

**Ancillary Control Services (ACS) Practices Forum
Informal Summary Meeting Notes**

December 4, 2012

In opening remarks on the ACS Forum timeline, BPA Staff stated that it would coordinate with timelines coming from Rate Case. A careful distinction was made between the ACS Forum with its emphasis on Terms & Conditions and the Rate Case. A further ACS Forum scoping discussion is found below. The ACS Forum provides a transition venue from the recent BOATT2 meetings on generator imbalance service which supplied the Rate Case Initial Proposal with a suitable construct known as “Option F”. The ACS Forum proceedings will move toward describing the implementation of “Option F”, however, BPA staff noted that they would remain open to change and development of Option F. There will be further exploration of what is considered “firm”; and, what acquisitions BPA should be making. Rich Gillman noted that after we finish with the Rates process we intend to return to the generator imbalance discussion, perhaps again with a facilitated process (aka BOATT).

Expanding on scoping/priorities, Mark Jackson observed that participants should expect a “bit of a balancing act with outcomes of ACS Forum and ROD”. Whereas the Rate Case will address cost recovery and allocation, the ACS Forum will be concerned with terms & conditions, business practices and implementation. Additionally, stakeholders need to know what “full service” will look like. Ultimately, BPA needs to memorialize how decision-making will occur.

Stakeholders were asked to identify key issues to be included in the ACS Forum discussions. Henry Tilghman stated that VERBs customers need to make election on their commitment; therefore, it is important to be clear on what “meet or beat” means and requests an explanation of consequences of failing to meet criteria. It is important to resolve all questions by end of February to meet timelines in place for the Rate Case. Daniel Fisher pointed out that the data request deadline is Feb 13, discovery ends Feb 21, rebuttal begins Mar 11. Others requested outlining BPs prior to April 1 in order to understand impacts of business decisions.

Priorities identified by BPA staff include developing rigorous requirements for market acquisitions; interest in clarity on customer elections; clarify “meet or beat” along with consequences; clarify acquisition strategies particularly for “full” service. Communication to purchaser on balancing acquisition (energy product, token, ...) would like to advance this discussion and make progress; attempt agreement on correct level of service for “full”, even finding correct metric, long-term answer (perhaps not for current rate period but will work for ‘14-‘15 rate period); figure out a way to mitigate DSO 216, keep schedules full; figure out how to do acquisitions; figure how to calculate accurate reserve needs; and, varying reserve amounts to minimize DSO 216; develop some predictors for curtailment; Capacity and energy component is of interest to discuss

Marcus Chong Tim pointed out potential difficulties in discussing certain topics because of *ex parte*. While the purpose of the ACS Practices Forum is to discuss non-rates terms and conditions, if a rates question arises in the context of a relevant discussion BPA will note the discussion for the *ex parte* file, which will permit meaningful discussion in the ACS Forum.

Revise BP for Supplemental Service; BPAs intent is to shorten notice time and duration; also change on Transmission requirements for easier use; getting a game plan on Supplemental and other services; integrating all these resources into system by next

Oct.; another component for Supplemental is customer will bring it and BPA will dispatch it; especially with new EI/GI construct.

Memorializing ACS Forum decisions

Stakeholders requested that BPA spell out what decisions will be made in ACS Forum, what will be made in Rate Case; maybe use flowcharts, diagrams, schematics to track issues. To memorialize decisions a number of recommendations were forwarded, although BPA is open to other options, Marcus Chong Tim suggested the possibility of using a ROD along with BPs for the following reasons:

- Weight of issues/complexity; transparency; timeline argue for ROD; identify what elements of ROD lead to BP
- Work with all parties to develop proposal; post for comment and further develop and finalize

Terry Mundorf suggested using a “close-out” letter, which is another device less rigorous than ROD but still formal. Brenna Moore of Clark PUD seconded the TM suggestion for close-out letter; concerned that RODs might place procedure in front of getting BPs done.

Committed Base Scheduling:

Meeting participants engaged in a discussion with respect to “metrics” and the consequences of failing to meet requirements for committed scheduling to receive rate discounts (i.e., 30 minute persistence and 30 minute schedules, 30 minute persistence and hourly schedules) . It was noted that most metric failures in the current Committed Intra-hour Scheduling Pilot are due to manual processing problems, such as fat finger errors or incorrect e-Tag submittal. Explored the question of how many “strikes” or “failures” were appropriate to allow with 30/30 or 30/60 persistent scheduling in a given time period.

Mark Jackson queried the group to find out reaction to using a “6-strike rule.” This would apply to any committed schedule and would provide relief from Persistent Deviation. Tilghman noted that it will be difficult to detect signal error and asked whether all this risk be placed on customer or should this be shared. This question will be further scoped, written up and presented at the next meeting.

Afternoon discussion with Brenda Anderson

Discussion on back-filling on base Federal. Oversupply management response factors in on min gen; Sliding block to 99.5 then back fill gets picked up as formula rate (speaking only of incs at this point)

Mark Jackson observed that a 30 day horizon is about as long as BPA can anticipate potential reserve unavailability, but we are never sure until near-real time (we could acquire for as much as month and that is preferred to daily acquisitions).

Tilghman stated that even if price is the same (BPA) should not backfill. Bart McManus of BPA advised that it is complicated to distinguish between customers who we backfill for and those we don't (who will be hit more often by DSO)

Should BPA backfill for pool of base service customers? Appears BPA can create options for backfill or not. A variety of opinions offered, BPA was asked if staff could prepare a chart illustrating the options.

Discussion on the value of tag information in which it was noted that customers want visibility on those tags that are subject to DSO 216. This topic is under review in the “Firm for scheduling period Task Force.” Bart pointed out that for Balancing Authorities the tags provide information about load responsibility; adding that using tokens will require a great deal of user education. Brenda Anderson commented that BA’s aren’t too worried about DSO216 and therefore don’t review tags for such things as tokens.

Powerex points out that a token would represent a flag about something; therefore, as a “binary” it would at a glance be useful and a step in the right direction. As a representation of a particular balancing level, its usefulness is not clear. What BC Hydro wants to see is if they receive a tag, they would like to know which ones are subject to curtailment and those not.

Regarding the notion of the token acting in a binary capacity, Iberdrola stated that it won’t work ... not binary, with self-supply; it conflicts with 100% backing required (per recent BC Hydro memo requiring full backing).

Further discussion raised the possibility of having the token indicate that customer is self-supplied (or perhaps employs supplement service). It was noted that “firm” pulls away from the pool (and, thus, reduce the advantage of pooling)

The group further discussed positions on the efficacy of reserve-sharing and anticipated benefits of work coming out of the NWPP. There is an interest in continuing this topic of discussion while being mindful of not working at cross-purposes with parallel forums.

NEXT STEPS AND FOLLOW_UPS

BPA will compile an issues list and proposed timeline to prioritize the issues. Our objective is to resolve issues related to Customer VERBS elections and Committed scheduling discounts prior to March 1.