

7-July-2020

Via Email (techforum@bpa.gov)

Re: Shell Energy North America (US), L.P. comments to the Bonneville Power Administration's EIM Workshop Proposals, presented June 23rd and 24th 2020.

Shell Energy North America (US), L.P. (Shell Energy) appreciates the opportunity to provide comments and feedback to Bonneville Power Administration's (BPA) June 23-24, 2020 EIM Implementation Virtual Customer Workshop.

Network Usage Issue #3: Resource Sufficiency

Shell Energy appreciates BPA's willingness to continue to allow customers to schedule to their best anticipated load forecast. Shell Energy believes that market participants take seriously the responsibility of submitting and scheduling to an accurate load forecast.

Shell Energy is encouraged that BPA will not set a target for a Resource Sufficiency (RS) test pass target at this time. Once BPA joins EIM, it may elect to make a more informed choice at that time. Shell, at present, does not support penalties for failing RS tests.

Network Usage Issue #5: Transmission Use on Network

Shell understands the financial benefits and opportunities BPA Power customers, who may also be transmission customers, gain through EIM dispatch. However, there is no incentive for transmission only PTP customers to donate rights to EIM, firm or non-firm. Shell Energy supports efficiency in scheduling and markets; assuming however, the costs and benefits are appropriately aligned. Charging losses to transmission customers for EIM flows on their Interchange Rights Holder (IRH) paths is unreasonable and cost prohibitive, especially considering the pathholder will not be financially compensated.

Network Usage Issue #6: Requirements to PR/NPR non-federal resources in BPAT BAA

No Shell comment currently.

Network Usage Issue #6A: PR: Timing for Transmission Donations for ETSRs and BSs

Shell Energy strongly believes transmission donations must be flexible, down to hourly optionality, to avoid negatively impacting a customer's use of transmission to schedule to other markets. The T-75 deadline for transmission donation is not feasible for all market participants. This timeline is discriminatory to those market participants who have resource located in non-EIM BAAs. Further, with ongoing seams issues between BPA and CAISO, as well as regulatory changes such as the pending PD for Intertie RA in California, market participants need increased flexibility to adjust schedules for system conditions and/or external factors (e.g. CAISO ADS dispatches, exceptional dispatches etc.) BPAT needs to consider the many factors market participants face due to the interconnected nature of markets but bifurcated timelines in the Western Interconnection.

Issue #13 Regional Planning

No Shell comment currently.

Issue #15: Agreement Templates

No Shell comment currently.

Issue #19: Gen Inputs

Shell Energy believes participants should be able to use whichever VER forecast they prefer, assuming the VER forecast is vetted and passes data quality/accuracy audit approved by BPA and CAISO.

BPA acknowledges currently offered VERBS scheduling elections are no longer feasible in the EIM but has proposed changing how balancing reserve components are defined in the EIM—regulation and non-regulation capacity. BPA has proposed a new methodology for allocating capacity costs between products and charging more accurately for the value of services being used. However, BPA has failed to address how OCBR and OMP will affect resources in the BPAT BAA. Will OCBR and OMP be eliminated as a result of EIM? Additionally, if the current scheduling elections are retired post-EIM; how will intentional deviation penalties apply?

Shell Energy supports a timeline for wind forecasts to allow adequate time for non-EIM BAAs to effectively manage and schedule their portfolio of resources. BPA must be able to provide a forecast well in advance for market participants to schedule within the confines of the EIM deadlines that differ from the standard WECC practices.

Issue #2: EIM Losses

No Shell comment currently.

Issue #9: Transmission Losses

Shell Energy does not support the alternatives presented by BPA—Shell believes not enough details are known or time spent to accurately assess the issue. Concurrent losses would be burdensome to many small customers as they many not have the infrastructure to provide concurrent losses without contracting third-party services.

Further, BPA is proposing to charge a capacity component to losses. Shell Energy does not support this approach. Charging a capacity component for losses is outside of current industry standards. Shell Energy believes providing loss service is an obligation of operating the FCRTS.

Shell Energy supports updating the loss percentages on a HL/LL or seasonal paradigm. This is reasonable as it has been many years since BPA examined real power loss rates.

Issue #12: Generator Interconnection

No Shell comment currently.

Issue #25: Power-Only Issues

No Shell comment currently.

Issue #28: Attachment C

No Shell comment currently.

Issue #29: Hourly Firm

It is our view BPA changed this tariff provision and transmission offering based on inaccurate and limited information. Removal of hourly firm has significantly impacted stranded costs, scheduling errors as well as negatively impacted network transmission optimization. Shell Energy does not currently and will not support any additional limitations of hourly firm transmission offerings.

Shell Energy appreciates the work BPA continues to perform to manage the grid reliably and competitively. Thank you for receiving our comments.

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