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## **TransAlta's Comments on BPA's February 1, 2024, Day-Ahead Market Participation Evaluation Workshop**

TransAlta Energy Marketing (US) ("TEMUS") appreciates this opportunity to provide comments on Bonneville Power Administration's ("BPA") fourth workshop held on February 1, 2024, in their public review process to evaluate potential participation in a day-ahead market ("DAM"). TransAlta is a generation owner/operator and moves power throughout BPA's balancing area and the West using BPA's long- and short-term transmission products.

The additional clarity that BPA provided in the February workshop around the process and timing of its policy decision was helpful, and TEMUS also appreciates that additional workshops are planned for May and June to provide details around BPA's DAM business case. However, TEMUS suggests that the timing be adjusted such that the "light touch" policy letter targeted to be released in April instead be released after these additional workshops to incorporate stakeholder feedback as they gain a better understanding of the impacts of DAM participation.

TEMUS looks forward to a deeper discussion around how the availability of transmission and the utilization of transmission rights might change should BPA join a DAM. To-date there has been limited focus on the impact on transmission customers and transmission revenue, and TransAlta believes that the potential impact on wheeling revenue is non-trivial and should be included in BPA's business case.

Previous workshops touched on the potential impacts to transmission usage, availability, and rates at a high level. In the planned additional workshops, TEMUS encourages BPA to explore with stakeholders a detailed analysis of how daily transmission practices might change. It is important to explore these details now rather than wait until the development of new business practices because these details are vitally important in assessing the impact of DAM participation.

For the planned workshops TEMUS encourages BPA to discuss with stakeholders the answers to questions such as:

- Scheduling and tagging deadlines
  - When would be the day-ahead ("DA") scheduling cut-off?

- When would transmission customers be able to re-direct or re-schedule?
- If BPA joined Markets+ and not the California Independent System Operator’s (“CAISO”) Extended Day-ahead Market (“EDAM”), as a non-participant of EDAM how would the use of transmission rights differ scheduling into the EDAM footprint vs. the CAISO balancing authority given that there are different market rules for each? Would this distinction be clear for transmission customers? Do DA offers into Markets+ require firm transmission?
- Curtailment protocols, including priority of curtailments, especially for transmission carve-outs, how BPA’s Oversupply Management Protocol might be adjusted, and how a range of factors such as firmness of transmission or transaction type might affect curtailment priority;
- How/when re-dispatch or imbalance costs are triggered;
- How would scheduling/tagging across market seams (i.e., EDAM vs. Markets+) be incorporated into BPA’s anticipated process?
- Would the answers to the above questions differ for firm vs. non-firm transmission or high priority exports?
- How does BPA anticipate its balancing reserves requirements might change (i.e., for variable resources) or impact its Operational Controls for Balancing Reserves (“OCBR”) process?
- Transmission sales
  - We understand that transmission processing and sales on Open Access Same-Time Information System (“OASIS”) will cease each pre-schedule day while the day-ahead market optimization runs. Does this stoppage apply only to transmission service requests (“TSR”), or to all transactions? When would transmission sales resume?
  - How does BPA expect the availability of short-term transmission to change?
  - Does BPA anticipate that all the products available today will continue to be offered (i.e., weekly, daily, hourly, firm, and non-firm)? Would these sales be exposed to any additional market charges?
  - When transmission capacity is re-sold and its use incurs charges, such as redispatch costs, who is responsible for these charges - the secondary buyer or the original owner? In determining responsibility for charges, does it matter when the secondary sale occurred?

- How do secondary buyers recognize if the transmission available for sale has been “carved out” (i.e., held outside of the DAM optimization)?
- Transmission rates
  - We understand that firm transmission will be required for off-system transactions such as imports, exports, and wheel-throughs. How could transmission customers avoid rate pancaking for off-system sales;
  - What does BPA estimate impact on forecasted future transmission rates will be, and estimated recovery via the Market Transmission Use (“MTU”) rate, and how BPA expects to apportion the cost of DAM participation between customer groups (i.e., power and transmission customers) as well as between transmission products;

TEMUS would be happy to refine these questions with BPA in preparation for future stakeholder workshops to maximize the value of the discussion and time spent.

TEMUS appreciates the willingness of BPA to engage with stakeholders on this crucial decision, and we are looking forward to a much deeper dive into topics affecting transmission use with stakeholders before a policy “leaning” is decided.

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