

1 **Northwest Public Power Association**

2 **Resolution 2018-05**

3 **In Support of Local Decision-Making for DER Integration**

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5 **Background**

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7 Current federal policy discussions on issues from transmission cost allocation to incentivizing
8 new generation to integration of distributed energy resources (DERs) highlight significant issues
9 for locally-controlled public utility systems. Many of the solutions offered to address these
10 challenges involve ceding a degree of the local control that is the cornerstone of the public
11 power models. Regional energy markets represent one potential means to foster efficient DERs
12 integration by sharing generating resources between multiple Balancing Authorities, provided
13 they are developed in a way that avoids excessive regulatory complexity, opaque and
14 uncontrollable costs, and a loss of customized solutions, accountability and local decision-
15 making.

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17 **NWPPA's Position**

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19 • NWPPA supports local utility board decisions regarding solutions that meet the needs of
20 the local entity.
21 • NWPPA also supports diversified portfolios of fuel types for electric generation,
22 including carbon-free, variable or distributed resources.
23 • Any transmission tariff reforms enacted by the Federal Energy Regulatory Commission
24 (FERC) to remedy real or perceived barriers to the integration of DERs should not
25 unintentionally create barriers to the use of other resources, or provide unreasonable
26 economic subsidies to develop DERs at the expense of other options.
27 • NWPPA believes that the costs to integrate DERs should be clearly identified and
28 assigned to the entities buying and selling those resources.
29 • NWPPA believes the financial risks associated with integrating DERs by corporations
30 forming single-project LLCs lie solely with those entities, and risks should not be borne
31 by a serving utility.
32 • In exploring and evaluating potential market-based options, NWPPA supports the
33 principles of voluntary participation, structured designs that support the public power
34 business model which focuses on keeping costs low to the consumer and the preserves
35 local decision-making.
36 • NWPPA opposes increased FERC or other federal jurisdiction over consumer-owned
37 utility operations, mandatory participation in markets, restrictions on local decision-
38 making, or other market structures that limit or eliminate the ability to enter into long-
39 term contracts or undermine public power's mission of delivering reliable electric
40 service at lowest possible costs.

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42 Origination Date: 2011 and 2012. Revised 2017 and 2018.