

Spring Operations Review Forum
Regional Conference Call
June 3, 2011
1:00 pm

Elliot Mainzer of BPA provided an introduction to the call, reminding those on the call of anti-trust concerns and to stay away from discussing markets and market impacts.

Travis Togo of BPA presented the hydro operations update. Little has changed operationally on the Federal Columbia River Power System (FCRPS) since last week (slide 1). The system is operating at or close to flood stage (17 ft) at Vancouver, equivalent to 505-515 kcfs discharge at Bonneville (unless it results in Grand Coulee draft). The water supply forecast continues to increase; the current forecast is 138 million acre feet (MAF) at The Dalles. The mean Ensemble Streamflow Projection is at 140 MAF. Slide 2 shows that due to insufficient demand in light load hours for energy offered at zero cost, *inc* reserves were reduced to 400 MW and *dec* reserves were reduced to 300 MW. Environmental Redispatch occurred almost every night last week on graveyard hours. Slide 6 indicates a higher than normal likelihood in the next week of cooler than normal weather and no indication of abnormal precipitation. Slide 7 shows that nearly 100% of thermal has been displaced.

A caller asked if slide 7 shows wind after dispatch has occurred; Travis Togo replied in the affirmative. Steve Oliver of BPA added that it also shows hydro after spill.

Keith Morrisette of Tacoma asked about the spill exchange agreements BPA has offered—have any been signed yet? Travis Togo mentioned that BPA is conducting an exchange of spill energy with the Mid-Cs. Kieran Connolly of BPA noted that is under the hourly coordination agreement. No spill exchange agreements have yet been signed.

Jimmy Lindsay of Renewables Northwest Project said he heard that after environmental redispatch, total dissolved gas (TDG) has occurred up to 130%. Travis Togo responded that is true. ER has limited excessive lack of market spill but has not relieved all spill above level 1. Jimmy Lindsay asked how effective it has been. Kieran Connolly responded that BPA is working on materials for a retrospective report; the numbers take some time to digest.

Rich Ellison of BPA provided the transmission update. BPA continues to move outages out of June and July, although July is normally during a time of reduced outages, due to summer load concerns, the outages that are currently planned are being reviewed. The California ISO's emergency outage reducing capacity the AC Intertie is lasting longer than expected due to a need for additional parts. BPA is taking advantage of the limit and doing some maintenance work also. The DC Intertie and the Northern Intertie are at their full rated capacities for next week. Slide 9 shows that the California-Oregon Intertie and DC are at about 75% of capacity loading in all hours, and the Northern Intertie is at 30-40% capacity use. The region is mostly importing from MT. Not all the flows that are imported from the east are sunk in the BPA area some are through flows sinking in other utilities balancing area. Slide 10 shows rated capacity and actual flows on the

Southern interties. The dip on the upper right is a 2-hour unplanned outage that required a derate. Slide 11 shows the Northern Intertie, with flows swinging between export and import.

A caller had a question on slide 9: Is Colstrip shut down, and the Northwest is importing from Montana? Rich Ellison responded that the flows shown coming into the Northwest from Montana are a megawatt amount and could be from any generation. Steve Oliver noted that there are still resources pushing into BPA's control area from the east. Elliot Mainzer pointed out that those flows still occur even after BPA's zero price energy offer. Steve Oliver noted that plants may have agreements to the south of BPA and thus must continue generating.

Kurt Lynam of BPA described a new product for public updates, the ER Retrospective Report. It can be accessed from the Oversupply Web page, and from the After Hours web site. This report provides information on environmental displacement and redispatch hour by hour, and TDG. BPA will post an updated report every business day.

Scott Levy of Bluefish.org asked what caused the transformer that is out at Little Goose to fail and wondered if the outage was connected with wind generation coming back up after ER. Steve Oliver responded that there was no correlation; there was an issue with the transformer internal to the unit, and it is back on now. Scott Levy asked for further details. Steve Oliver responded that BPA worked with the Corps to get the repair done and that there are issues with transformers from time to time, not frequently, although he had no statistics on the frequency. Scott Levy noted that there should be backup to prevent high levels of TDG and gas bubble trauma. Steve Oliver stated that there was no one on the call today that could provide more information. The system keeps spares and prioritizes workload to address such outages, so teams were on it immediately. Scott Levy noted that it happened at the peak of the Idaho sockeye migration.

Elliot Mainzer asked if there was anybody from the California ISO on the line and if they had anything to report. Keoni Almeida answered that he had nothing unusual to report, with no overgeneration or anything they can't manage.

A caller asked if BPA had conducted a biological assessment on ER and negative pricing policy to determine how those actions would affect endangered species or habitat. Kieran Connolly and Steve Oliver both responded that those issues are addressed in BPA's comments on the redispatch record of decision.

Jimmy Lindsay stated that, regarding the Daily ER Retrospective, hourly prices for light load hours would be helpful to see. Steve Oliver responded that interested parties can access their subscription services for prices, and BPA will post information on the amounts. Steve Weiss of BPA added that the Wall Street Journal publishes COB prices.

There were 133 participants including BPA on the call. The call ended at 1:22 pm.

Note: Although copies of this week's presentation were e-mailed to everyone in the Oversupply e-subscribers' group (over 130 members), some participants weren't able to

find them or to see the slide images on Live Meeting. The PowerPoint slides for this week's presentation were uploaded to BPA's Oversupply web site by 3:30 p.m.