

November 18, 2013

U.S. Department of Energy
Bonneville Power Administration
Transmission Services
P.O. Box 64019
Vancouver, WA 98666-1409
Via: Email to techforum@bpa.gov

Re: Comments of Puget Sound Energy, Inc. on BPA Stakeholder Discussion on PAC/ISO EIM — Implementation Controls for Managing Impacts

Dear Ladies and Gentlemen:

In this letter, Puget Sound Energy, Inc. (“PSE”) comments on the presentation, dated October 28, 2013, of Bonneville Power Administration (“BPA”) and titled “BPA Stakeholder Discussion on PAC/ISO EIM — Implementation Controls for Managing Impacts” (the “October 28 Presentation”). PSE appreciates BPA’s conducting a stakeholder process to explore potential implications of the CAISO-PacifiCorp Energy Imbalance Market (“EIM”). PSE looks forward to working with BPA and other regional stakeholders in this process.

PSE commends BPA for identifying the following principle that the creation and implementation of a CAISO-PacifiCorp EIM should not negatively affect existing and future dynamic uses of the BPA system:

- Though the EIM will represent a *unique* usage of our system, the EIM’s dynamic usage should not negatively impact:
 - Other dynamic usage;
 - Flexibility for future dynamic uses on BPA’s system;
 - BPA’s ability to review and modify it’s [sic] dynamic use policies.

October 28 Presentation at slide 5. BPA also identifies the operational goal that the “5-minute EIM dispatches do not adversely impact RAS arming, voltage control limitations, or reliability, and existing dynamic uses of the system are protected.” *Id.* at slide 6.

This principle and operational goal are important guidelines in the analysis of the effects of, and developing BPA’s controls on, BPA’s activities in connection with implementation of the CAISO-PacifiCorp EIM, and PSE supports BPA’s application of these guidelines in the analysis and development of BPA controls. In this regard, the October 28 Presentation, which was

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intended to provide an overview, does not describe the particular BPA controls that will implement this principle and goal; PSE encourages BPA to continue to work with its stakeholders in the development of such BPA controls.

In furtherance of this principle and goal, PSE also encourages BPA to consider and use the analyses conducted by the WIST Dynamic Transfer Capability Task Force (“DTCTF”) regarding dynamic uses of the BPA system. The DTCTF analyses demonstrated that dynamic uses of BPA’s system include all uses that benefit from resources that move within hour—NT load, customer-supplied generator imbalance (“CSGI”), and wind, hydro, and thermal facilities in BPA’s balancing authority area (“BAA”).

The term “Variable Transfer,” is sometimes used to refer to the physical variations in actual power flows across a path / flowgate that are generally unpredictable and repetitive during a defined time period. Sources of Variable Transfer include unpredictable Dynamic Transfers, intermittent resources, and inadvertent interchange (when not accounted for with a Transmission Reliability Margin (“TRM”)). The term “Variable Transfer Capability” (“VTC”) refers to the variability that will show up on a particular path / flowgate and reflect the amount of dynamic transmission across a path / flowgate in BPA’s BAA with respect to Variable Transfers across an interface (flowgate or path). All loads and resources that move within hour (e.g., NT load, CSGI, and wind, hydro, and thermal facilities—but not schedules that do not vary over the operating hour) use VTC.

In developing controls on the PacifiCorp-CAISO EIM to protect existing and future dynamic uses in the region of BPA’s system, BPA, in consultation with its stakeholders, should (i) evaluate the current and future uses of and needs for VTC, limits (e.g., due to system impacts) on the ability to meet those needs, and the means and costs of meeting any needs for increased VTC, and (ii) develop business practices to address controls on the PacifiCorp-CAISO EIM’s VTC usage to protect existing and future dynamic uses in the region of BPA’s system.

In particular, BPA should recalculate the variability limits for flowgates and paths on its system using the technical study methodology that matches the methodology developed by DTCTF. BPA should further consider each of the following actions:

- (i) transmission topology (i.e., changes to flowgate/path definitions), switchable voltage control equipment (i.e., voltage control equipment that can be switched in a powerflow analysis for voltage variability rather than post-contingency events) and operational changes (i.e., dispatcher procedural changes) as BPA runs the powerflow models to determine the variability limits;
- (ii) recalculation of historic usage of VTC on BPA flowgates/paths to reflect all past and present usages;

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- (iii) projection of future VTC usages, including but not limited to accounting for the most recent information regarding projected loads and the status of planned resources; and
- (iv) projection of the means and costs of meeting any needs for increased VTC.

BPA should work through these issues in a BPA forum of interested stakeholders. In this forum, BPA should share and discuss (i) the results of analyses regarding past, present, and future dynamic uses of BPA's system; (ii) various alternative means of meeting needs for increased VTC, including but not limited to any increased usage of BPA's system associated with the implementation of the CAISO-PacifiCorp EIM; and (iii) technical information on the methodology for the criteria for and the development of proposed BPA controls associated with the implementation of the CAISO-PacifiCorp EIM.

A BPA forum on dynamic uses would prove valuable in helping inform BPA and its stakeholders of the dynamic uses of the BPA system and the potential impacts on BPA's system of the implementation of the CAISO-PacifiCorp EIM. Currently, it is difficult for PSE—and likely other stakeholders as well—to understand which BPA paths and flowgates, if any, would be affected by such implementation. Additional information should help BPA and its stakeholders understand the effect of such implementation on BPA's system and assist in the development of BPA controls on such effects—to ensure that dynamic uses by the CAISO-PacifiCorp EIM does not negatively affect other dynamic uses; flexibility for future dynamic uses on BPA's system; or BPA's ability to review and modify its dynamic use policies. PSE looks forward to participating in this BPA forum and working with BPA and its other stakeholders on this important effort.

Very truly yours,

Puget Sound Energy, Inc.



By: Joseph P. Hoerner
 Manager
Its: Energy Supply Merchant
 Puget Sound Energy, Inc.