



Transmission Services

**Customer Comments on the BPA
Stakeholder Meeting addressing the
PAC-CAISO Energy Imbalance Market**

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Southern California Edison

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Southern California Edison's
Stakeholder Comments

BPA Stakeholder Meeting 2/20/2014

Submitted by	Company	Date Submitted
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Please find Southern California Edison (SCE) comments on the BPA stakeholder meeting held 2/20/2014. SCE appreciates BPA's outreach to stakeholders and their attention to the EIM proposal. SCE looks forward to the timely implementation of the EIM market and BPA will play an important role in facilitating PacifiCorp's participation. We thank BPA for the constructive engagement and commitment to the process.

SCE supports additional analysis on the dynamic limits of AC inter-tie (COI). Additional dynamic flow capability should improve the efficiency and benefits of the EIM and we hope that additional study refinements will result in increased transfer capability. In addition, we remain concerned over the current method to "ration" the dynamic capacity and encourage BPA to consider changes to this process when appropriate.

While SCE fully appreciates and supports BPA's focus on reliability, we nevertheless have continuing concerns over the proposal of "Delta change for 5 minute" flowgates. We note that BPA will already enforce material dynamic limits on COI, and in addition, and will require the EIM to enforce limitations on multiple flowgates. Limits such as those on COI and the BPA flowgates are backed by technical analysis and recognized limits (e.g. SOL), and enforcement of such limits is common in all LMP markets. We support BPA's use of such limits. However, the addition of "5-minute rate of change" limits is largely unprecedented in organized markets, and further is not backed by any form of rigorous analysis or defined reliability requirement. Moreover, nearly identical result could be obtained by simply changing limits on flowgates on a 15-minute time-frame, based on actual observed system conditions, when needed.

We note that should the 5-minute limits "bind" they will impact market prices and likely increase prices. Such an approach also requires significant additional data exchange between the CAISO and BPA that may prove unnecessary. Because of the potential impact on market efficiency, the unprecedented nature of the constraint, and the complications it introduces to

running the market, BPA should not request this proposal lightly. At this stage, the demonstration of need for these limits requires additional justification before SCE can conclude whether or not they are appropriate and necessary.

Moreover, the proposal to use historical 5-minute changes to determine limits is likewise unsupported. BPA acknowledged during the stakeholder meeting that there is no direct connection between historic 5-minute changes and real-time reliability issues faced by grid operators. Thus using this approach cannot be justified as needed to maintain reliability.

As a result, SCE respectfully asks BPA to consider abandoning the idea of implementing 5-minute delta requirements at this time. Instead, BPA can simply adjust 15-minute flowgate limits based on actual real-time conditions if rate-of-change issues begin to impact reliability. This approach provides BPA with a tool to address reliability issues (should they occur), and allows for actual observations of issues before deciding whether an additional 5-minute reliability tool is necessary.