COMMENTS OF THE WESTERN PUBLIC AGENCIES GROUP
ON PAC/ISO EIM

Submitted: November 18, 2013

The utilities that comprise the Western Public Agencies Group ("WPAG") appreciate this opportunity to comment on PacifiCorp's ("PAC") use of the Bonneville Power Administration's ("BPA") transmission system to participate in the California Independent System Operator's ("ISO") Energy Imbalance Market ("PAC/ISO EIM"). Each of WPAG's members is a load serving entity and a wholesale power and transmission customer of BPA. As such, they have a keen interest in ensuring that BPA's transmission system is operated reliably and that their own contract rights with BPA, both power and transmission rights, are respected and not degraded. To this end we offer the following comments on the PAC/ISO EIM proposal:

- *The Ability of Preference Customers to Serve Their Load Should Not Be Impaired.* PAC's use of the BPA transmission system to participate in the PAC/ISO EIM must not threaten or impair the ability of preference customers to serve their loads or result in an increase in the frequency or depth of curtailment and redispatch events. No increased risk to reliability stemming from the PAC/ISO EIM proposal is acceptable.

- *The PAC/ISO Must Not Cause Higher NT Redispatch Costs*. When congestion events on the transmission system do trigger curtailments and redispatch, PAC's use of the transmission system to participate in the PAC/ISO EIM must not cause BPA to rely on non-federal designated network resources for NT redispatch more than BPA otherwise would in the absence of the PAC/ISO EIM proposal. Without this assurance, NT customers may unacceptably see higher NT redispatch costs than they would see under the status quo.

- *Current and Future Dynamic Uses of the Transmission System Shall Not Be Prejudiced.* There are many current dynamic uses of the transmission system by BPA and customers other than PAC. In the future there may be additional uses for the dynamic capability of the system such as a potential Northwest EIM, pseudo-tie arrangements, or dynamic transfer of resources to loads. PAC being first in time should not be construed as first in right. BPA must retain the authority to restrict, modify, or claw back the capabilities initially granted to PAC to facilitate the PAC/ISO EIM proposal where such uses would impair a current dynamic use by another customer or the expansion of dynamic uses needed to deliver power to preference customer loads.

- *BPA Must Retain Unilateral Control Over Its Transmission System.* It appears that BPA is proposing to rely on the ISO to help control PAC/ISO EIM flows on its transmission system. The WPAG utilities do not believe that BPA should yield any authority or responsibility over its transmission system operations to the ISO, or any other third party. We recommend that BPA meet with its customers soon to better detail the relationship between BPA and the ISO in implementing the PAC/ISO EIM over BPA's transmission system.

- *Costs of Implementing the PAC/ISO EIM Proposal Must Be Cataloged for Allocation.* It does not appear that BPA has identified the costs of developing and implementing the PAC/ISO EIM proposed use of its transmission system. WPAG proposes that for the 2016 Integrated Program Review that BPA identify both the past and future costs associated with the proposal including, but not limited to, costs associated with staff time in its development and implementation, software development or upgrades, capital costs, O&M, etc. These costs should be directly allocated to PAC as part of the initial BP-16 rate proposal.