

# **2012 BPA Rate Case Customer Workshop**

**Parking Lot Report Out:  
Resource Support Services and Risk**

**September 14, 2010**



## Initial Leanings Regarding RSS Risk Analysis

- Resource Support Services (RSS) include Diurnal Flattening Service (DFS), Forced Outage Reserve Service (FORS), and Secondary Crediting Service (SCS).
- The proposed RSS pricing approach is value-based using forecast market prices and new capacity resource marginal costs, as opposed to an embedded cost-based methodology.
- Given the proposed methodology and a lack of transparent market for similar services, it is difficult to quantify in an after-the-fact measurement the “actual” value for the service compared against the price paid by the customer.
- Operationally, BPA is following the net load placed on us. Because we cannot color-code the power used to follow load versus resources, it is difficult to measure the difference between the price paid to us that was based on a market forecast and the “actual” cost incurred.
- The preliminary forecast cost associated with all RSS is less than \$3 million . We have concluded that the size of the potential risk miscalculating this quantity is not large enough to impact our TPP.
- Therefore, BPA staff is not planning to propose any quantification or mitigation of RSS risk in the Initial Proposal.

