

1 **Northwest Public Power Association**

2 **Resolution 2016-10**

3 **Preservation of Local Decision-Making in Organized Markets**

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5 **Background**

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

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

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22 **NWPPA’s Position**

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- 24 • NWPPA recognizes the need to find tools and/or mechanisms to support utilities and
25 balancing authorities to better integrate intermittent resources into the grid.
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27 • NWPPA supports exploration of mechanisms such as Intra-hour transmission scheduling,
28 Dynamic Scheduling Systems, Intra-Hour Transaction Accelerator Platforms and other
29 mechanisms to assist in balancing and firming intermittent resources. Conducting this
30 exploration and due diligence will assure that the least-cost options for balancing
31 resources are selected and that consumers will benefit from industry investment in this
32 activity.
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34 • In exploring and evaluating potential market-based options, NWPPA supports the
35 principles of voluntary participation, structured designs that support the public power
36 business model, focus on costs to the consumer, and the preservation of local decision-
37 making.
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39 • NWPPA opposes increased Federal Energy Regulatory Commission or other federal
40 jurisdiction over consumer-owned utility operations, mandatory participation in markets
41 that restrict local decision-making, or other market structures that limit or eliminate our
42 ability to enter into long-term contracts or undermine public power’s mission of
43 delivering reliable electric service at lowest possible costs.
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45 Origination Date: 2011. Revised 2014, 2015, and 2016. Archived 2017.