



Renewable Northwest's comments following TC-22, BP-22 and EIM Phase III Workshop — June 23 and 24, 2020

Submitted July 8, 2020

Renewable Northwest (RNW) appreciates the opportunity to provide these comments related to BPA's June 23 and 24 presentation on its developing proposal for EIM implementation.

As stated in our May comments, RNW continues to be concerned that BPA EIM implementation could have negative financial impacts on renewable energy producers, and thereby frustrate the region's transition to low carbon energy resources. The June workshops have helped to ease some of these concerns, yet many questions remain unanswered or insufficiently explained. Therefore, RNW has joined with the Northwest & Intermountain Power Producers Coalition to request a customer led workshop to address questions related to charge code allocation, generation imbalance, seller's choice contracts and impacts to ATC, and transmission losses. We have also asked that BPA update a December 2018 scenario presentation that outlined EIM charges for specific situations now that customers and staff have more familiarity with EIM charges and how BPA proposes to recover other costs through rates. Rather than repeat the questions we ask in our workshop request (enclosed), RNW would like to emphasize the importance of getting clarity on these issues in the near-term, before the implementation timeline forces parties into rushed or defensive positions. The timeline for building understanding and consensus on these issues is running short as the last workshop is scheduled for August 26. Though we recognize and appreciate the significant efforts BPA has undertaken to hold a robust public process to date, we are concerned by the prospect that substantial disagreement or lack of understanding could lead to a contentious adoption of BPA's EIM implementation proposal, or worse miss key opportunities for win-win solutions. RNW holds steadfast in our belief that EIM participation can provide both financial and renewable integration benefits to the region and to BPA and its customers.

RNW believes we have acquired a sufficient understanding to offer our position on the following staff proposals and alternatives put forward in the June workshops:

1. RNW supports staff's recommendations to have loads and resources submit schedules based on their best available forecasting.
2. RNW supports not setting a Ramp Sufficiency pass target.
3. Regarding Interchange Rights Holder donation of transmission for EIM transfers, RNW supports Alternative 2 to allow both firm and non-firm PTP transmission to be donated for EIM transfers. RNW especially appreciates that Alternative 2 should increase the EIM's ability to help manage congestion on the BPA system. RNW has some concerns

regarding assessment of real power losses for donated transmission that we seek more information on in the requested workshop.

4. RNW appreciates BPA's need to prioritize work streams, however we strongly encourage BPA to address demand response participation as soon as possible, including before TC-24 if at all possible or to at least to develop a proposal for demand response participation well ahead of TC-24.
5. RNW opposes requirements to use the BPA supplied Hourly Meteorological Forecast, especially without further evidence that BPA supplied Hourly Meteorological Forecast is either more accurate or more advantageous to the operation of the EIM.

RNW looks forward to the requested customer-led workshop before offering positions on other issues in the June 23 and 24 presentation.

Respectfully submitted on behalf of Renewable Northwest,

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Enclosure



July 8, 2020

Re: Request for Customer Let Workshop EIM/TC-22/BP-22

Northwest & Intermountain Power Producers Coalition (NIPCC) and Renewable Northwest (RNW) ask BPA to schedule a customer led workshop to address the issues below. Many of these questions and requests for clarification have been submitted previously — but remain unanswered.

1. Charge Code Allocation

BPA justified its decision to pursue its unique allocation mechanism based on high level principles related to administrative burden (on BPA and customers) and the need for more data and experience in the EIM before implementing the FERC approved allocation. BPA provided a description justifying why staff thought it appropriate to allocate certain charge codes, but BPA did not provide any analysis describing why other charge codes would not be sub-allocated at this time. In its presentation, BPA provided a listing of charge codes that would be excluded from sub-allocation in BP-22:

- Bid Cost Recovery Codes
- Flexible Ramp Codes
- Grid Management Charge Codes
- Enforcement Protocol (EP) Penalty Code
- Administrative Codes

NIPPC and RNW request that BPA provide a detailed description of each of these charge codes and an analysis of the expected incremental additional administrative burden or other justification for delaying sub-allocation for each of the excluded charge codes. NIPPC also requests analysis of which of BPA's rates each excluded charge code will fall under, especially if those charge codes will be recovered through transmission rates (in whole or in part through generation inputs or similar calculations).

2. Generation Imbalance

How will EIM dispatch impact BPA's generator imbalance service? What rate or charge will BPA apply to the difference between scheduled and actual energy?

For VERBS customers, when will they be charged for Instructed Imbalance Energy, and when for Uninstructed Imbalance Energy? Please explain any differences in the impact of imbalance charges on participating resources versus non-participating resources.

Please provide a more detailed explanation of slide 51 from BPA's slide deck presented on April 28, 2020.

3. Seller's choice contracts and impact to ATC

How does BPA encumber transmission capacity when a power customer designates a seller's choice contract as a Designated Network Resource? Does the Seller's option to designate a specific resource prior to preschedule require BPA to set aside more transmission capacity than if the contract specified a resource? It would seem that the more options the Seller had when it came to specifying a resource (and the more options the purchaser had with regard to designating the source balancing area), the more transmission capacity BPA would have to set aside in order to accommodate those additional options.

Please explain how BPA determines how much transmission capacity is set aside to accommodate delivery of a seller's choice contract.

4. Transmission Losses

BPA has proposed requiring customers who donate transmission for EIM transfers to reimburse BPA for real power losses.

How will BPA allocate the loss obligation when customer donations exceed actual EIM transfers?

How will costs for real power losses be allocated if the party donating transmission is not dispatched in the EIM?

5. Update of December 2018 Structured Scenarios

In December 2018, BPA presented customers with structured scenarios which outlined EIM charges for specific situations. Now that customers and staff have more familiarity with EIM charges and how BPA proposes to recover other costs through rates, BPA

should expand those scenarios and map the EIM charges and rate case costs¹ for the following classes of customers: loads, participating resources, non-participating resources and wheeling customers.

For each of the customer classes above, BPA should identify the EIM charges and rate case costs in the following scenarios:

The customer is on its base schedule

The customer is below its base schedule

The customer is above its base schedule

The presentation should also explain any additional costs each customer would be exposed to if it were to change its base schedule after the deadline for EIM base schedules to be submitted.

In some cases, staff may need to identify that BPA is still considering multiple options.

Ideally, at the end of this presentation, customers would have a clear idea of 1) which rate BPA intends to recover a cost, 2) what EIM charges would apply, 3) what tools customers can use to mitigate their exposure and 4) what questions remain open for resolution.

¹ NIPPC and RNW understand that the specific rates will be calculated in the BP-22 rate case. For purpose of these scenarios, NIPPC and RNW would be satisfied if BPA identified the specific rate where BPA expects to recover a cost, or the options that remain under consideration.