

12-August-2020

Via Email (techforum@bpa.gov)

Re: Shell Energy North America (US), L.P. comments to the Bonneville Power Administration's TC-22, BP-22 and EIM Customer Workshop presented July 28-30, 2020.

Shell Energy North America (US), L.P. (Shell Energy) appreciates the opportunity to provide comments and feedback to Bonneville Power Administration's (BPA) July 28-30, 2020 TC-22, BP-22 and EIM Customer Workshop.

Issue #6: Requirements for PR and NPR Non-Federal Resources

Shell Energy supports relying on the existing NT and PTP service agreements, Alternative 1.

Shell Energy supports Alternative 1 and agrees PRs should not be required to have existing transmission reservations provided UIC penalties are never applied to the transmission service for EIM dispatches, as resources have no control over the dispatch.

Issue #6A : PR Base Schedule Timelines

Shell Energy supports staff recommendation of all timelines being financially binding at T-57, or the status quo. Neighboring EIM BAAs are using T-57 so a consistent approach is prudent to avoid seams issues.

Network Usage Issue: Timing for Transmission Donations for ETSRs and BSs

Shell Energy does not support any alternative presented at this time. As EIM is a voluntary paradigm, Shell Energy notes transmission donations must be flexible to avoid negatively impacting customer use of FCRTS to schedule into other markets. The T-75 deadline for transmission donation is not feasible for all market participants—this timeline is discriminatory to market participants who have resources located in non-EIM BAAs. Given the WECC tagging deadline of T-20, requiring donations of all transmission capacity at T-75 would result in seams issues. It is unreasonable to require all market participants to make donations at T-75. Further, Shell Energy requests assurances BPA will not take or “automatically donate” any unutilized transmission capacity not tagged by T-75. While Shell Energy supports BPA efforts to join the EIM, BPA must realize many factors must be considered due to the interconnected nature of energy markets and thus transmission in the Western Interconnection.

Issue #10 Gen Inputs

Shell Energy favors Alternative 3 for removing the existing GI/EI bands and moving to the base codes for EIM—charging resources the LMP and/or LAP price for imbalance at their node.

Shell Energy suggests exposure to yet unknown and un-mitigable energy imbalance market LMP/LAP clears are sufficient incentive for generators and loads to schedule accurately.

Shell Energy favors removing PD/ID penalties as exposure to yet unknown and un-mitigable energy imbalance market LMP/LAP clears are incentives for DERs and VERs to schedule accurately. We support removing penalties associated with EI/GI and PD/ID if appropriate LMP/LAP dispute processes with BPA and CAISO are established.

Shell Energy is open to revisiting penalty structures in the future if BPA can substantiate a trend of customers scheduling inaccurately in an ongoing and sustained basis. Shell Energy echoes other commenters that other EIM BAAs do not use these penalty structures—market prices alone are incentive to schedule reasonably and accurately.

Shell Energy is reiterating its request BPA provide information on how OCBR and OMP will be handled if BPA moves to EIM, as the CAISO will be managing BPA's system in RT and will provide balancing in conjunction with BPA and other BAAs to comply with reliability standards. We also request information on whether BPA's long-standing practice of not transacting when energy prices are below \$0.00 will continue should BPA join EIM, as CAISO will be managing the BPA BA in RT and energy prices (potentially at or below \$0.00) will be determined by the CAISO Full Network Model.

Issue #34: Southern Inertie Studies

Shell Energy supports Alternative 1. This approach retains the ability for SIS to be conducted if needed for system changes or developments but removes the need for a customer to fund an SIS on fully subscribed paths where the outcome of the SIS is generally known in advance.

Issue #12: Generation Interconnection

No Comment.

Issue #16: Seller's Choice

Shell Energy has concerns with the current practice of Seller's Choice customers designating multiple firm network resources. We do not believe it is appropriate for DNRs to occupy Firm NT on the FCRTS for multiple POR(s) when only a portion of the reservation may be used. This creates a false "lack of ATC" which affects other market participants. We believe any unused transmission on a DNR path should be undesignated in preschedule, to free up this ATC so that it is available for the market to utilize.

EIM Charge Code Cost Allocation Implementation:

Shell Energy seeks more discussion and explanation in the area of Charge Code Cost Allocation including additional scenarios or examples. Shell Energy requests reasonable assurance that a transmission customer is only charged for benefit that it receives and that the charges are commensurate with the value that EIM brings to the transmission customer. With all the

uncertainties surrounding a large entity like BPA joining the EIM, there must be a focus that cost shifts will not occur.

Shell Energy appreciates the work BPA continues to perform to manage the grid reliably and competitively.

Ian White
Shell Energy North America (US), L.P.
ian.d.white@shell.com
509-688-6116

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