



Energizing Life in Our Communities

March 30, 2021

Comments of Public Utility No. 1 of Snohomish County regarding Bonneville Power Administration's March 16, 2021 EIM Implementation Workshop

Submitted via email to techforum@bpa.gov

Public Utility District No. 1 of Snohomish County (Snohomish) appreciates Bonneville Power Administration (BPA) staff's continued engagement with customers relating to BPA's potential entrance into the Western Energy Imbalance Market (EIM). Snohomish found the March 16, 2021 workshop (March Workshop) very informative and offers the following comments for consideration.

GHG Accounting

Snohomish appreciates BPA staff's detailed analysis of the potential GHG-related impact of participating in the EIM, including the specific impact of allowing BPA resources to be "deemed delivered" to California load in the EIM. BPA evaluated these decisions using two considerations: the business case (essentially a cost/benefit analysis), and the potential impacts to customers under state carbon and GHG programs (specifically Washington's Clean Energy Transformation Act, or CETA).

Snohomish believes that in addition to the two elements listed above, there is a third important consideration in this decision. BPA customers currently use the environmental attribution of BPA's portfolio as they represent their own portfolios, including, for example, the Washington State Fuel Mix Disclosure. Given BPA customers' interest in maintaining high environmental performance on these metrics, a better understanding of the impact of EIM participation, including a decision to allow BPA resources to be deemed delivered to California, is needed to understand the holistic impacts to customers on BPA's ASC metric and utility customers' portfolio characterizations.

BPA's business case analysis indicated that the benefits of EIM participation, including allowing EIM sales to California, appear to outweigh the associated compliance costs of more than doubling BPA's ACS emissions factor. In this analysis, BPA staff used the assumptions and results from the 2019 E3 benefits study and characterized this as a "worst case scenario" from a carbon perspective. However, it is not clear to Snohomish that this is truly a worst case.

Specifically, **Snohomish would like to understand whether this analysis considers the flaw in CAISO's GHG accounting in which CAISO may deem a portion of BPA's base schedule to be delivered to California and then backfill with EIM imports.**

Snohomish appreciates the fact that the decision to allow BPA power to be deemed delivered to California can be made on an hourly basis. In light of the uncertainty of the impact to BPA's ACS emissions factor (and on the environmental attribution of customers' respective portfolios), Snohomish requests that if BPA makes a policy determination to enable BPA resources to be deemed delivered to California, that BPA work with customers to establish a framework for doing so. For example, **BPA should conduct regular analysis and reporting to customers about the impacts to BPA power revenues and its ACS emissions factor, and establish limits or guardrails around deeming to avoid runaway emissions factor increases.**

Finally, **BPA should continue to advocate for CAISO to fix its GHG accounting framework, including consideration of moving the issue to its own stakeholder process.** EDAM has many contentious issues and could take a very long time to resolve. While the magnitude of the GHG issue may be greater for EDAM, it seems as though a solution for EIM could be identified more quickly and then adapted as needed for EDAM.

Settlements

In our [comments following the February Workshop](#), Snohomish made some specific suggestions regarding BPA's preliminary sample EIM bill and settlements statement. Snohomish would like to reiterate the importance of continued and early engagement with customers on this topic.

Snohomish has heard from current EIM Entities and their customers that settlements processing and validation is a very large undertaking, which is not surprising, given the volume of data involved. Customers like Snohomish that schedule our own load, resources, and interchange will

need time to integrate EIM settlements into our existing systems. **Snohomish would much prefer to see frequent iterative draft bills and settlement statements early in the process than to only see a final version very close to go-live in March 2022.**

In addition, Snohomish would like to better understand how BPA intends to deliver settlement data to customers and its plans for long-term retention of this data. With respect to delivery, **Snohomish requests that BPA consider making the data available via an Application Programming Interface (API) to facilitate automated integration into customers' systems for processing and validation.**

Engagement with Customer Comments

During the Phase III EIM Workshops, BPA staff dedicated a section of each meeting and slide deck to responding to customer comments. Snohomish found it helpful to have the explicit opportunity to ensure customers' comments were heard and to engage with BPA staff on the substance. **Snohomish suggests BPA follow a similar process for the remainder of this EIM Implementation Workshop series and any future customer engagement on EIM implementation in order to track customers' questions and comments.** To the extent BPA adopts this process for customer engagement, Snohomish would appreciate responses to the following items from our [February Workshop comments](#) in addition to the items discussed above:

- EIM Training
 - Request that BPA make test settlement data available for download as soon as possible (and much earlier than January/February 2022) in order to facilitate integration into customers' internal IT systems.
 - Request clarification as to whether settlements is the only area of training that BPA staff is planning, or whether we should expect to hear about additional training opportunities in future workshops
 - Encourage BPA to work with customers to develop a framework for customers to participate in CAISO readiness programs (e.g., Day in the Life, Market Simulation, and Parallel Operations).

- Settlements and Billing Format suggestions
 - Request that the bill include subtotals for load, for interchange, for each non-participating resource, and for each intrachange element.
 - Request that multiple tables not be combined on the same worksheet in the detailed settlement statement.
 - Request that resettlement info be provided with the same granularity as original settlements.
- Future workshop priorities
 - Customer input into VER forecasting changes
 - Training and readiness opportunities for customers
 - Continued engagement on settlements
 - Dispute resolution timing
 - Discussion with customers on plans for post go-live reporting

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Snohomish thanks BPA staff for hosting this workshop series and looks forward to continued engagement on implementation as we all prepare for BPA's potential entrance into the EIM next spring. Please don't hesitate to reach out if you have any questions.