

## ACS Practices Forum - Summary Notes

April 23, 2013

BPA opened the meeting with introductions and presented the day's agenda. It was noted that this meeting would represent the shift of focus away from the first phase goal of preparing stakeholders for making balancing service elections to post-election topics. It was also observed that the advance posting of Forum materials was appreciated and helped customers better prepare for discussions.

### ACS Forum Deliverables Chart

BPA Staff reviewed the deliverables chart noting that expected work product has been on schedule. The Balancing Service Elections response was good, but final numbers were still be analyzed and were not quite ready to present. It is expected that final numbers will come out in Rates process. It was noted that it appears that BPA will be purchasing Type I reserves from day 1. Some questions were raised about various scenarios and market opportunities; the question is being considered in terms of the correct venue for its discussion and will be addressed at upcoming meetings. BPA Staff will address what new issues can be addressed in the ACS Forum.

### Real-time Reserves Requirements Tool (R3T)

BPA Staff provided an update on the development of the R3T which will dynamically determine the reserve requirement for VERBS Full Service and also forecast the DSO 216 events. Meeting participants had numerous questions throughout a very technical presentation including precisely who would have access to the R3T data. BPA Staff has initially been leaning towards sharing this data only with BAA's to prevent it from impacting the market, but customers were interested in the possibility of wider distributions, especially to wind plants. BPA staff reiterated that at this point it is only being developed for use with Full Service, and although there have been requests in the Gen Inputs settlement meetings, we do not intend to use it for other purposes, as specified in the initial proposal. These topics will be addressed at future ACS Forums. With the current scope, the project plan is to have R3T ready by Oct 1, 2013.

### Imbalance Energy

BPA Staff presented on principles for the acquisition and pricing of the deployed energy component of non-FCRPS capacity. BPA presented an overview of the various capacity and energy cost allocations that were proposed in the Initial Proposal to provide background for the discussion. BPA also presented its principle of the lowest overall cost based on the likelihood of deployment. An active discussion was had regarding price index and cost recovery. There were also questions about the RFP and pre-qualification process. More discussion will occur in future ACS Forum including how bidding will work and pre-qualification for bidders. Staff gave a broad overview of these processes with the details we know now, but we will follow up with more detail in future ACS Forums.

### Third Party Supply

BPA Staff presented the plan to integrate non-FCRPS acquisitions into BPA's Energy Management System (EMS). Detail was also presented on the concept that BPA will not be holding 3<sup>rd</sup> party resources at the very top of the stack because of the technical reliability benefit of reserving some FCRPS capacity in that position, referred to as the "Oreo strategy". However, there were still many questions about how BPA would decide exactly where to place the acquired resources. There were some questions about how potentially higher-deployment cost resources will be situated in the dispatch order. BPA staff will follow up with more details in future forums. There was also a discussion on the technical tagging requirements for Third Party Supply, as well as the transmission requirements. The latter will be a topic in future meetings. Other subjects for future meetings will address impact on deliverables of non-ACS workstreams including current BPA operation automation efforts.

**Enhanced Self-supply (ESS)**

BPA Staff also presented on the technical and policy work involved with the Enhanced Supplemental Service, which individual plants can acquire to mitigate their own DSO-216 risk. BPA presented the concept that it would deploy these resources for the pool when we reach a DSO-216 event, but that the ESS customers would receive a DSO-216 mitigating allotment equal to the ESS resources the provided. There was a good discussion about the policy and technical implications. Some customers questioned whether to deploy these resources when the BA is hitting a DSO-216 event independent of whether the ESS customer has Station Control Error (SCE). Staff will follow up on this issue in future meetings.

**Non-Wind Only Reliability Curtailments**

BPA Staff presented on the development of a non-wind only curtailment tool that BPA would use for Full Service customers and non-FCRPS generators. BPA presented three options it had developed for curtailing these generators, first to their actuals plus their allotment, then to their actual schedules, if needed. The first was *pro rata*, the second was "worst first" based on net Station Control Error (SCE), the third was "worst first" based on SCE as a percentage of nameplate. BPA presented that it was leaning towards the first option. There was some concern by thermal plant owners about whether these curtailments would physically impact their plants. Staff addressed these concerns in a policy and technical discussion. But BPA Staff identified a need to have future discussions with customers to make sure they have the information necessary to properly respond to the curtailments.

**Next Steps**

Additional ACS Forums were scheduled for May 21, June 11, July 9, and Aug 6. To be held in the BPA Rates Hearing Room.