

# **Ancillary and Control Area Services (ACS) Practices Workshop**

June 14, 2018

# **Customer Supplied Generation Imbalance Pilot**

# Background

- During BP-10, BPA, and customers, developed and implemented the CSGI pilot
- Since then, only one party has participated in the pilot
- That party is leaving the BPA BAA prior to BP-20

# What is BPA Staff Proposing?

For BP-20:

- Remove CSGI as a self-supply option

# Why is BPA Considering a Change?

- We are reviewing the service and rate design and, where appropriate, we are looking to simplify
- No party has expressed interest in CSGI for BP-20
- Setting up CSGI for a new party is work/time intensive and expensive for both the party and BPA
- The CSGI pilot, as it is currently designed, may not be the desired practice in the future.
  - BPA is open to conversations with interested parties on self-supply options and potential variations via a pilot program.
- BPA offers a full Self-Supply option

# CSGI Discussion

- We have heard from customers that they do not want the work done on CSGI lost.
- BPA is open to conversations with interested parties, using the framework of the CSGI pilot as a starting point for designing potential variations via a pilot program.
- Until the design of the pilot program is known, BPA is unable to include it in the rate schedule

# CSGI Discussion (cont.)

## Alternatives for BP-20

- **Alternative 1:** Status Quo - No change to CSGI service (add language requiring sufficient notice)
- **Alternative 2:** Eliminate the CSGI service from the rate schedule and the Business Practice listings
- **Alternative 3:** Place the CSGI Business Practice on hold and remove from rate schedule.

# **Balancing Reserve Capacity Planning Standard**

# Background

- BP-12: BPA provided 99.5%
  - Potential to increase to 99.7% (rate defined)
  - Supplemental Service developed and offered
- BP-14: BPA provided a Base Service at 99.5%, and a Full Service option at 99.96% through settlement
  - Attempt to forecast and acquire additional in the short term when the FCRPS was unable to provide planned amount
  - No one expressed interest in or opted for Full Service
  - BPA found that forecast accuracy above 99.7% was questionable due to data anomalies
  - Supplemental Service was also available to supplement base service.

## Background (cont.)

- November 2013 FERC Order on Petition for Declaratory Order
  - FERC rejected proposed OATT Schedules 9 and 10
  - BPA should develop a long-term planning methodology
  - Should not be based on “economic considerations”
- BP-16: BPA provided a single high quality service of 99.7% through a settlement
  - Determined that service provided under BP-14 was 99.7% due to corrections in forecast
  - In settlement BPA offered a MW amount equivalent to BP-14 service (99.7%)
- BP-18: BPA to provide a single high quality service of 99.7% through a settlement

# What is BPA Staff Proposing?

## For BP-20:

- No Proposed Changes to methodology to determine Balancing Reserve capacity quantity
  - Provides a high-quality balancing service to all customers
  - Project the amount of reserves needed on a planning basis for balancing load and generation in BPA's Balancing Authority Area
    - 99.7% planning standard

## Where the quality of service is defined:

- BPA staff are proposing to define the quality of service in the Balancing Reserves Business Practice.

# Tariff v. Rates v. Business Practice

## TC-20 Tariff Proceeding

A process to establish terms and conditions of general applicability of transmission service for a new open access transmission tariff. The TC-20 (Terms and Conditions) Tariff Proceeding, which largely follows rate case procedures, will run concurrently with the BP-20 rate proceeding. BPA will hold workshops beginning in the spring/summer of 2018, prior to the commencement of the TC-20 proceeding in the fall of 2018.

## BP-20 Rate Proceeding

A process to set power and transmission rates for FYs 2020-2021 (Oct 2019 – Sep 2021) and will commence in fall 2018. Pre-rate case workshops will be held in the spring/summer of 2018.

## Transmission Business Practice

Are separate process from TC-20 and BP-20 Proceedings. Business practices are derived from the application of BPA's Open Access Transmission Tariff (OATT) as well as the Transmission and Ancillary Service Rate Schedules.

# Quality of Service Discussion

- We have heard from customers that they do not think that the quality of service should be defined in the Balancing Reserves Business Practice
  - There was a concern expressed that the BP could be changed at any time
- Does qualifying language in the BP solve concerns?
  - Any material changes to the service defined in this Business Practice will not take effect until the start of the next rate period

# Ancillary Service Process

## Tariff

- Schedule 9
  - ✓ Generator imbalance Service
  - ✓ Physically feasible, tied to the capacity defined in Schedule 10
- Schedule 10
  - ✓ Capacity for Generator balance service
  - ✓ Study methodology, in BP, to establish the quantity of capacity

Terms and Conditions

## Business Practice

- Define:
- Level of Balancing Reserve Capacity held on a Planning Basis
  - Ability to acquire Third Party Capacity
  - Resource Service Elections
  - Study Methodology

Details of Service

## Gen Inputs Rates

- Rate setting Policy
- Balancing Reserve Capacity Quantity Forecast
- Cost allocation
- Rate Design

Rates for Service

## Operations and JOC

- Acquire third party Capacity for BRs if needed to supply level of service
- Balancing Reserve Deployed
- OCBR

Implementation

# Next Steps

## By Thursday, June 28:

- Please send any comments regarding this Ancillary and Control Area Services (ACS) Practices presentation to BPA's Tech Forum at [techforum@bpa.gov](mailto:techforum@bpa.gov) with the subject line: "ACS Practices."
- Next Ancillary and Control Area Services (ACS) Practices workshop: July 18