## **Department of Energy**



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**ATTN: WREGIS** 

Re: Comments on WREGIS corporate structure and governance and software development

The Bonneville Power Administration (BPA) appreciates the opportunity to comment on future WREGIS structure and software development. BPA is a federal power marketing administration within the Department of Energy. BPA markets wholesale electrical power from 31 federal hydroelectric dams in the Northwest, one nonfederal nuclear plant and several small nonfederal power plants. In 2024, BPA marketed over 56 million megawatt hours of renewable hydroelectric power generated from the federal system to utilities across the West. BPA currently transfers the Renewable Energy Credits (RECs) created by efficiency improvements to the federal hydro system and RECs from two wind projects to over 75 customers and expects the number of customers to grow to be well over 100 in the 2030s. While REC-eligible resources make up a relatively small portion of the federal system today (less than 1 percent), BPA expects the entire federal hydropower system will generate RECs in the 2030s given Washington's Clean Energy Transformation Act (CETA), likely making BPA one of the single largest users of WREGIS in the future.

## 1. Software Development Needs

BPA would like to ensure that certain capabilities are provided by the software developer at go-live and in a user-friendly platform. The software must be developed to accommodate a variety of existing and future state requirements; different state programs utilize RECs for different purposes. Additionally, the software should be scalable to the anticipated volume of REC creation in the 2030s given Washington's CETA significantly expands the volume of REC-eligible generation by including legacy hydropower as a qualifying resource.

To meet BPA's minimum anticipated use needs, BPA requests that a minimum viable software product include the following features. First, the software must be able to

support mass transfer of RECs from multiple generating units to multiple accounts. Second, the software must enable the ability to transfer RECs to another user's account and to a subaccount within another user's account. Third, the software must be able to support the batching of transfers, notifications, and transfer acceptance. These features are critical given BPA will continue to transfer RECs to a large number of its customers and at a much higher volume in the 2030s given Washington's CETA requirements.

In addition, BPA requests that WREGIS ensure that REC creation for hydro efficiency upgrades is accurate and that the software is capable of marking RECs as eligible or ineligible for certain state programs. Since the implementation of the M-RETS WREGIS updates, the WREGIS functionality that marks some of BPA's incremental hydro RECs as Oregon RPS eligible no longer works. BPA has not received an estimate of when this functionality will be repaired.

To ensure these critical features work, BPA requests to be included in any user acceptance and beta testing offered for the software. BPA urges WREGIS to get the software running in a timely manner to work out any issues prior to December 2027. BPA was one of the users that experienced issues with the M-RETS software updates and does not want to repeat that situation.

In addition, in the future (by the 2030s), it would also be useful for users to have the ability to mark some RECs as ineligible for certain state programs. For example, it would be useful for BPA to have the ability to mark a portion of federal system RECs as ineligible for utilities to use for compliance with Washington's CETA because of CETA double counting prohibitions.

Finally, BPA is aware that there has been discussion in the last year about potential future uses of RECs, including the creation of hourly RECs and matching of e-tags and organized market dispatch to WREGIS-registered generation. BPA does not believe it is prudent for WREGIS to prioritize those capabilities in the initial phase(s) of software development. Rather, WREGIS should prioritize ensuring the software is capable of meeting existing user needs when scaled to the demand for REC creation in the 2030s.

## 2. Corporate Structure and Governance

BPA is concerned about continuity of operations and increased costs if WREGIS becomes a new, independent corporate entity. BPA requests that WECC provide oversight of WREGIS software development, WREGIS administration and WREGIS

operations until at least a minimally viable software (including the features BPA states above) has been implemented and confirmed by users to be fully operational. BPA also requests WECC provide estimates of the additional start-up and ongoing costs associated with the proposal to structure WREGIS as its own entity before a final decision is made. Additionally, BPA funded the mass transfer feature of the APX software and BPA wants WECC's commitment that any corporate transition will not impact delivery and that the future WREGIS software will support this feature.

Please contact me at <u>caallen@bpa.gov</u> if you have any questions regarding these comments.

Sincerely,

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