

February 17, 2023

Via (Email)

Ms. Tracey A. LeBeau
 Administrator and CEO
 Western Area Power Administration
 12155 W. Alameda Pkwy.
 Lakewood, CO 80228-2802

RE: COLORADO RIVER STORAGE PROJECT SIGNAL BIFURCATION

Dear Ms. LeBeau:

The Colorado River Storage Project (CRSP) has provided long-term, reliable, and affordable resources to the Upper and Lower Basin regions for many decades. While natural changes in weather patterns and wide-spread drought have impacted CRSP output, it can be a key resource that provides both energy and resource adequacy (RA) benefits equitably to both regions. However, Western Area Power Administration (WAPA) CRSP’s preliminary consideration of a proposal to join the Southwest Power Pool Regional Transmission Organization (SPP RTO) would appear to create an unnecessary inequity for Lower Basin customers, specifically, unequal access to the RA attributes of the CRSP resource. Nonetheless, we believe that there is a solution to addressing this concern – bifurcation of the CRSP dispatch signal.

Bifurcation of CRSP Dispatch Signal

As discussed to date, the current CRSP and SPP RTO proposal would provide a static schedule for only energy deliveries to Lower Basin customers. While static schedules provide some RA attributes today, there is a growing shift in RTOs, RA programs, balancing authorities (BAs), and public utility commissions (PUC) to limit the RA value for static-import schedules. In other words, the apparent solution under consideration today will not meet the challenges of tomorrow.

However, bifurcation of the CRSP dispatch signal between Lower and Upper Basin regions would address these concerns and continue to provide equal access to energy entitlements and capacity allocations to both regions. This is not a new concept. Dispatch signal bifurcation is a solution that currently exists across multiple jointly-owned resources, use-limited hydroelectric projects, and RTO seams. Bifurcation of the CRSP dispatch signal would be accordance with terms of the North American Electric Reliability Corporation (NERC) Dynamic Transfer Reference Document:

- **Dynamic Transfer Signal¹ (DTS):** *The electronic signal used to implement a Pseudo-Tie or Dynamic Schedule using either a metered value or a calculated value.*
- **Integration¹:** *In the terms for Dynamic Schedule and Pseudo-Tie above means the value could be mathematically calculated or determined mechanically with a metering device and incorporated into the associated ACE calculations for the Attaining and Native BA.*

¹ Dynamic Transfer Reference Document, Version 4, Terms – Page IV,
https://www.nerc.com/comm/OC/ReferenceDocumentsDL/Dynamic_Transfer_Reference_Document_v4.pdf

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As the NERC Dynamic Transfer Reference Document states, the *electronic signal* can be either determined *mechanically* or *calculated*.

- **Understanding the limitations of the CRSP resources:** The *electronic signal* under our bifurcation proposal, would be a value *calculated* in accordance with the capabilities and limitations of the CRSP resources. This would ensure adherence to the CRSP contracts and provide CRSP the necessary information to be able to reliably manage both Lower and Upper Basin signals. To be clear, the proposal would not allow for a customer to control or dictate project operations.

While we understand that the bifurcation of the CRSP signal can be considered an added layer of complexity to an already burdensome SPP RTO transition for CRSP staff, we are committed and willing to support the implementation of this solution. We also acknowledge CRSP is under strict timelines in order to not delay the Upper Basin SPP RTO implementation, including the need to publish an intent to pursue SPP RTO Membership in the Federal Register by February 28, 2023.

Therefore, Arizona G&T Cooperatives along with the other entities referenced on Entity Appendix A, are formally requesting written assurance before February 28, 2023 from WAPA to implement or support the implementation of a **Dynamic Transfer Signal** as a part of a future CRSP SPP RTO Membership. Such assurance, will allow us to understand WAPA is committed to ensuring all customers have equal access to CRSP energy and resource adequacy attributes today and in the future.

Arizona G&T Cooperatives' technical staff have prepared a technical appendix to be shared with other CRSP staff, Technical Appendix B – attached.

Sincerely,

Patrick Ledger
Chief Executive Officer

Att. Entity Appendix A
Technical Appendix B

c/C. Jimenez, Director of Energy Services
R. Manzo, Manager of Technical Services

Entity Appendix A

1. Arizona Municipal Power Users' Associations
2. Arizona Power Authority
3. Arizona Power Pooling Association
4. Grand Canyon State Electric Cooperative Association
5. Irrigation & Electrical Districts Association of Arizona
6. Integrated Resources Scheduling Agreement Entities
7. Navajo Tribal Utility Authority
8. Salt River Pima-Maricopa Indian Community
9. Southwest Public Power Agency

Technical Appendix B

Technical solution diagram to implement bifurcation of CRSP dispatch signal, follow resource constraints, and adhere to operating guidelines.

