

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new agreement with **Northwest Power Pool** for **Administrative Costs Related to Phase 3B of the Western Resource Adequacy Program**.

Board Meeting Date: September 5, 2023
Project Name/Contract #: Western Resource Adequacy Program – Phase 3B / 23-187
Manager: Megan Capper Ext. 7363
Executive Officer: Brian Booth Ext. 7774

Contract Amount:

Original Contract Amount: \$650,000
Additional \$ Previously Approved: \$0
Spend over last approval: \$0
Amount this Request: \$650,000
% increase over last approval: NA
Resulting Cumulative Total: **\$650,000 (over 6 years)**

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: EWEB Rule 6-0180 Membership Fees - Trade Organizations
Term of Agreement: 2023-2028
Option to Renew? Yes
Approval for purchases “as needed”: Yes No
Proposals/Bids Received (Range): NA
Selection Basis: NA

Narrative:

Operational Requirement and Alignment with Strategic Plan

This procurement supports the Board-approved 2023 Integrated Resource Plan (Action 6a) - *Market Evolution Impact Analysis: As potential market options evolve in the Pacific Northwest, identify the gaps and investments required in systems, processes, and resources EWEB will need in order to participate in new market constructs, including but not limited to, the Western Resource Adequacy Program and a day-ahead market, as well as limited resource-specific participation in California Independent System Operator Energy Imbalance Market (CAISO EIM)*. The Western Power Pool’s Western Resource Adequacy Program supports a core EWEB value, for reliable delivery of electricity to our customers. This financial commitment allows EWEB to engage in the development and participate in the implementation of the non-binding program.

The Western Power Pool’s (WPP) Western Resource Adequacy Program (WRAP) is composed of 23 Western Electricity Coordinating Council (WECC) balancing area authorities and utilities, and its purpose is to design a regional resource adequacy program with the goal of ensuring participants have access to sufficient resources to meet load during all periods. EWEB has participated since 2018, and desires to continue through Phase 3B and then into non-binding operation. Phase 3B will focus on the implementation of components outlined in WRAP’s

FERC approved tariff, including the development of systems and business practices. After Phase 3B implementation, the program will transition to a non-binding operation phase where participants will ready themselves for full participation, under the existing tariff.

EWEB staff and management believe that the currently voluntary Resource Adequacy program will eventually be mandatory and intend to leverage their participation in this Phase 3B of the program to ensure that the ultimate program design is favorable to EWEB. There are several program design factors under consideration during Phase 3B that, if decided in a manner unfavorable to EWEB’s interests, could result in annual compliance cost increases in excess of \$500,000. After phase 3B, staff will maintain non-binding operation while evaluating our post 2028 resource decision.

Continued participation will help ensure EWEB’s ability to provide resilient delivery for our customers, support our long-term affordability goals, and contribute to our ability to provide consistent performance.

Contracted Goods or Services

The Board is being asked to approve a program agreement with Northwest Power Pool for administrative costs associated with Phase 3B of the Western Resource Adequacy Program.

Purchasing Process

Exemption – EWEB Rule 6-0180 Membership Fees for Trade Organizations

Prior Contract Activities

EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration (Notice to proceed to close out).	Original Contract Amount	Final Contract Amount
PO 27212	Western Resource Adequacy Program – Phase 3A	11/2/21	2021-2022	\$212,000	\$212,000
PO 16588	Regional Resource Adequacy Program	NA	1 year	\$120,000	\$120,000

ACTION REQUESTED:

Management requests the Board approve an agreement for the Western Power Pool’s Administrative Services in support of the Western Resource Adequacy Program. These services have been planned as part of Power Planning’s 2023 budget of \$2.4 million and 2024 budget of \$3.4 million. Variances will be managed within the budget process and Board policy.