



March 31, 2020

Delivered via email to Brian Altman (bdaltman@bpa.gov), Claire Hobson (cahobson@bpa.gov), and BPA Tech Forum (techforum@bpa.gov)

RE: Comments on BP-22 and TC-22

Resource Sufficiency (BPA presentation Feb 25, 2020)

PNGC recognizes preparing to participate in the EIM presents a new challenge of ensuring the T-55 load forecasts are accurate and repeatable. The two elements of accuracy are described as being within +/- 1% of the CAISO Load forecast at T-55, or alternatively being within +/- 5% of the actual load if BPA's forecast diverges outside of the +/- 1% of CAISO's forecast. If possible it would be helpful to get an idea of how far off BPA's current T-55 forecast is from the CASIO forecast. If the BPA and CAISO forecasts are within 1% for the majority of hours then this issue becomes less significant. We understand that this historical analysis may be very time consuming and focus on other more valuable activities are more effective uses of staff resources.

Without having the BPA vs CAISO forecast comparisons, PNGC is in favor of moving toward Alternative #2. Alternative #2 would allow minimal disruption for customers to BPA's current T-55 forecasting process, and also allows BPA the ability to track and identify where forecast deviations are originating, if any. To the extent there are EIM Scheduling penalties being accrued, Alternative #2 provides BPA the visibility to find the root cause of the forecast error. We understand BPA is assessing the allocation of costs and that may inform whether BPA passes through the penalty charges or not. Alternative #2 also provides the opportunity for BPA to have the Load Serving Entity correct/modify their T-55 forecast process to improve the accuracy.

PNGC does not see the status quo as a viable alternative. Without visibility into the forecast process, BPA would essentially be flying blind and not be able to trace the root cause of any forecast errors.

With the information we have at this time, Alternative #3 does not show incremental benefit compared to the anticipated increase in administrative complexities. Having BPA, and the LSE's in BPA's BAA, match the CASIO forecast seems like an undue burden to begin with at this early point.

PNGC does not support development of RS target for the Flex Ramp Sufficiency Test (FRST) at this time. The calculated FRST pass rate of 98.7% provides a robust point of reference as BPA prepares for the EIM. BPA should monitor the FRST pass rate and identify potential systematic causes for failure when they are operating in the EIM. It is not clear developing an RS target for the FRST would provide enough benefit to BPA and resources could be better utilized on different work streams.

Seller's Choice (BPA presentation March 17, 2020)

PNGC appreciates BPA's work on the TC-20 Seller's choice product and is looking forward to collaborating with BPA throughout the TC-22 process. PNGC looks forward to Steps 3 and 4 at the April 28, 2020 workshop.

Transmission Losses (BPA presentation March 17, 2020)

PNGC would like to highlight two issues for our comments on transmission losses:

- 1- Loss Return Timing and Method: The status quo, 168 hours return and the option between financial or in-kind loss returns, offers transmission customers a good choice for delivering losses back to BPA. BPA has presented different needs in terms of staffing and operations in moving to different loss return timing and eliminating in kind losses moving to financial only. PNGC does not see any critical issue in the status quo of offering both in-kind and financial loss return, and would recommend BPA keep both options in place for customers as provided today. For the specific issue of the BPA staff time needed to correct in-kind returns that are in error, we support BPA in moving to a "Financial for Inaccuracy" charge which recovers the extra costs for increased BPA staff workload.
- 2- Financial Loss Return Pricing. Similar to feedback already received by BPA, the current trading floor pricing for the financial returns are uneconomic compared to market alternatives. It is unclear why BPA would propose the trading floor pricing in three of the six alternatives, as the customer feedback has been so strong in opposition to the current trading floor pricing. Furthermore, BPA has not provided any details of the financial pricing beyond vague details such as energy value and capacity value. These points further demonstrate why BPA must not impose a monopoly on loss returns and only allow BPA priced options, whether through the trade floor or a rate case.

EIM Transmission Usage on the Network (BPA presentation March 17, 2020)

PNGC appreciates the update of the objectives and policy issues as the EIM transmission issues take shape. As an NT customer of BPA, as it currently stands, PNGC will not be eligible to donate Transmission but we will continue to follow the policy and transmission donation topics. PNGC is very interested in BPA's areas of risk to be analyzed (slides 53 and 54). While all the risks identified are of interest, the two topics of most interest are the following:

- 1- Effects of allowing non-firm PTP transmission donation into the EIM and how that would impact the overall Transmission system usage.

2- Transmission Revenue and Cost shifts. As a non-participating (currently) entity in the EIM, PNGC would like robust cost recovery mechanisms in place so EIM users pay appropriately for the use of BPA's transmission system.

PNGC will stay tuned as the risks and alternatives of this process move further into steps 5 and 6.