



Comments
Northwest & Intermountain Power Producers Coalition
BPA and CAISO-PAC EIM
November 18, 2013

The Northwest & Intermountain Power Producers Coalition is following with interest progress on development of the Energy Imbalance Market proposed by PacifiCorp and the California Independent System Operator. We offer these comments regarding the interface of Bonneville Power Administration Transmission Services' operations and that of the Energy Imbalance Market (EIM), which PacifiCorp (PAC) and the California Independent System Operator (CAISO) plan to initiate in October 2014.

The update BPA Transmission Services provided on October 28th is encouraging insofar as Transmission Services is approaching question raised by the PAC-CAISO proposal as a "good neighbor."

We note that the initial findings outlined at the recent Tech Forum meeting identify no "fatal flaws" preventing BPA from enabling EIM transactions across its transmission system.

The principles and controls BPA-TS described at the Tech Forum should allow it to provide an acceptable level of service at least during the early days of the proposed EIM.

One comment made on the 28th calls for further definition: "The upper five-minute flow limit and lower five minute flow limit will be calculated to ensure reliability is maintained; existing dynamic uses of the system are protected; and, will be *consistent with BPA's commercial business practices and policy.*" (Emphasis added.) The implications of the concluding phrase could be significant particularly given BPA's current efforts to reconfigure existing business practices related to its provision of PTP service.

NIPPC is encouraged by BPA's effort to enhance its system operations thereby paving the way for initiatives such as the PAC-CAISO EIM. Most important amongst these initiatives is building 15-minute scheduling into BPA transmission dispatch. No other single optimization approaches the importance of activating 15-minute scheduling.

The participation and consequently the impact of the PAC-CAISO EIM is highly restricted. At this point in the evolution of EIM external resources outside of PacifiCorp's balancing authority areas will not be able to participate in the ISO's 15-minute market at PacifiCorp's intertie boundaries. These limitations should translate into manageable incremental adjustments allowing Bonneville sufficient time to accommodate limited new flows across its system. At the same time, the "baby steps" PAC-CAISO are taking should encourage BPA to push ahead with implementing 15-minute scheduling. By doing so, BPA will make it possible to reduce operating reserve requirements within its BAA and meaningfully increase opportunities for the sale of capacity and ancillary services throughout the Western Interconnection.

Thank you for the opportunity to comment on BPA's constructive engagement with the California Independent System Operator and PacifiCorp as they advance the development of their proposed Energy Imbalance market.