

Submitted via email to techforum@bpa.gov on May 11, 2021

RE: Comments in Response to April 27 BPA EIM Stakeholder Meeting

PPC appreciates the opportunity to comment on BPA’s Energy Imbalance Market (EIM) stakeholder process. These “implementation” workshops are an important part of BPA’s five-phase process in place to guide the agency’s decision on EIM participation. Given the compressed timeline for the last phase of BPA’s stakeholder process, transparency and progress in the next few workshops becomes even more important to set the stage for BPA’s decision on EIM participation.

All PPC members are statutory preference customers of BPA and represent over 90 percent of BPA’s Tier 1 sales. Overall, Northwest public power is the largest purchaser of BPA’s power products and services and is among the largest purchasers of BPA’s transmission products and services, funding nearly 70 percent of the agency’s total power and transmission costs. As BPA is a self-funding agency and covers its costs by selling its products and services, this means that PPC members will bear the majority of the impacts from BPA’s participation in the EIM. As a representative for those that will bear the majority of the risk associated with EIM participation, we repeat our request that BPA perform a careful and thorough analysis of participation in making this decision.

In that spirit, PPC offers the initial comments on BPA’s April 27 BPA EIM stakeholder meeting.

Process and Timeline – Preparing for Phase V

PPC would again like to reiterate the importance of a strategic approach to Phase V of BPA’s decision process. This should include both near- and long-term assessments of benefits and risks of BPA’s EIM participation. By the end of Phase V, BPA should have developed a clear plan for passing on the benefits of Power Services’ participation in the EIM to preference customers and also have identified strategies for mitigating preference customers’ market risk exposure. We understand that there is no risk-free participation in organized markets and that the risks and benefits are trade-offs; at the same time, BPA should not construct its market participation in a manner that exposes preference customers to increased risks and additional implementation costs without also providing them substantial benefits.

We look forward to a more robust discussion on these issues with BPA as part of Phase V. We again note these conversations will need to be extremely efficient given the agency’s proposed timeline for that process. The additional three days added to the customer comment period will do little to address our concerns about this timeline; with such a quick turnaround for customer review and comment, BPA will need to use these next several workshops in advance of Phase V to clearly lay out its thinking for customers, so that customers can productively participate in Phase V discussions.

Customer Impact Summary

PPC continues to appreciate the review of customer impacts conducted as part of the customer impact summary. During the discussion on customer impacts at the April 27 workshop, BPA staff shared some of their thinking around how the agency could separate from the EIM under certain conditions. This discussion was very helpful in understanding some of the ways BPA may mitigate risk associated with its EIM participation, and PPC requests an expanded discussion on this issue at a future workshop. There are several aspects regarding market “separation” that PPC would like to better understand, including:

- What details BPA would include in its operating procedures guiding separation from the market?
- What financial, operating, or other circumstances trigger a separation of the market for BPA?
- How would BPA notify customers of its plans to separate from the market? What would ongoing communication or customer engagement during a market separation look like?
- What triggers would cause BPA to end its separation from the market after such a separation occurs?
- Would BPA also have procedures that specified when it would make its generation or transmission unavailable to the EIM?

Post Go-live Reporting

PPC has requested post go-live reporting on several EIM topics, and we appreciate BPA addressing this issue in a workshop. We look forward to more discussion at the May workshop, and in advance wanted to provide some items that PPC would be interested in seeing as part of BPA’s regular go-live reporting:

- **Benefit estimates for BPA Power Services**
 - BPA calculated, not those provided by CAISO
- **Impacts to BPA’s Asset Controlling Supplier Emission Factor on an ongoing basis**
- **Number of hours BPA passes RS tests**
 - Any trends to hours in which the tests are failed
- **Number of hours BPA is taking mitigating actions to pass the RS test**
 - Cost and benefits to customers from those actions being taken
- **Transmission donations**
 - Amount of total donations
 - Type of transmission donated
 - Diurnal or seasonal patterns
 - Assessment of impacts to long-term firm due to donation of non-firm
- **Allocation of congestion charges and credits**
 - By transmission type (firm vs. non-firm)
 - Total amount allocated in neutrality accounts
- **Comparison of LAP/LMP to Mid-C index to understand impacts of Ancillary Service price changes**

This is not intended to be an exhaustive list as we recognize there will be additional metrics that would be helpful to understand BPA's performance in the EIM and impacts to customers of that participation. Again, we look forward to more discussion at the next workshop.

Follow-up on Greenhouse Gas Comments

In the posted follow-up on customers' GHG comments, BPA pointed to the posted ACS as a resource for customers to understand impacts to BPA's system mix. BPA should provide its customers a more proactive communication on impacts to the system mix. The agency should also work collaboratively with customers to develop strategies around managing potential changes to BPA's system mix – particularly in light of current and potential carbon legislation.

PPC members continue to be very interested in the potential impacts to BPA's system mix and we reiterate the request that BPA explore developing some potential sideboards on GHG impacts to help guide BPA's EIM participation, particularly regarding potential sales into California through the EIM.

Conclusion

Thank you for the opportunity to comment. We would like to express our appreciation for staff's hard work to develop and share BPA's planned EIM policies with stakeholders through this process.