

# NWPP MC Initiative

Western Energy Industry Leaders  
March 6<sup>th</sup>, 2015

**Jim Piro**

Executive Committee Co-Chair

## NWPP Market Coordination Members

- Avista Corporation
- Balancing Authority of Northern California (BANC)
- Bonneville Power Administration
- B.C. Hydro and Power Authority
- Eugene Water & Electric Board
- Idaho Power Company
- NaturEner Wind Holding
- NorthWestern Energy
- PacifiCorp
- Portland General Electric
- Puget Sound Energy
- Chelan County PUD
- Clark County PUD
- Grant County PUD
- Snohomish County PUD
- Seattle City Light
- Tacoma Power
- Turlock Irrigation District
- WAPA, Upper Great Plains

# NWPP MC Initiative Approach and Timing

Collaborate to deliver near- and long-term benefits to NWPP MC members and their customers by enhancing the reliability and efficiency of meeting the region's power needs while preserving local decision making.

Key Issues: Wind Integration, Transmission Constraint Management, System Visibility

**2012 - 2013**

Initial cost/benefit assessments of Security Constrained Economic Dispatch (SCED) market solutions  
Study of bilateral market and regional tool solutions

**2014 - 2015**

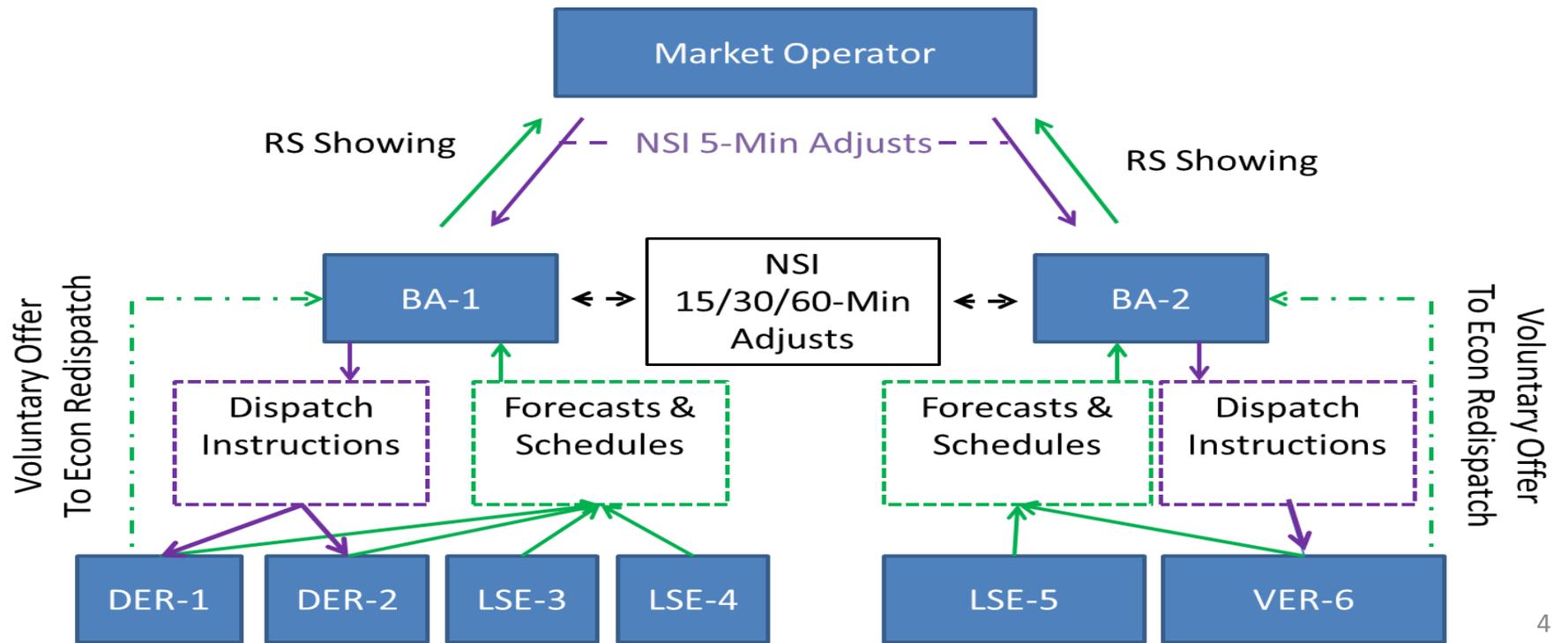
Regional operational tools implementation  
SCED market design development  
SCED due diligence, including filing of FERC Petition for Declaratory Order and cost/benefit

**2016 - 2018**

Administrative structure and Governance installation  
FERC Tariff filings  
SCED market and advanced complementary regional tools implementation

# NWPP MC SCED Fundamentals

- Within hour, energy only
- Security-constrained via state estimator model using “as-available” transfers
- Voluntary coordinated dispatch of resources
- Resource Sufficiency gate to ensure member equity

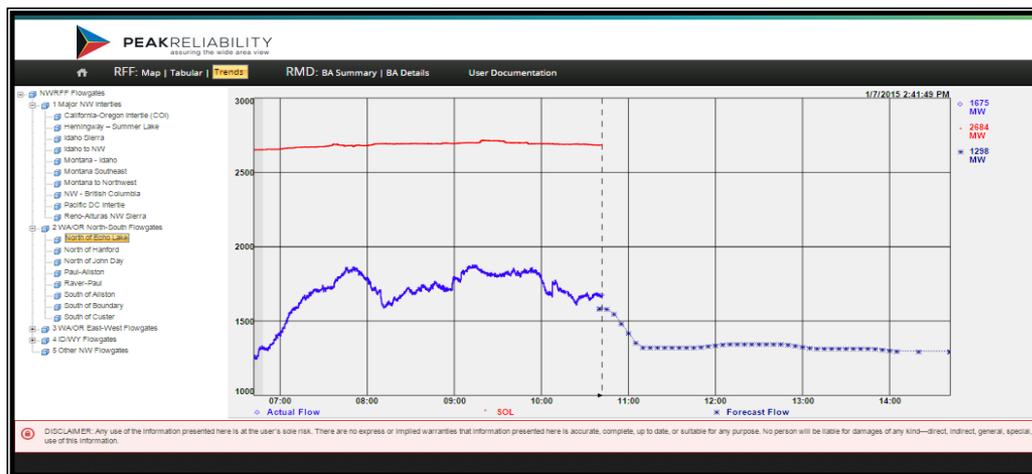


## NWPP MC SCED – 2015 Activity

- Received bids from Southwest Power Pool and California Independent System Operator to perform SCED Market Operator functions
  - Comprehensive bids received did not result in actionable path forward for NWPP MC based on design, governance, and cost challenges
  - Engaged in further exploration with each on go-forward options for the NWPP MC following the February 17<sup>th</sup> closure of the initial Request for Proposals process
- MC Members are continuing due diligence activity in advance of a Q4-2015 decision on next-steps for the MC Initiative
  - Key Issues: FERC Petition for Declaratory Order, member equity protection through resource sufficiency and transmission access policies, cost/benefit calculus and funding capability of MC members

# Other 2015 MC Initiative Activity

- Implemented regional data sharing consolidation through Peak Reliability
- Testing Regional Flow Forecast tool in live production environment
- Testing Resource Monitoring and Deliverability tool in off-line table-tops
- Exploring programs RMDs to access balancing reserves diversity with and without the SCED
- Developing advanced 15-min market capabilities and operations-based reliability enhancements, such as wide-area regulation sharing



*Regional Flow Forecast tool shows real-time loading and limits of critical flow-gates to inform operator and merchant activities*