

ANCILLARY SERVICES WORK GROUP
FINAL REPORT
September 15, 2000

The RTO West Ancillary Services Work Group was formed to address several issues related to the provision of ancillary services as summarized below in the RRG request of the work group.

Control area functions to be performed by the RTO: In IndeGO, concessions were made that reduced the ability to consolidate control area functions in the RTO. The work group should review whether such concessions remain appropriate. If multiple control areas, the work group should define the roles and alignment with the RTO in hierarchical control. The possibility of a phased transition to a single control area should be considered.

Ancillary Services: The RTO's role as the supplier of last resort for ancillary services needs to be further defined, including how the RTO will foster competitive market pricing for the ancillary services it purchases. In addition, the work group should consider development of RTO rules concerning the acceptable provision of ancillary services on a self-provided or third-party-provided basis. Local grid reliability must be maintained. Treatment of renewables needs to be addressed.

During the course of addressing the above issues the work group was asked to address a number of additional issues including some that were addressed jointly with the Congestion Management Work Group. This report summarizes all of the work products produced by the work group.

Summary Of Work Products

Listed below are the major work products of the Ancillary Services Work Group.

1. RTO West Single Control Area Model (Attachment 1)
2. BC Control Area Implementation of the Single Control Area Model (Attachment 2)
3. RRG August 2, 2000 Presentation (Attachment 3)
Includes Single Control Area and NWPP Reserve Sharing Recommendations
4. Remedial Action Scheme Recommendation (Attachment 4)
5. Reliability Management System Recommendation (Attachment 5)
6. RTO West A/S Market Role (Attachment 6)
7. RTO West A/S Market Initial Operation (Attachment 7)
8. Scheduling Coordinator Summary (Attachment 8)
9. Scheduling Coordinator Draft Appendix (Attachment 9)
10. Ancillary Services Product Definitions (Attachment 10)
11. Ancillary Services Issue Recommendations (Attachment 11)
12. Ancillary Services Appendix Draft (Attachment 12)

13 Ancillary Services Work Group Email List (Attachment 13)

Discussion Of Work Products

Attachment 1

This document summarizes the recommendation to form a single control area in RTO West (from the control areas operated by the PTOs and others who choose not to continue to operate a control area). This consensus recommendation was made to the RRG on August 2 and was subsequently accepted by the RRG. The document refers to the potential for modifications in implementation for Canadian control areas in the event that statutory requirements require such a difference. The arrangement for Canadian implementation in British Columbia was subsequently developed in significantly more detail and is included as Attachment 2. The combination of these two attachments represents the Single Control Area Model recommendation accepted by the RRG.

Attachment 2

This document details the agreement reached on how the single control area model would be implemented in British Columbia.

Attachment 3

This document summarizes the recommendation made to the RRG on August 2 including the single control area model, the A/S products and the future role of the Northwest Power Pool Reserve Sharing Program relative to RTO West. These recommendations were subsequently accepted by the RRG.

Attachment 4

This document was presented to the RRG on August 24, 2000 and subsequently accepted by the RRG.

Attachment 5

This document was presented to the RRG on August 24, 2000 and subsequently accepted by the RRG.

Attachment 6

This document was presented to the RRG on August 24, 2000 and subsequently accepted by the RRG.

Attachment 7

This document was presented to the RRG on August 24, 2000 and received broad support. Concern was raised by BPA about the potential risk of increased costs to meet their new obligations as a result of the way in which their current A/S obligation is translated into one that can be used in the new RTO West A/S market and congestion management structure.

Attachment 8

This brief summary was prepared to explain the role of the Scheduling Coordinator during discussions of the Single Control Area Model.

Attachment 9

This document was prepared by a joint A/S and CM team and subsequently recommended by both work groups. It was provided to the GIA/LIA/Security Coordinator/Scheduling Coordinator Legal Sub Group for their use in developing an appendix for the RTO West Tariff.

Attachment 10

This consensus document was presented to the RRG on August 2 and subsequently accepted by the RRG. It has been updated and included in Attachment 12.

Attachment 11

This document summarizes the consensus recommendations of the work group on a number of issues related to ancillary services, which have also been reflected in the draft appendix included as Appendix 12.

Appendix 12

This document summarizes the consensus recommendations of the A/S work group (and CM work group for joint recommendations). It is configured as an appendix to the RTO tariff. It is a work in progress and would require significant additional work to be made internally consistent and of tariff quality.

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