

Northwest Public Power Association

Resolution 2019-05

In Support of Local Decision-Making for DER Integration

Background

Current federal policy discussions on issues from transmission cost allocation to incentivizing new generation to integration of distributed energy resources (DERs) highlight significant issues for locally-controlled public utility systems. Many of the solutions offered to address these challenges involve ceding a degree of the local control that is the cornerstone of the public power models. Regional energy markets represent one potential means to foster efficient DER integration by sharing generating resources between multiple Balancing Authorities. Regional energy markets raise concerns for consumer-owned utilities such as excessive regulatory complexity, opaque and uncontrollable costs, and a loss of customized solutions, accountability and local decision-making.

NWPPA's Position

- NWPPA supports local utility board decisions regarding solutions that meet the needs of the local entity.
- NWPPA also supports diversified portfolios of fuel types for electric generation, including carbon-free, variable or distributed resources.
- Any transmission tariff reforms enacted by the Federal Energy Regulatory Commission (FERC) to remedy real or perceived barriers to the integration of DERs should not unintentionally create barriers to the use of other resources or provide unreasonable economic subsidies to develop DERs at the expense of other options.
- NWPPA believes that the costs to integrate DERs should be clearly identified and assigned to the entities buying and selling those resources.
- NWPPA believes the financial risks associated with integrating DERs by corporations forming single-project LLCs lie solely with those entities, and risks should not be borne by a serving utility.
- In exploring and evaluating potential market-based options, NWPPA supports the principles of voluntary participation, structured designs that support the public power business model, which focuses on keeping costs low to the consumer and preserves local decision-making.
- NWPPA opposes: 1) increased FERC or other federal jurisdiction over consumer-owned utility operations; 2) mandatory participation in markets; 3) restrictions on local decision-making; and 4) market structures that limit or eliminate the ability to enter into long-term contracts, or undermine public power's mission of delivering reliable electric service at lowest possible cost.

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