

Slice Customer Concept
Modeling the Dispatchable System
November 2, 2007

At the Regional Dialogue forum on October 24th, BPA explained in more detail how they would like to implement the segregation of Grand Coulee and Chief Joseph operationally from the rest of the dispatchable system and also explained a concept for setting up the Lower Columbia projects in the Slice System in a manner that would allow BPA to guide the use of hourly shaping on those projects. This concept for the Lower Columbia was referred to as a “concept” and the customers were invited to review the concept and propose alternate processes. The current Slice parties, Tacoma Power, Clark PUD, and Emerald PUD offer this paper as a response. The concepts here are additive to the concerns we have raised in earlier papers and meeting commentary and their exclusion here does not indicate they have been resolved.

Concept

This concept is offered within the stated context of defining Slice Alternative 2, and with the understanding that time is quite limited. BPA and the customers need to focus on solutions that can be implementable in the product definition and contracts within a reasonable timeframe. A summary of the proposed concept:

1. The very clear hydraulic linkage between Coulee/Chief Joseph releases and the Lower Columbia operation will make a true Coulee/Chief segregation difficult and possibly unworkable and will take a significant amount of time to work through. In order to keep on schedule, the customers suggest working from the current Slice System limits process. The current process segregates the Lower Snake projects, which do have fundamentally different hydraulic limits from the rest of the dispatchable system.
2. The current McNary pondage adjustment reduces pondage based on the actual inflow to McNary. The lower river limitation should be applied to daily minimum and maximum energy production limits rather than pondage.
3. The pondage limits should be reviewed to set limits that are better aligned with actual flexibility – including consideration of a daily use limit that could be applied in addition to the overall balance limit.
4. Under the current contract, the customers and BPA have unsuccessfully attempted to implement discretionary pondage. Access to pondage flexibility should not be linked to running above or below the Daily Min or Max limits. This should be addressed.
5. Sustained energy production limits should be explored and included as Slice System limits. This limit(s) would replace the 16-hour HLH limits that are partially effective now. Similar logic could apply to the minimum levels.
6. The communication between BPA’s Hydro Duty Scheduler and all marketers, including BPA’s realtime marketing staff should be as aligned, and preferably identical, as possible. This includes both methods of communication as well as informational content. Presuming the information will not flow to BPA’s marketing staff, the customers propose to share their expected hourly Slice

schedules for the rest of the day to improve BPA's expectations about how their net schedules will change.

7. Between the new pondage limits, sustained energy production limits, and better informational coordination, the Slice customers will be quite constrained in their ability to utilize Lower Columbia flexibility. As a result, BPA's should not need to apply uncertainty buffers.
8. A method for setting up separate flexibility accounts should be developed to reflect access to system flexibility outside of the dispatchable system (such as Libby or Canadian Storage flexibility). The approach should either allow the customers to schedule the flexibility in their own energy schedules or be implemented through defined storage transfers with BPA.