



Energizing Life in Our Communities

Comments of Public Utility District No. 1 of Snohomish County
In Response to Bonneville Power Administration's
June 23-24, 2020 BP-22/TC-22/EIM Phase III Workshop

Submitted to techforum@bpa.gov on July 9, 2020

Public Utility District No. 1 of Snohomish County ("Snohomish") appreciates the opportunity to provide feedback on the Bonneville Power Administration's ("BPA's") BP-22/TC-22/EIM Phase III workshop held on June 23-24, 2020 ("Workshop"). We look forward to additional discussions on the Workshop topics and may have further comments at a later date. At this time, we offer comments on the following topics: Resource Sufficiency, Transmission Donation for EIM Transfers, Base Schedule Timing, Generation Inputs, Transmission Losses, Hourly Firm, and Short-Term ATC.

Resource Sufficiency

Issue 1: Sub-allocation of CAISO Load Forecast

Snohomish is supportive of the BPA staff recommendation to pursue Alternative 1, the status quo. As noted in our comments in response to the February 25th workshop we do not believe there is sufficient information at this time to justify sub-allocating a share of the CAISO load forecast to customers. We also appreciate BPA's commitment to conducting a data-driven assessment at a future time to assess whether a sub-BAA policy to better address the Balancing Test is necessary.

Issue 2: Pass targets for Flexible Ramp Sufficiency Test and Capacity Test

Snohomish continues to support the BPA staff recommendation to not set pass targets for the Flexible Ramp Sufficiency Test and Capacity Test and suggests BPA monitor test performance and assess whether any improvements can be made.

Issue 3: Should BPA Cover the Gap in the Balancing Test?

Snohomish appreciates BPA sharing potential options for balancing the BAA to either BPA's or CAISO's load forecast. Snohomish would like to better understand how the options would differ operationally and how any associated costs or benefits would be recovered or distributed. For example, if BPA as the EIM Entity needed to increase or decrease resource schedules to balance to a particular load forecast, how might BPA fill this "gap?" Would it be considered a Gen Input and treated as such, or by some other approach?

Given the unknowns flagged on Slide 39, Snohomish understands that BPA may need to make adjustments to its Day One approach to, for example, limit any failures of the Balancing Test.

Snohomish is generally supportive of BPA having flexibility to change its approach within the BP-22 rate period, but needs to better understand the criteria on which BPA would base such a change. The idea of a possible mid-rate period change necessitates that BPA consider ahead of the rate period the system capability required to balance to a forecast, and whether there would be any associated implications such as adjustments to cost/benefit allocations.

Snohomish continues to encourage BPA to work with its load serving entities and CAISO to ensure load forecasts are reasonably well aligned, which should lessen any gap and reduce BPA's need to adjust schedules in order to pass the Balancing Test.

Transmission Donation for EIM Transfers

Snohomish understands that in general, increasing the amount of transmission available for Energy Transfer System Resources (ETSRs) in the EIM should improve EIM efficiency, through greater capability for increased BAA to BAA transfers. Snohomish seeks clarification from BPA related to its assessment on slide 58 that the donation of non-firm transmission would not negatively impact the quality of service BPA's customers receive, and more specifically how such donations could impact the service long-term firm transmission rightsholders historically have experienced.

On slide 53, BPA states that "Dynamic ETSR tags will be curtailed in NERC curtailment priority, so allowing non-firm PTP donations to EIM *would not negatively affect customers using NT transmission or higher priority PTP transmission* in terms of curtailment risk" (emphasis added). This does not address whether allowing non-firm PTP donations could pose increased curtailment risk to customers using the *same priority* PTP transmission for purposes outside of the EIM (e.g., PTP customers making same-day redirect requests which are exclusively non-firm in NERC curtailment priority). BPA goes on to state on slide 55 that increased ETSRs can help reduce the likelihood of curtailments. Snohomish seeks clarification as to whether: 1) this is true under all conditions; and 2) if BPA has conducted analyses to support this assertion, particularly with regard to frequently congested paths and flow gates?

Base Schedule Timing

Snohomish understands the EIM scheduling timeline and appreciates BPA's transparency and efforts to identify T-50 as the latest possible deadline for customers to change their base schedules. It remains unclear if the benefits to customers of an additional seven minutes for scheduling will outweigh the downsides presented. As noted in Snohomish's prior comments, an earlier financially binding scheduling deadline will likely result in an increase in customers' forecast errors and therefore increase hourly imbalance megawatt-hour quantities the BPA Balancing Authority must provide. Snohomish appreciates BPA's consideration of this concern as it considers its Energy Imbalance and Generation Imbalance rates and bands, persistent and

intentional deviation penalties, allocation of EIM charges and credits, and any sub-allocation of balancing penalties.

Generation Inputs

With respect to the question as to whether BPA should require wind resources in its BAA to schedule using the BPA wind forecast, Snohomish currently uses BPA's forecast for its wind resources and is open to continuing to do so. It is Snohomish's understanding that improvement in BPA's assessment of its wind forecast is the primary driver in the reduced wind reserve rate. How might the wind reserve rate be impacted if a customer were to opt to schedule using a self-supplied or CAISO wind forecast?

Snohomish has historically observed that BPA's super forecast can have difficulty handling outages, which can result in scheduling errors and imbalance energy. Snohomish encourages BPA to work with customers on ways it could improve outage handling, particularly if BPA requires customers to use BPA's forecast.

Transmission Losses

Loss factor

Snohomish is supportive of BPA's recent re-evaluation to its long-standing 1.9% real power loss factor across its system. As a long-term firm transmission rightsholder Snohomish requests that BPA provide additional explanation of how it conducted its loss factor study and its key assumptions.

While Snohomish has a general understanding that the loss factor can vary depending on system conditions, the idea of imposing a varying loss factor across seasons and/or diurnally increases complexity and administrative burden for both BPA and its customers. With this in mind, Snohomish suggests BPA adopt an updated single, average annual loss factor.

Loss Settlement

Snohomish has considered the various options BPA staff discussed at the June workshop, and prefers continuing with the status quo of physical loss returns 168 hours after the losses have been incurred for the BP-22 period. Today, Snohomish, uses its Slice product "share" to return real power losses incurred "back" to BPA, 168 hours later. These loss returns automatically "decrement" or reduce Snohomish's Slice share – that is its maximum hourly capability under the product's contractual constraints, as well as any future energy requests. This is similar to BPA providing losses "on demand" until they are returned 168 hours later by users of the BPA transmission network. To that end, Snohomish would entertain the transition to concurrent losses and support broader regional discussion in the future as to appropriate financial settlement approaches for losses.

Hourly Firm & Short-Term ATC

Snohomish appreciates the continued work and discussion regarding the Hourly Firm product and supports BPA’s staff recommendation to continue offering the product in BP-22. As BPA continues to gather data through the remainder of BP-20 and into BP-22, Snohomish looks forward to the continued evaluation outlined in the Hourly Firm Monitoring and Evaluation Plan. Snohomish also appreciates BPA staff’s work to-date on improving the short-term ATC and will continue to engage with BPA on next steps.

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Snohomish wishes to thank BPA staff for the efforts and engagement associated with the multiple topics from the June 23-24 workshops, and looks forward to continued engagement throughout the remainder of the stakeholder process. Please feel free to contact us with any questions.