Northwest Public Power Association
Resolution 2012-11
Integration of Variable Energy Resources

Background

In response to renewable energy mandates, increasing amounts of non-dispatchable, intermittent resources known as "variable energy resources" (VERs) have been connected to the grid. Grid operators today address intermittency of power generation associated with VERs and the resulting reliability impacts in balancing supply and demand. Unlike baseload renewable resources, such as geothermal and biomass, wind and solar resources are only available when the wind blows and the sun shines. This means that VERs must be backed up by other sources of power generation such as coal, natural gas, nuclear, and hydro power that can be relied upon to produce electricity when called upon, or reduce output when VERs start generating. In short, managing VERs directly impacts the reliable operation of the grid and the cost of power to customers.

Current federal policy discussions on integration of VERs highlight significant issues for public utility systems. Because effective integration of VERs in a region depends in substantial part on the availability of transmission facilities sufficient to support such integration, the issue of who will pay for the additional transmission facilities needed to undertake this integration effort is central to this policy debate. Any transmission tariff reforms enacted by the Federal Energy Regulatory Commission (FERC) to remedy real or perceived barriers to the integration of VERs could unintentionally create barriers to the use of other types of resources, or provide unreasonable economic subsidies to develop VERs at the expense of other options. Furthermore, reliability may not receive adequate attention as expansion of VERs increases on regional transmission systems.

NWPPA's Position

- NWPPA supports local utility board decisions regarding diversified portfolios of fuels for electric generation which includes carbon-free, variable renewable resources.
- NWPPA urges policymakers to address integration of VERs in a holistic manner, recognizing and accounting for the increased reliability challenges and increased costs incurred by electricity customers, including costs to develop transmission.
- NWPPA believes that the costs to integrate VERs should be clearly identified and assigned to the entities buying and selling those resources.

Origination Date: 2011 and 2012