



## **Customer Group**

### **Stakeholder Comments on BPA's evaluation of participation in the Western Energy Imbalance Market September 20, 2018**

The ongoing evaluation by the Bonneville Power Administration (BPA) regarding joining the Western Energy Imbalance Market (EIM) is of high interest to customers who currently purchase the Slice Product. We appreciate the opportunity to learn about the process and decision making considerations during your EIM Stakeholder Meetings. The Slice Customer Group understands that to-date, BPA has been focused primarily on the higher-level "threshold issues" identified on the July 24, 2018 meeting. As managers of the Block/Slice products for our own utilities, we share with BPA the risks and opportunities that come with near-term and real-time resource management decisions.

As a customer group, we have a need to understand and communicate to our Board and customers how BPA expects it will roll out any new EIM implementation requirements; and present an analysis of the potential range of costs, revenues and other new considerations associated with BPA joining an EIM. This includes how BPA will continue to support its contractual and statutory obligations and equitably allocate costs and revenues. Early exploration of the details and challenges associated with implementation by BPA Power and Transmission business services is critical to both this customer group and to our utilities in making informed decisions of support.

Slice customers are interested in how BPA envisions the existing Slice product and contract provisions will interact with the notably different scheduling timelines required by the EIM. In addition, BPA's participation in an EIM will likely affect many of BPA's power and transmission services. We also have interest in understanding BPA's thoughts on how it may allocate EIM related costs and benefits such that customers with existing contracts will not be adversely impacted.

To aid in preparation for future discussions with customers, the Slice Customer Group requests the following:

1. Explain any initial analysis to assess/identify the compatibility of the terms of the Slice Contract (an hourly product) with the sub-hourly transactions under an EIM construct. Examples of specific topics of interest include: settlements, metering exhibits, resource sufficiency and base scheduling.
2. Explain general thinking on the range of potential impacts (e.g., operational, financial) between customers within the BPA balancing authority, those outside of the BPA balancing authority, and those with their own balancing authority.



## **Customer Group**

3. Detail how impacts could vary for customers with their own non-federal resources versus those with limited or no non-federal resources.
4. To the extent possible, please explain how or if the Grid Modernization work planned for the BA, and/or development of EIM supporting tools will modify the type or timing of data inputs to the existing Slice Computer Application, as well as any changes to the Slice Computer Application itself.
5. Explain how the evaluation of direct, product-specific effects (power contracts and transmission services) and indirect effects is being coordinated within the Agency for Power and Transmission.
6. Our understanding is that BPA would join the EIM as a Balancing Authority therefore establishing a transmission-centric engagement. Please explain what role Power Services has in informing the decision to join the EIM, how resources might be aggregated to bid into the market, and what changes in Power Services scheduling, etc., might be necessary to conform to EIM requirements.
7. Explain how BPA is assessing the implications of Default Energy Bids for hydro resources and governance.
8. Identify when BPA expects to tackle the topic of the potential for negative pricing (i.e., during this business case analysis or post EIM decision).
9. Explain changes, if any, to BPA's documented fuel mix and associated emissions reporting.
10. Please provide some sample scenarios of the typical types of EIM charge codes (costs and revenues, including exit charges) and how they would likely be allocated across customer groups/cost buckets or contract types. For example, what types of costs and revenues might flow through to the Composite cost pool, to reserves, etc.
11. Explain which GridMod costs are driven by the EIM decision and also explain how GridMod costs would be allocated or borne by Slice customers.
12. Explain the factors driving the current timing of potentially joining the EIM.



## **Customer Group**

13. Explain the scope of the Milestones identified the July 24th meeting. In particular, what will be defined in the Daft EIM ROD Public Process and what activities will be included in the EIM Implementation Project.
14. Explain how the mis-match of timing will affect the hourly Slice product in general and more specifically, the dispatch of EIM Participating and Non-Participating Resources.

We recognize that some of our interests are unique to the Slice Product and may be best discussed with our Slice Customer Group and their utility executives directly. We have and continue to work with BPA's Slice Team in a collaborative manner to plan and schedule future discussion on these and other topics surrounding BPA's evaluation of participation in the EIM.

We appreciate the opportunity to provide input to BPA's evaluation process and are committed to working with you to identify the information necessary to make an informed decision in the coming months.

### ***Slice Customer Group***

*Benton PUD; Clark Public Utilities; Clatskanie PUD; Cowlitz PUD; Emerald PUD; Eugene Water and Electric Board; Franklin PUD; Grays Harbor PUD; Idaho Falls; Lewis PUD; Okanogan PUD; Pacific PUD; Snohomish PUD; Tacoma Power.*