Northwest Public Power Association
Resolution 2016-10
Preservation of Local Decision-Making in Organized Markets

Background

Electric utilities are increasingly seeking efficient, affordable ways to maintain grid reliability while accommodating growing amounts of intermittent, renewable power also known as variable energy resources (VERs). Regional energy markets represent one potential means to foster efficient VERs integration by sharing electrical resources between multiple Balancing Authorities.

In practice, however, organized markets have the potential to increase costs for consumers and diminish local decision-making and flexibility. The West and Northwest have long approached market solutions with significant skepticism, mindful that organized markets could bring excessive regulatory complexity, opaque and uncontrollable costs, and a loss of accountability and local decision-making. Most troubling, these concerns have all come to fruition in the mandatory markets for capacity resources developed in Eastern Regional Transmission Organizations. Mandatory capacity markets have also frustrated public power’s ability to build and contract for their own energy needs.

NWPPA’s Position

- NWPPA recognizes the need to find tools and/or mechanisms to support utilities and balancing authorities to better integrate intermittent resources into the grid.

- NWPPA supports exploration of mechanisms such as Intra-hour transmission scheduling, Dynamic Scheduling Systems, Intra-Hour Transaction Accelerator Platforms and other mechanisms to assist in balancing and firming intermittent resources. Conducting this exploration and due diligence will assure that the least-cost options for balancing resources are selected and that consumers will benefit from industry investment in this activity.

- In exploring and evaluating potential market-based options, NWPPA supports the principles of voluntary participation, structured designs that support the public power business model, focus on costs to the consumer, and the preservation of local decision-making.

- NWPPA opposes increased Federal Energy Regulatory Commission or other federal jurisdiction over consumer-owned utility operations, mandatory participation in markets that restrict local decision-making, or other market structures that limit or eliminate our ability to enter into long-term contracts or undermine public power’s mission of delivering reliable electric service at lowest possible costs.