

**Q's and A's pertaining to The Wind Smoothing and Intertie Service Bidders Conference.  
(8/7/13)**

- 1) Would BPA accept an offer with a Powerdex MidC index?
  - a. No. We may consider it in the future but not for this RFO. BPA Power Services (BPAPS) designed the Wind Smoothing and Intertie RFO around a California Index. Using a Mid C index would change the anticipated value of this service to BPA and put risk back on BPA which would require additional internal approvals.
- 2) Would BPA accept an offer with a Powerdex MidC index plus an adder (Pwdx MidC + X)?
  - a. No. It would not fit with in BPA's product design (see above).
- 3) Would BPA consider a \$0/kw-mo bid and a California index with a multiplier greater than one?
  - a. Yes, we'll evaluate along with other responses.
- 4) Could the RFO purchaser of this service sell at Mid C or another PNW market (vs. COB or NOB)?
  - a. Yes, there is no restriction on where the purchaser of this service is able to sell the energy provided under the RFO. The purchaser of this service will pay BPA for the scheduling rights on the intertie (or other transmission resold under this RFO) regardless of use and the payment to BPA for energy will be at the California index as agreed to in the contract.
- 5) If the bid does not clear CAISO HASP could the purchaser of this service try selling at MidC or another market?
  - a. Yes, the product does not require energy to be sold in the CAISO but the schedules should remain persistence-based as contemplated in the RFO and ensuing contract. BPAPS will continue to charge the California index for BPA power scheduled under the contract with a floor of \$0.
  - b. The purchaser of this service is obligated to take or pay for the BPA Power scheduled pursuant to the terms of the RFO and ensuing contract - even if the schedule is rejected by the CAISO and there are no PNW takers.
- 6) Is the index fixed for the term?
  - a. Yes.



- 7) Will the Wind Smoothing Service change the oversupply curtailment order?
  - a. It could. To the extent the wind smoothing service changes revenues to the generator it could change a projects position on the cost curve. BPATS will continue to displace according to contract costs. Recall that during oversupply BPA TS displaces wind project generation but makes the schedules whole by using BPA Power.
- 8) Regarding BPA's put of energy to the purchaser of this service during oversupply: Will BPA's right to put energy to the counterparty apply during HLH?
  - a. No. Under the RFO, BPA can only call on intertie transmission during LLH. Although, parties may offer additional recall rights.
- 9) Regarding the percentage of plant applicable to the Wind Smoothing service: Could I submit an offer under the RFO for 75% of a 200MW plant and cap the wind schedules at 100MW?
  - a. No. BPA did not intend the RFO to provide options on quantity of BPA Power sold under the RFO. (Hence the requirement for persistence-based schedules.)
- 10) Does BPA have a preference for awarding COB over NOB – or visa versa?
  - a. No.
- 11) How is BPAPS addressing regional preference?
  - a. The RFO will be awarded to highest bidder(s). If BPA receives the highest bids from any PNW customer then it will be awarded the contract. If BPA does not receive the highest bid from regional or public preference customers for loads, then PNW preference customers (who submitted valid offers) will be given a chance to match the highest bid(s). If they match the bid(s) then they will be awarded the contract(s) based on PNW preference.
- 12) Will the purchaser of this service(s) have the ability to change from T-minus 81-80 to T-minus 31-30?
  - a. BPAPS is open to changes in timing of persistence-based wind schedules (by mutual consent). However, the hourly schedules for the BPA System Power must continue to be based on metered generation occurring during either T-minus 80-81 or T-minus 31-30 for the term.
- 13) Scheduling policies may be changing over the next year. Is BPA open to changes in the Wind Smoothing and Intertie service to accommodate?
  - a. (see #12 above)

- 14) Would BPA consider placing a cap on the bidders exposure to the CAISO index?
- a. No, BPA may consider a cap if this RFO is re-issued. Bidders should consider this risk in their offers. BPA placed a floor of \$0/MWh on the CAISO index under the RFO because of the agency's policy to not pay negative prices.
- 15) Is BPAPS assigning intertie transmission rights?
- a. No, under the RFO BPAPS is reselling Intertie transmission not reassigning Intertie transmission. A resale of transmission is basically a resale of *scheduling* rights on an identified path for an identified period of time. The resale will be done consistent with BPATS' business practices (see Resale of Transmission Service under BPATS' Business Practices)
  - b. Under a resale of Transmission, the assignee will be able to redirect the resale of transmission as well as resell it pursuant to BPATS' business practices.
- 16) Is BPAPS offering to sell both N-S and S-N intertie scheduling rights under the Wind Smoothing and Intertie RFO?
- a. No, BPAPS only holds firm rights N>S on the COB and NOB Interties therefore is limited to reselling COB and NOB N>S. The purchaser of this service would be able to redirect on a short-term basis the Intertie capacity S>N pursuant to BPATS business practices, except during the time BPA puts BPA Power to the purchaser of this service during oversupply events.
- 17) Who pays for BPATS reserves and losses (etc.) under a Transmission resale?
- a. The purchaser of this service will be responsible for Operating Reserve Services, Real Power Losses Services and any Penalties. The reseller, in this case BPAPS, will continue to pay BPATS for the PTP Transmission Capacity, Scheduling System Control and Dispatch Service and Reactive Supply and Voltage Control service.
- 18) What happens to schedules from the wind project and BPA System when there are curtailments on the intertie?
- a. Curtailments of Intertie transmission will be based on existing curtailment practices. How the curtailments are applied to schedules will depend on who is managing the curtailment (BPA or the CAISO). For BPA, normal practice is to curtail pro-rata across schedules within a given curtailment priority. Uncontrollable Forces and Damages provisions contained in WSPP/Enabling Agreement will apply.
- 19) How will BPA address curtailments on the BPA network which affect schedules provided by the purchaser under this service?

- a. Uncontrollable Forces and Damages provisions contained in WSPP/Enabling Agreement will apply.
- 20) When is the scheduled outage on the DC line?
- a. 2015
- 21) Can the purchaser of this service(s) redirect intertie transmission schedules sold under the Wind Smoothing and Intertie service agreement?
- a. Yes. BPAPS is reselling intertie transmission scheduling rights under the BPATS OATT and the BPATS transmission resale business practice. Therefore purchaser of this services will be able to redirect N-S intertie schedules to S-N (as available) or from COB to NOB (as available), except during times when BPA has recall rights.
- 22) Can the purchaser of this service submit 0 MW/hr schedules for either the wind project or the BPA system?
- a. Only if the project is not generating (example: Wind 0 MW/h, BPA System 100MW/h) or if the project is generating at maximum (Wind 100MW/h, BPA System 0 MW/h). The RFO dictates that schedules must be based on actual metered generation at the wind project.