

BPA Balancing Reserve Vision

TIPSC
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BPA's Vision for Supplying Balancing Reserves (BRs)

- FERC OATT Schedule 9 requires Transmission Providers to offer Generation Imbalance Service to the extent it is physically feasible from its own resource or from resources available to it

- BPA's Strategy for Supplying BRs includes:
 - Meeting BPA's Balancing Reserve obligations, and
 - Providing Customer the options to make business trade offs between quality of service and cost of service.
 - Service details will be developed in the ACS Practices Forum.
 - The Cost Allocation will be developed in BP-14 rate case

Balancing Reserve Service Trade Offs

Quality of Service -- Parties whose primary objective is the firmness of their Variable product may elect Full Service

- Designed to eliminate DSO 216 wind-only curtailment of transmission schedules.
- First opportunity to elect Full Service – July 1, 2013

Cost of Service -- Parties whose primary objective is to lower the cost of Balancing Service may elect Base Service

- Subject to DSO 216 wind-only curtailment of transmission schedules.
- Cost can be lowered further through committing to shorter scheduling time frames
- Election of Base Service and Scheduling Commitments – April 1, 2013

Open Communications

Opportunities that a settlement of BP-14 may bring include:

Provide BPA and the region the opportunity to look to the future, at how balancing reserves are supplied.

- Work with the Variable Resource parties to address what they see as barriers to the integration of VERs consistent with FERC order 764

- Analyze the possibility to restructure BPA's approach to providing balancing reserves:
 - Fixed amount of reserves held 24/7/365
 - Can balancing reserves be acquired on a shorter term basis
 - Will the regional move to 15-min scheduling