

Follow-Up on Questions from Previous Forums

ACS Forum – May 30, 2013

Pre-decisional – For discussion purposes only



- BPA staff has prepared responses to multiple questions from previous ACS Practices Forums.
- These responses do not represent final agency decisions.

Question: 3rd-Party Deployment and Non-Power Constraints

- **Statement from previous presentation:**
Incorporating third party balancing resources into the EMS dispatch will require management from both a cost management and an operational perspective...including maintaining the integrity of reserves over time.
- **Question:** What is meant by “maintaining the integrity of reserves over time”?

Response: Maintaining the Integrity of Overall Balancing Reserves

- Within the bulk of the reserve distribution BPA intends to deploy reserves in a least cost manner when the integrity of the Federal reserves are indifferent to such deployment. There are times, however, when the viability of the Federal reserves are impacted by near term deployments.

Response: Maintaining the Integrity of Overall Balancing Reserves (cont.)

■ Scenario 1

- Sustained reserve deployments during hydraulically sensitive periods could foul downstream operations during a range of fish passage, flood control, treaty fishing, and or other special navigation operations. Moving reserves up or back would allow us to get the hydraulics back in order while maintaining our reserve obligations and avoiding reserve interruptions.

Response: Maintaining the Integrity of Overall Balancing Reserves (cont.)

- Scenario 2
 - Large reserve deployments on the FCRPS can result in forebay “bounce” that can cause a reserve reduction in a subsequent period. Positioning acquired reserves to mitigate against the risk of bounce will lead to less frequent reserve interruption.

Response: Maintaining the Integrity of Overall Balancing Reserves (cont.)

■ Scenario 3

- Transmission flows. Deploying reserves on a heavily loaded path can result in conditions that require transmission curtailments, or a re-positioning of where reserves are held. Having the ability to move reserves up or back in the stack to minimize those conflicts allows the system to meet both reserve needs and limit the need for curtailments.

Question: Enhanced Supplement Service (“ESS”) Deployment

- **Statement from previous presentation:**
 - Enhanced Supplemental Service resources will be deployed when Reserves Deployed exceeds 90% available.
 - All available resources will be deployed.
 - INC resources for a DSO 216 Curtailment Event
 - DEC resources for a DSO 216 Limit Event
- **Question:** Can ESS resources be deployed only when the acquiring generator has scheduling error?

Response: Enhanced Supplemental Service Deployment Principles

- Resources for Enhanced Supplemental Service will be deployed when the acquiring wind generator is contributing to the DSO 216 event.
 - During a DSO 216 limit event, DEC resources will be deployed if the generator is over-generating.
 - During a DSO 216 curtailment event, INC resources will be deployed if the generator is under-generating.

Question: Impact of Proxy Schedules on 3rd-Party Deployment

- **Statement from previous presentation:** BPA's initial proposal includes changes to the way imbalance energy is settled.
 - The current ACS rates tie the settlement price of FCRPS imbalance energy deployed to the Mid-C index, plus or minus a multiplier, depending on deviation bands.
 - BPA has proposed to retain the same deviation bands, but to use a weighted average of the actual cost of actual deployed energy (still using the Mid-C index as a proxy for FCRPS resources).
- **Question:** Can BPA Power Services' Proxy Schedules contribute to an imbalance that could trigger the deployment of 3rd-Party reserves without being subject to the weighted average?

Response: Impact of Proxy Schedules on 3rd-Party Deployment

- The BP-14 ACS rates decision maintains current settlement rates, which are tied to the Mid-C index. There is no more weighted average.
- Further, any potential increased costs caused by the deployment of 3rd-party resources to cover proxy schedules' error in a weighted average rate should be offset due to the fact that Power Services does not collect revenue from transmission customers for reserves dispatched to cover that error.
- Staff can continue to address this issue in future workshops .

Questions?