October 11, 2023

**Comments from the Northwest & Intermountain Power Producers Coalition on the Draft Regional Transmission Plan for the 2022-2023 Planning Cycle**

Thank you for the opportunity to comment on the Draft Regional Transmission Plan for the 2022-2023 NorthernGrid Planning Cycle (the Draft Plan).

The Northwest & Intermountain Power Producers Coalition (NIPPC) is a membership-based advocacy group representing competitive electricity market participants in the Pacific Northwest and Intermountain region. NIPPC has a diverse membership including independent power producers and developers, electricity service suppliers, transmission companies, marketers, storage providers, and others. NIPPC is committed to fair and open-access transmission service, cost effective power sales, consumer choice in energy supply, and fair, competitive power markets in the Northwest and adjacent markets.

NIPPC has long believed that NorthernGrid’s Order 1000 Planning Process could be substantially improved through greater transparency. NorthernGrid’s Member Planning Committee largely conducts its business behind closed doors with little opportunity for industry and other stakeholders, including NIPPC, to participate in NorthernGrid’s development of its study scope or the underlying assumptions incorporated into the study. The lack of transparency, unfortunately, extends to the study results which NorthernGrid presents in its Draft Plan. The Draft Plan largely states conclusions without providing any detailed information on the assumptions underlying the analysis including load forecasts, generation additions, and transmission infrastructure costs.

For example, the Draft Plan does not provide a chart detailing the load growth projections for the NorthernGrid footprint that were used in the study. The Draft Plan simply points out that:

The NorthernGrid region load is forecast to grow at a 0.6 percent annual rate [add peak load values][[1]](#footnote-1)

The Draft Plan does contain a cross-reference to the 2022-23 Study Scope which contains a breakdown of average annualized load growth and total generation additions for the member utilities through 2032.[[2]](#footnote-2) That chart itself is largely a summary of underlying data. But there is no other information that allows outside stakeholders to understand – or comment on - the peak load level assumptions that NorthernGrid used to develop the Draft Plan. While NIPPC has not investigated the load forecasts for all the NorthernGrid member utilities, NIPPC remains concerned with the accuracy of the load growth forecasts and assumptions used in the NorthernGrid process. For example, the Study Scope indicates that PGE will see 0.7% annualized load growth and 1,001 MW of new resource additions by 2032.[[3]](#footnote-3) In an early scoping meeting, PGE estimated its peak summer load in 2032 at 4,331 MW and indicated that it would need to add only 19 MW of new generation resources by 2032. The Study Scope indicates that PGE did correct its data submissions to reflect an actual 1,001 MW of new generation resource additions. But NIPPC simply cannot determine, based on the information available to stakeholders, whether PGE also corrected its load growth assumptions. NIPPC hopes that PGE did revise its estimated summer peak load for 2032, because PGE’s Peak Load on August 16, 2023 was 4,498 MW (already 166 MW higher than its initial peak forecast for 2032).[[4]](#footnote-4) NIPPC notes that PGE uses a 2032 summer peak load forecast of 5,554 MW in its Local Transmission Planning process.[[5]](#footnote-5) NIPPC, and any other stakeholder, simply cannot determine whether the load growth forecasts and assumptions used in the Draft Plan are accurate or reasonable for any specific load (PGE’s numbers are merely one example here) or for the region as a whole.

The same lack of transparency in the load growth forecasts is evident in infrastructure costs. The Draft Plan determined that a regional combination of Boardman to Hemingway, Gateway West Phase 1, and Cascade Renewable Transmission Project received the highest contingency analysis ranking.[[6]](#footnote-6) Despite receiving the highest reliability score, the Draft Plan then goes on to conclude – without analysis or further explanation – that the incremental reliability contributions of including Cascade Renewable Transmission Project were “minimal” and that the additional (but unstated) costs justified “deeming” that combination of projects to be less cost effective than Boardman to Hemingway and Gateway West Phase 1 alone. On its face, the result seems inconsistent with NIPPC’s broader understanding of the transmission congestion and demand for transmission service across the Cascades both currently, and as forecast for 2032. NIPPC understands and notes that reaching the conclusion to exclude the Cascade Renewable Transmission Project from the Draft Plan also relieves NorthernGrid from having to undertake a cost allocation analysis. While this conclusion to narrow the Draft Plan may possibly be the right conclusion, NIPPC simply does not have the information it would need to check NorthernGrid’s work and determine whether that conclusion is justified by the physics and economics of the bulk power system. An alternative explanation is readily available to stakeholders and regulators: that a narrower Draft Plan simply avoids the likely contentious cost allocation process that would result if a Qualified Developer’s project were to be selected in the Draft Plan. This alternative explanation may or may not be accurate, but unfortunately NorthernGrid and the Order 1000 requirements do nothing to dispel it, thereby undermining any confidence in the draft plan itself.

Finally, NIPPC suggests that NorthernGrid should be much more transparent regarding the cost assumptions it used to determine that projects are – or are not – cost effective. Obviously, a portfolio that includes Cascade Renewable Transmission Project is going to be more expensive than a portfolio without that project. In the future, however, NorthernGrid may be in the position of choosing between two competing expansion plans – one that includes a Qualified Developer project and one that relies on different incumbent projects. In that case, NorthernGrid will need a – transparent – process to ensure that both scenarios rely on the same assumptions for project costs. While ensuring that all projects use the same assumption for the costs of construction materials (i.e., steel, concrete, and copper) and labor, NorthernGrid will also need to ensure project sponsors do not underestimate right of way costs – particularly through populated areas. NIPPC recommends that NorthernGrid should not rely solely on the self-reported cost projections of a project developer or utility to weigh whether one portfolio is more cost-effective than another.

In general, NIPPC notes its understanding that a different regional planning process, outside of the Order 1000 requirements but pursued with support by and engagement from NorthernGrid members, may be a better path to producing a robust and defensible regional transmission plan. In that spirit, NIPPC strongly supports the recent proposal shared by the Western Transmission Expansion Coalition (WTEC), hosted by the Western Power Pool, to conduct regional transmission planning differently. NIPPC also appreciates the engagement by NorthernGrid members and staff in structuring that potential initiative in a way that departs from some of the significant drawbacks of the NorthernGrid approach, many of which are driven by the constraints of the Order 1000 requirements and the jurisdictional divides among transmission owners in the region. NIPPC looks forward optimistically to continuing to engage directly on the WTEC initiative.

1. Northern Grid Member Planning Committee, “Draft Regional Transmission Plan for the 2022-2023 NorthernGrid Planning Cycle “(the “Draft Plan”), NorthernGrid, August 23, 2023 at p. 12 [↑](#footnote-ref-1)
2. Northern Grid Member Planning Committee, “Proposed Study Scope for the 2022-2023 Northern Grid Planning Cycle,” (the “Study Scope”), NorthernGrid, undated, Figure 4 p. 10 [↑](#footnote-ref-2)
3. Id. [↑](#footnote-ref-3)
4. PGE Communications Team, “PGE customer actions helped service reliability during record-breaking heat wave” Portland General Electric, August 17, 2023 <https://portlandgeneral.com/news/2023-08-17-pge-customer-actions-helped-service-reliability-during-record> [↑](#footnote-ref-4)
5. “Portland General Electric Company’s Near Term Local Transmission Plan For the 2022-23 Planning Cycle”, Portland General Electric, December 28, 2022 at p. 8 [↑](#footnote-ref-5)
6. Draft Plan at p. 5 [↑](#footnote-ref-6)