

Thank you for the opportunity to submit comments on BPA's proposed operational controls to manage potential impacts on BPA's system and customers.

While Tilghman Associates represents independently owned and operated generation projects in the Northwest, these comments have not been reviewed or approved by any specific BPA customer.

First, BPA is to be commended for its efforts to facilitate development of the PacifiCorp-CAISO Energy Imbalance Market. The transmission grid of the future will require greater coordination and cooperation across broader geographic areas, and the PacifiCorp-CAISO effort represents an important, initial step in that direction. BPA should continue to do whatever it can to make the PacifiCorp CAISO Energy Imbalance Market a success.

BPA is also to be commended for allowing PacifiCorp to repurpose its existing dynamic transfer rights to support the energy imbalance market while ensuring that the rights of other customers are not negatively impacted. In the past, Tilghman Associates has submitted comments on behalf of BPA customers urging BPA to avoid allocating scarce dynamic transfer capacity to customers on a long term basis. BPA's proposed treatment of PacifiCorp's existing dynamic transfer rights does not raise those same concerns.

BPA has requested stakeholder comments on several specific issues:

1. The merits of developing new controls to manage EIM dispatches on the Network and COI.

Any proposed new or changed use of the existing transmission system should be accompanied by an effort to monitor the system to ensure that neither reliability nor other customers' rights are negatively impacted. Unfortunately, BPA has given the impression that the only driver for new controls to monitor the Network and the COI is the needs of the Energy Imbalance Market. The FERC-NERC Report related to the Arizona-Southern California Outages in September 2011 made several recommendations, including:

- Transmission Operators should engage in more real-time data sharing to increase their visibility and situational awareness of external contingencies that could impact the reliability of their systems.
- Transmission Operators should take measures to ensure that their real-time tools are adequate, operational and run frequently enough to provide their operators the situational awareness necessary to identify and plan for contingencies and reliably operate their systems.

While BPA has not shared with customers any internal BPA analysis of changes or upgrades it should implement in response to the AZ-Southern CA Outage Report, it seems likely that many of the proposed operational changes to monitor and control EIM dispatches would enhance BPA's situational awareness and the reliability of its system even in the absence of the EIM effort.

2. The merits of the specific controls proposed by staff.

The proposed controls seem reasonable.

3. The merits of the two methods of populating the proposed controls

5-Minute Flow Limit Alternatives

BPA should consider whether the 5-Minute Flow Limit it adopts is scalable. If the PacifiCorp-CAISO EIM project is successful, it will likely be expanded. Whatever method BPA adopts to control 5-Minute flows should be capable of quickly adapting to additional EIM participants. Based on the presentation materials, it would appear that the Nomogram approach is superior to the Historic Use Static Limits.

The "Historic Use Static Limits" calculates flow gate limits based on PacifiCorp's historic dynamic usage. As the EIM expands in the future, BPA would have to calculate flow gate limits for each customer with historic dynamic transfer rights as they join the EIM. The Nomogram alternative would appear to avoid this requirement. The Historic Use alternative would also appear to limit the availability of dynamic transfers for the EIM to PacifiCorp's historic use - even if additional dynamic transfers could be temporarily accommodated without negatively impacting reliability. If BPA chooses the Nomogram alternative, however, care must be taken to ensure that the Nomogram limits are not overly conservative and that all parties rights to dynamic transfers (including PacifiCorp's) can be accommodated within the Nomogram limits.

The Nomogram limit appears superior.

4. Any other proposals customers may have

For several years I have encouraged BPA to conduct a review of its legacy contracts to determine customers' actual rights to dynamic transfers on BPA's system. It is notable that in this context, BPA is again referring to PacifiCorp's historic use of dynamic transfer capacity - not PacifiCorp's actual rights under those legacy contracts. I again encourage BPA to review its contracts with customers to determine what commitments it has made to customers to provide dynamic transfer capability - and then evaluate its system to determine whether the existing transmission system and operations can meet all of those commitments. While there is some utility in calculating available dynamic transfer capacity based on net historic dynamic uses, there is also value in understanding the full scope of BPA's commitments to provide dynamic transfers capability to customers. Only by cataloguing customers' dynamic transfer rights can BPA determine if an individual customer's historic use exceeds its contractual rights - or alternatively, that BPA's system is not adequate to meet all of its contractual commitments.

An additional question:

The PAC-CAISO proposal describes a flexible capacity requirement. BPA plans to impose a 5-Minute Delta flow limit.

Are the flexible capacity requirement and the 5-Minute flow limit established independently? Does establishing either create implications for what the other needs to be? If the two are interdependent, what is the process establishing them?