adequacy initiative facilitated by the Northwest Power Pool. Further regional opportunities, including the California ISO's Extended Day-Ahead Market initiative, are on the horizon. NIPPC strongly supports continued movement away from the balkanized power system in the Northwest to a nimbler and more competitive electric grid. The hallmarks of that grid are greater market regionalization, coordinated transmission scheduling, more reliance on competitive, centralized dispatch of resources, and improved regional transmission planning.

The new permanent Administrator of BPA will affect each of these aspects of the future of the Western grid.

At this critical juncture in the power sector, NIPPC believes that it would be a mistake for BPA to turn inward and focus on the inarguably important and difficult policy decisions facing Power Services, including BPA's fish and wildlife responsibilities, if that comes at the expense of focusing on its transmission mission. Instead, the next Administrator should prioritize maintaining a parallel and robust focus on the continued evolution of transmission service. This evolution should also include attention to upgrading transmission capacity to relieve constraints at regional interties and at flowgates internal to BPA's network, as well as deeper investments in modernizing BPA's system to return it closer to a "top of class" status.

NIPPC recognizes that guidance from the Office of Personnel Management outlines five "executive core qualifications" that all Senior Executive Service appointees should demonstrate.⁴ Under the general rubric of these important leadership skills, and subject to the applicable hiring procedures under the Civil Service Reform Act of 1978, NIPPC

² BPA Overview As of June 5, 2020, investor presentation, 6, available at: <https://www.bpa.gov/news/Investor/InvestorDocuments/BPA%20POM12%20Investor%20Presentation.pdf>.

³ 16 U.S.C. 838d.

⁴ United States Office of Personnel Management, Guide to Senior Executive Service Qualifications (September 2012), available at: https://www.opm.gov/policy-data-oversight/senior-executive-service/reference-materials/guidetosesequals_2012.pdf.

recommends that you favorably consider the following mixture of more detailed skills and experience for the next permanent Administrator, in no particular order:

- **Leading change:**
 - Demonstrated awareness of the changing generating resource mix in the Western Interconnection that affects transmission scheduling.
 - A willingness to explore statutorily permissible ways to make more federal hydroelectric generation available (and, necessarily, monetized) to provide more flexible capacity, including regional mechanisms to facilitate commercial transactions for that capacity.
 - Focused attention on exercising, where appropriate, BPA's statutory authority to upgrade existing transmission line capacity and build new transmission lines to serve regional needs, including expected regional procurements of new generation and storage resources.
 - Relevant experience to identify and execute a plan to modernize the existing federal transmission system to better accommodate the changing and increasingly variable regional power supply.

- **Leading people:**
 - A demonstrated ability to shift the overall emphasis or performance of an organization in a period of change.

- **Results Driven:**
 - Commercial (or equivalent) experience with power marketing and/or transmission scheduling in the Pacific Northwest and other regions.

- **Business Acumen:**
 - Senior executive-level experience with exposure to a variety of business models, either directly or through counterparties, including Power Marketing Administrations, private sector power marketers, independent generators, consumer-owned utilities, and investor-owned utilities.

- **Building Coalitions:**
 - A track record of establishing and maintaining candid, collaborative relationships with a wide variety of customers and stakeholders.
 - Demonstrated acumen at making deliberative decisions that give due weight to conflicting input from customer groups.

NIPPC appreciates the thousands of public servants employed by BPA and your Department. Operating and managing large agencies subject to intense public scrutiny and debate can be a thankless job at times. Doing it on a pay scale that seldom matches equivalent private sector and non-federal public sector positions often requires a strong sense of public service.

Accordingly, NIPPC applauds candidates willing to fill the role of the next permanent BPA Administrator, and we thank you for considering our recommendations in your deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Gray', written in a cursive style.

Spencer Gray
Executive Director
Northwest & Intermountain
Power Producers Coalition