

Comments of Powerex Corp. on Transmission Access for Participation in the Energy Imbalance Market (EIM)

Powerex appreciates the opportunity to comment on Bonneville's March 30, 2016 meeting regarding transmission access for participation in the Energy Imbalance Market (EIM).

As a threshold matter, Powerex notes and strongly endorses Bonneville's efforts to develop and communicate a transparent and non-discriminatory process for Bonneville transmission customers to use their Firm Point-to-Point reservations to participate in the EIM. It is appropriate that such use be evaluated under the same framework that applies to non-EIM use of Bonneville transmission under its OATT. Specifically, Powerex supports Bonneville's commitment to evaluate requests to re-direct Bonneville transmission service for EIM participation "subject to the same Available Transmission Capability as any other use."¹ Powerex also appreciates Bonneville informing its stakeholders that it has not identified the need for any "unique controls or processes to manage ATC impacts of customers using BPA transmission for EIM Participation."² These conclusions support EIM participation as one potential use of reserved Bonneville transmission service, but a use that does not receive special treatment over non-EIM uses. Bonneville's commitment to apply its OATT and protocols to its transmission customers on a comparable basis—whether they are EIM Entities or participants or not—provides a critical foundation for the next steps forward.

At this stage in the stakeholder process, Powerex believes it would be valuable for Bonneville to provide additional detail regarding the process through which transmission customers can make Firm Point-to-Point reservations on Bonneville's system available for EIM participation. Requesting re-direction of service onto a path used for EIM Transfers is the first step in this process; but other steps require more detail and discussion.

For example, transmission customers will need to request DTC on a specific path:

- How long will such an evaluation take?
- Will this differ between paths already used for EIM participation as opposed to requests to use new paths in this manner?
- Will there be any restrictions on certain paths, and on what basis?
- To the extent not all DTC requests can be granted in full, how will Bonneville allocate the DTC it can provide?

Other implementation items should also be addressed at this stage in the process:

- Will Bonneville permit EIM participation on a 15-minute basis only (*i.e.*, without need for DTC)?

¹ BPA March 30, 2016 presentation at 22. Available at <https://www.bpa.gov/transmission/Customervolvement/Energy-Imbalance-Market/Documents/20160330Stkhldrmtg.pdf>

² *Id.*

- Will Bonneville's evaluation of a request to use a Bonneville transmission reservation for EIM participation only on a 15-minute basis require the same lead time as a request that also includes 5-minute participation?

Additionally, it will be important to have greater clarity regarding the granularity with which a Bonneville transmission customer can elect to use its reservation for EIM participation.

- Could the Bonneville transmission customer vary the quantity of Bonneville transmission reservations it will use for EIM participation from hour to hour?
- How much notice does Bonneville require (e.g., will a customer need to make this decision in preschedule, or can it do so at any point prior to the WECC scheduling deadline)?

Having established the core principles regarding use of Bonneville transmission for EIM participation, Powerex believes it is important to discuss additional details, such as those outlined above, surrounding the process through which this type of use would actually occur.

Powerex also requests that Bonneville provide additional information regarding its application of real-time limitations on dynamic scheduling capability, and that Bonneville ensure that any such limitations are applied comparably between EIM and non-EIM schedules. In particular, Powerex notes that certain of Bonneville's practices may need to be examined, and potentially modified, to ensure fair treatment among customers. One such example is what Powerex has observed to be a "freeze" on dynamic schedules on the COI under certain operating conditions. Powerex does not dispute the reliability-based need to reduce flow variability under certain circumstances, but would like to better understand how these limits are being applied. For instance, Powerex's dynamic schedules on the COI have been frozen, with no subsequent changes being permitted even between one 15-minute interval and the next. In other words, it is not simply the *within*-interval variations that have been restricted, changes across intervals have also been restricted, even while Bonneville has permitted *static* schedules to be adjusted on a 15-minute basis. In these cases, dynamic schedules effectively have *less* scheduling flexibility than static schedules. Furthermore, since EIM Transfers are automatically "split" between a static schedule and a dynamic schedule, the current implementation of Bonneville's dynamic scheduling "freezes" will have a more harmful effect on non-EIM schedules than on EIM Transfers. With this example in mind, Powerex requests that Bonneville discuss with its transmission customers how it applies dynamic scheduling "freezing" procedures, and any other real-time limitations on a schedule by schedule basis, and consider modifications to its implementation to ensure dynamic schedules are not inadvertently rendered less flexible than static schedules.

Finally, Powerex supports Bonneville continuing to hold monthly meetings in this initiative. As indicated above, numerous issues require greater discussion. Although Powerex recognizes that such meetings represent a substantial commitment of Bonneville's resources, monthly meetings appear necessary to make meaningful progress on these issues given Bonneville's decision to align the timeline of its own process with Puget Sound Energy's desired EIM implementation date.