



IRRIGATION & ELECTRICAL DISTRICTS'
ASSOCIATION OF ARIZONA

DRAFT

Tracey LeBeau
Administrator & CEO
Western Area Power Administration
P.O. Box 281213
Lakewood, Colorado 80228-8213

October 11, 2022

Re: **Continued** Lower Division Market Concerns with CRSP Entering SPP

Dear Tracey:

We have received the letter dated September 27th from Rodney Bailey (CRSP Manager), but given the responses, and since these issues transcend two WAPA regions, we will continue to address our concerns to you.

Regarding those responses; IEDA feels that many answers avoided the questions asked, were unconvincing in the benefits of joining SPP, were overly focused on WAPA's benefits, and dismissive of our concerns of the impacts that the SPP decision would have upon those CRSP customers whose loads do not reside in the SPP footprint.

We have not seen any analyses by the CRSP Office but one, the SPP alternative. Therefore, by continuing to follow the current approach, CRSP has only one option from one analysis. You have not analyzed the benefits of CRSP being split between both Markets based upon the CRSP contractors in the respective markets. The CRSP Contracts do not differentiate, nor does the Marketing Plan and neither should WAPA make a decision that negatively impacts a customer group.

The most concerning commercial issue that remains unaddressed is how will Western operate Glen Canyon Dam and CRSP Generation so it provides commercial capacity values in the future markets for "ALL CRSP Contractors" and not just for one group of contractors? CRSP used to provide generation to both WALC and WACM as indicated in the response, so it can clearly be done again.

By putting Glen Canyon in both WALC and WACM, CRSP can be integrated in SPP or EIM to the benefit of "All CRSP Contractors" no matter their respective loads to where they schedule power

Since a pseudo-tie or dynamic signal is not an option, according to the response, the only option we see is for the EIM Portion of CRSP to be put into WALC for delivery to WAPA CRSP EIM contractors like it was historically done.

In order for WAPA SPP CRSP Contractors to move forward and assure no commercial loss of value for CRSP Generation to the WAPA EIM CRSP Contractors who will be in the EIM Markets, IEDA requests WAPA determine that in accordance with the current WAPA Contracts and GPCP's; WAPA CRSP generation in the future will be split between its WAPA's WALC and WACM Balancing Areas, or their replacements according to the contractual amounts of CRSP generation that will be scheduled and delivered by WAPA to their respective market (SPP or EIM, or any replacement). WAPA can still accommodate the CRSP generation changes between seasons and WRP, CDP and other CRSP firming. The amounts can be adjusted for the Contractors in each respective EIM footprints and thereby WAPA continue to honor its historical deliveries in the new markets. WAPA will have two BA's that can continue to deliver CRSP to the CRSP Contractors in accordance with the CRSP Agreements and Marketing Plan.

With the assurance to all CRSP Customers that their CRSP Generation will be assigned and delivered by a WAPA BA in their Load Market, i.e. SPP or EIM, then WAPA clearly is not deciding the outcome of the market decisions and market decisions can be made without a dynamic signal or pseudo tie arrangement and retain the Real Time and Day Ahead commercial values for each and all CRSP contractors. WALC can deliver CRSP in EIM and WAUC can deliver CRSP in SPP and WAPA can adjust the capacity and energy as the river or seasons change.

Sincerely,

Ed Gerak
IEDA