

# Reliability Coordinator Services

BPA Customer Meeting

August 3, 2018

10:00 – 11:30 a.m.



# Today's Topics

- § Welcome and introductions;
- § Background;
- § RC services options considered;
- § BPA's preliminary leaning;
- § Next-step and timeline; and
- § Adjourn.

# Background

- § On September 22, 2017, Mountain West, a group of transmission providers in the intermountain west, expressed interest in leaving Peak RC;
- § On December 7, 2017, Peak RC announced that it was partnering with PJM Connex to explore establishing an organized market that included RC services: and
- § On January 2, 2018, California Independent System Operation (CAISO) announced that, effective September 2019, it would no longer take RC services from Peak RC, it would become the RC for its BAA area, and it would offer RC services to other BAs and TOPs in the Western Interconnection.

## Background, *continued*

- § During the January 25, 2018, customer meeting, BPA discussed why it is re-evaluating its choice of RCs:
- CAISO pays the largest share of the Peak RC's costs (approximately 31.527%); and, after CAISO withdraws from Peak, BPA, and other remaining funding parties, would be responsible for a greater share of Peak RC's costs;
  - CAISO reported that it could offer RC services for substantially less than what Peak offered; and
  - BPA explained the evaluation would be based on reliability, governance, and cost.
- § On June 5, 2018, SPP announced that it would offer RC services to BAs and TOPs in the Western Interconnection; and
- § To evaluate its options, BPA has signed a non-binding letter of intent (LOI) and a non-disclosure agreement (NDA) with CAISO; and a NDA with SPP.

# RC Services Options Considered, *continued*

- § On July 18, 2018, Peak RC announced that it will cease operations, effective December 31, 2019, and wind down operations over 2019-2020 period; and
- § Remaining viable two RC options:
- Join the SPP RC; or
  - Join the CAISO RC.

# RC Services Options Considered, *continued*

§ In evaluating SPP and CAISO, BPA is using the following criteria:

§ Reliability (experience, staffing, and seams):

- Reliability experience in the Western Interconnection;
- Staffing levels appropriate for the RC workload;
- Minimize the complexity of multiple RC service providers in the NW (no “Swiss cheese” RCs and maintain IROL coordination); and
- Maintain coordination of interconnection-wide tools.

§ Governance:

- Governance ensures transparency and reasonable independence.

§ Costs of RC service:

- Maintain system reliability in a cost effective and financially sustainable manner.

# BPA's Preliminary Leaning

§ BPA is strongly leaning toward selecting the CAISO as its RC;

§ The CAISO has emerged as the most viable RC candidate because:

- Minimize seams issues in the Northwest;
- CAISO has experience in the Western Interconnection as a BA, TOP, and as a market operator;
- CAISO's offer price for RC Services is attractive;
- CAISO RC Service is expected to start November 1, 2019; and
- After the initial start-up, there will be an annual window for entering and exiting RC Services.

# Next Steps and Timeline

- § BPA is seeking comment on its plan to take RC services from the CAISO;
- § Submit comments, with subject line “RC,” to [techforum@bpa.gov](mailto:techforum@bpa.gov) by Aug. 10;
- § BPA will announce its RC decision no later than Aug. 17;
- § BPA’s Aug. 17 decision will be subject to RC candidate securing the necessary regulatory approvals to become a RC and that there are no major changes in the RC proposal, including cost, staffing, and governance structure; and
- § BPA will notify WECC of its RC decision by Sept. 4.



# Questions and Next Steps

# What is an RC?

§ Every BA or TOP must have an RC

§ PEAK provides RC Services in the vast majority of the Western Interconnection:

- PEAK's RC area includes 14 western states, British Columbia, and northern portion of Mexico
- PEAK does not provide RC services to Alberta

§ RC Services include:

- Performs operational real-time operational analysis
- Provides situational awareness, real-time monitoring and analysis

§ Issues operating instructions to BAs, TOPs

§ GOs, DPs maintain reliability

§ Data specifications

§ SOL Methodology

§ Peak Outage Coordination Process

§ Establish Reliability processes and procedures

