



Comments of PNGC Power and Power Resources Cooperative  
On BPA Implementation of PAC-CAISO EIM  
November 15, 2013

We appreciate this opportunity to comment on BPA's effort to address the impacts on the BPA transmission system of the PAC-CAISO EIM. PNGC and its members hold a Network Integration Transmission Service (NT) contract that transmits power to our 14 rural electric distribution utility members in seven balancing authorities, including some loads inside PACE and PACW balancing authority areas. As NT customers we are concerned about impacts that the PAC-CAISO EIM might have on our level of service, redispatch and curtailments, costs, and future availability of dynamic services including service to increasing NT loads on the BPA system.

Power Resources Cooperative (PRC) holds a Capacity Ownership agreement on BPA's share of the AC Intertie. As such PRC is very concerned about impacts that the PAC-CAISO may have on Intertie operations, availability of other parties to obtain dynamic transfer services on the Intertie, and potential costs associated with increased remedial action schemes (RAS) caused by increased dynamic usage of the Intertie. We hope BPA undertakes a thorough review of how PAC-CAISO particularly impacts other non-federal owners of AC Intertie capacity. We support BPA's current short term allocation of dynamic capacity on the AC Intertie; PAC should not be granted any long-term rights to dynamic capability over the AC Intertie by virtue of entering into the EIM arrangement.

BPA has specifically asked for comment on its two alternatives to setting limits on variability of EIM flows at 5 minute intervals. BPA presented the Historic Use Static Limit and the Offline Nomogram Variable Limit. We do not feel that we are in a position to choose definitely between either one of these options due to the very technical nature of transmission system operations. However, we would ask **BPA to bear these concerns in mind** as they evaluate which limit to choose.

- BPA should choose an alternative that best protects other dynamic uses of the system, especially its ability to serve NT load and load growth from a variety of dispatch patterns of the FCRPS, the predominant resource for the overwhelming number of NT customers on BPA system.
- Also, BPA should consider which method will best protect other aspects of our service including the need for congestion management, NT redispatch, and curtailments.
- BPA should also consider impacts on non-firm revenues when deciding on an alternative.
- Further, BPA's ability to protect the system during disturbances should be considered when choosing an alternative.

- BPA should consider which method might be best if new future dynamic uses of the system are called upon, like a Northwest EIM.

We support **BPA's ability to send limits on BPA flowgates every 5 minutes** even if the static historical alternative is chosen. This will allow migration to a more sophisticated operation over time and allow BPA the ability to send limits in cases of emergencies or changes in SOL or variable ramp limits.

We are very interested in a review of PAC's long-term firm transmission contracts that it intends to use to implement the EIM. We are particularly interested if those contracts provide for the **flexibility** that the EIM seems to require. For example, would other transmission parties be required to make redirect requests to achieve the level of change to PORs and PODs that PAC intends to achieve in the CAISO 5 minute dispatch?

We are also concerned **about cost and cost allocation of implementation on the BPA system**. We urge BPA to account carefully for the costs of staff time and systems development so that we can have a discussion about allocation of development and ongoing costs of EIM controls on the BPA system.

We believe that BPA should have a **stated principle that existing customers will not be harmed** by BPA's implementation of the PAC-CAISO EIM, either operationally, financially, or through increased redispatch or curtailments, or through BPA's obligation to serve NT load over time.

We also believe that this relatively new dynamic use of the system **should not result in any long-term grant of dynamic transfer rights**. As our industry matures, BPA and other Northwest parties may need additional flexible dynamic uses of the BPA system in the future. BPA should be carefully to not give away for the long term the flexibility it may now have for dynamic transfer including the ability to serve NT load now and in the future as it grows.

If you have any questions regarding these comments, please contact Aleka Scott at 503-288-1234.

