

Managing Hourly Firm Sales Project

August 27, 2013



Project Overview & Drivers

- BPA is pursuing Managing Hourly Firm Sales to address the following concerns:
 - Increased potential for real-time Firm curtailments;
 - Increased likelihood of Western Interconnection Reliability Coordinator (RC) will direct BPA Dispatch to take actions to relieve congestion management on the transmission system.
- Project Drivers
 - Preserve value of Long-Term Firm transmission rights.
 - Reduce likelihood of Firm transmission curtailments.
 - Reduce the risk of the RC issuing directives to BPA Dispatch concerning congestion management and operation of the Federal transmission system.

Action Items Follow Up

- At the 7/24 customer meeting, the following action items were identified:
 - Identify reasons and/or conditions that lead to firm curtailments on BPA's system.
 - Outages; forced outages; high flows; temperatures
 - Develop North of Echo Lake (NOEL) Flowgate lessons learned assessment.
 - Lessons Learned not yet ripe. NOEL has been operational only since mid-February 2013, not enough experience yet for full evaluation.
 - Preliminary observations:
 - 6 NOEL curtailment events; all next hour curtailments; of those 3 involved firm transmission.
 - Next hour curtailments allowed BPA to avoid in-hour curtailments; in some cases flows briefly exceeded in-hour SOL, but no additional curtailments required.
 - Expect assessment by Spring 2014

Customer Comments

- **Methodology:**
 - Engage customers on metrics for limiting hourly.
 - Focus on methods that estimate the use of existing transmission commitments.
 - Hourly firm sales should not negatively impact committed Long Term transmission.
 - Conduct technical conferences as outlined at July 24 meeting.

- ***BPA Plan***
 - *BPA will engage customers through monthly conference calls starting September 2013 and technical meetings starting October 2013, including discussions on the process for determining AFC for managing hourly firm sales and testing the methodology.*

Customer Comments

■ Timing:

- The project is intended to improve system reliability and operational security, and should take priority over purely commercial or regulatory objectives.
- BPA shouldn't sell capacity it doesn't have.
- Managing Hourly Firm Sales project should be effective March 1st, 2014.
- Implement the project prior to 15-minute scheduling.
- Incrementally phase in project to allow BPA /customers to study data/impacts.
- Defer project until after conclusion of 2014 water season, no earlier than September 2014. Allows more time to collect data, develop and improve practices and tools.

■ *BPA Plan*

- *BPA will engage customers as the project develops regarding the methodology starting in September/October 2013.*
- *Implementation will follow progress on the methodology for calculating Hourly Firm AFC, and changes to Business Practices and AFC documentation.*
- *The Project target implementation date is changed to February 2014.*

Customer Engagement Plan

- Upcoming customer engagement opportunities:
 - Starting September 2013, monthly conference calls on project updates.
 - Starting October 2013, monthly technical meetings.
- Meeting announcements will be made via tech forum.
 - For further questions and information on the project, please contact Susan Millar via tech forum.