

**BPA Wind Integration Team Initiatives
Update to WIT e-mail list
January 2011**

This is the monthly update on BPA's Wind Integration Team initiatives for January 2011. If you have questions about any of these initiatives, contact WIT Program Manager Eric King at 503-230-5236.

Close of comment for draft WIT 2.0 work plan extended

In response to requests from parties who attended the Jan. 13 WIT workshop, BPA extended the comment period for the draft WIT 2.0 work plan through Jan. 31. Please submit comments to Eric King at evking@bpa.gov.

The WIT team will review and respond to comments received and expects to release the final work plan by the end of February 2011.

While processing and considering customer comments, BPA is implementing the pilot projects and completing evaluation analyses as described in the draft WIT 2.0 work plan. Continuing implementation is needed to support deadlines related to WIT initiatives described in rate case workshops. Parties at the Jan. 13 WIT 2.0 workshop expressed comfort with this approach.

The draft WIT 2.0 Work Plan and related information are posted at:
<http://www.bpa.gov/corporate/WindPower/wit.cfm>.

Customers weigh in at work plan workshop

Thank you to the approximately 60 participants who joined us for the Jan. 13 WIT workshop to discuss the draft WIT 2.0 work plan. BPA presented information on each of the seven WIT 2.0 initiatives. We appreciated your feedback. Comments received at the workshop and those received in writing from the formal comment period will help shape the final WIT 2.0 work plan.

Overall, participants appeared satisfied with the WIT 2.0 work plan. They expressed particular interest in emphasizing the proposed intra-hour scheduling pilot project with the California Independent System Operator, and with continued exploration of ways to expand dynamic transfer. There were also some additional comments/requests to consider in finalizing the work plan.

For more information, see the draft [WIT 2.0 work plan](#) or the [workshop presentation](#).

Firm contingent to be discussed at next Customer Forum

BPA has initiated a discussion of whether wind power that does not self-supply or otherwise firm its generation with supplemental energy should be tagged as "firm contingent." This product designation makes clear that the schedule may be subject to curtailment if the underlying energy reserves purchased by the wind project are exhausted.

BPA will hold a public meeting Feb. 9 to continue discussion on this topic. BPA also plans to take public comments on this issue. The requirement would be effective Oct. 1, 2011, if BPA decides to require the firm contingent product designation for wind generation that is not self-supplying its generation imbalance or has not purchased supplemental service.

The Customer Forum will be held from 9 a.m. to 5 p.m., in the Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore. Phone bridge: 503-230-5566, passcode 2231#.

Revised Dynamic Transfer Capability business practices update

BPA has drafted two new business practices related to DTC: 1) DTC–Requesting and Awarding Access- Pilot, and 2) Dynamic Transfer–Operating and Scheduling.

BPA has responded to comments from stakeholders and has posted the final DTC Requesting and Awarding Access–Pilot business practice.

Due to the high interest by customers and the magnitude of changes proposed, BPA will hold a second customer comment period for the revised Dynamic Transfer–Operating and Scheduling business practice. The tentative schedule calls for the revised business practice to be posted in February, with the final version of the DT-Operating and Scheduling business practice posted by March 2011.

Both business practices are available at:

http://transmission.bpa.gov/business/Business_Practices/ (select Dynamic Transfer Capability).

Intra-Hour Scheduling Pilot Phase II

Phase II of the intra-hour scheduling pilot program will expand on the existing pilot by allowing all types of schedules: imports, exports, wheels and schedules internal to the BPA balancing authority area. Intra-hour schedules will continue to be for new e-Tags only using NERC Priority 1-NS transmission reservations.

As part of the pilot, BPA will implement three new e-Tag validations:

- Intertie NSA (Net Scheduling Availability) – Denies the e-Tag request that would cause an Intertie curtailment.
- Intra-Hour Schedule – Denies e-Tag increases into the PSANI bubble (or future e-Tag decreases out of the PSANI bubble) when there has been a PSANI curtailment. Future changes to the PSANI procedure may change how this validation is used.
- Intra-Hour Transmission Loading Relief (TLR) Avoidance – Denies schedule increases on internal flowgates when flows are at or near the system operating limit.

Notice of Interest for Joint Intra-Hourly Scheduling Pilot Program

BPA and the California Independent System Operator are seeking one to three market participants with Northwest wind resources for the Joint Intra-Hourly Scheduling Pilot Program. Statements of interest must be received no later than Monday, Jan. 31, 2011.

This is a pilot program to facilitate the export of energy from wind resources located in BPA's balancing authority area into the CAISO balancing authority area. If successful, the pilot program will provide better scheduling and balancing flexibility for variable energy resources such as wind.

The pilot is estimated to begin on Oct. 1, 2011 and last at least one year. During the pilot, an evaluation will be conducted to determine if intra-hour scheduling between BPA and the CAISO should be extended and expanded to all customers.

For details, go to

http://transmission.bpa.gov/wind/intra-hour/noi_caiso_intra-hourly_pilot_011311.pdf.

Lessons learned from the Third Party Supply Pilot

In September 2010, BPA began exploring the ability to support variable resources in its balancing authority area by increasing BPA's ability to provide within-hour decremental imbalance reserves beyond those available in the FCRPS. BPA conducted a three-month pilot to purchase 75 megawatts of decremental imbalance reserves.

Through the pilot, BPA gained valuable operational experience integrating a non-federal resource within the federal resource stack. BPA was able to test and verify the responsiveness of using a combined cycle gas turbine under various operational conditions, and gained a better understanding about how to price and value such acquisitions should BPA enter into similar agreements in the future. This pilot provided quantifiable data to better support future BPA recommendations and decisions regarding wind integration costs. The pilot also offered an opportunity to sort through cross-agency coordination issues, such as billing, scheduling, contract requirements, operational protocols, and legal and risk implications.

One of the issues BPA identified during the pilot is that, while combined cycle generation gas turbines are very reliable, getting 100 percent availability will be challenging due to economic and operational constraints.

BPA still has much to learn regarding the integration of non-federal resources for within hour reserves and about the operational parameters of gas fired generation. It should also be noted that, while much was learned, this experience represents only one data point. It is not clear that the services procured under this pilot are repeatable, either in scope or in price.

BPA may do an extension of this three-month test pilot before the end of the FY 2011. Additionally, BPA plans to issue a Request for Proposals in the near future for a DEC acquisition pilot for the 2012-2013 rate period.

- The RFP will be for up to 300 to 400 megawatts of DEC.
- Money to cover this pilot is allocated to the 2012 rate case.
- Minimum firm DEC bid amounts will be 50 to 75 MW, but higher amounts are preferable.
- Selection will be based on a variety of factors including price, operational parameters, bids and physical location.