Transmission Services

Customer Comments on the Network Open Season Cluster Study & Redirects

Comments Received from
The Public Power Council
April 27, 2010

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VIA EMAIL
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Re: NOS Cluster Study Assumptions Comments

Dear Tech Forum:

PPC submits the following comments on the questions that Transmission Services' staff presented at the Network Open Season update on April 15, 2010. Overall, we understand the problems created by the large increase in generation relative to regional load and BPA's need for more information regarding future resources and loads. We support the movement to requiring greater information and the removal of what PPC considers to be some of the roadblocks to providing that information. With regard to assumptions that BPA might make in the 2010 NOS cluster study, PPC urges BPA to make those assumptions that are most realistic. PPC's comments are detailed below.

Slide 6, Issue #1:[1] Alternatives for Customer-Supplied Information

PPC supports Option 1-B, to modify requirements for customer-supplied information. As generation is built in the Northwest to support RPS requirements and load growth, BPA will need additional information from customers beyond what is currently supplied to support transmission analysis and planning. Therefore, we support moving away from status quo (Option 1-C). However, at this time many NOS participants often cannot accurately predict source, sink, and redispatch patterns as described in Option 1-A. Option 1-B strikes a balance between Option 1-A and 1-C. We also support the modification of 1-B that would permit parties requesting a POR at Mid-C not to specify a physical generation source and would permit parties requesting a POD at Mid-C not to specify a sink for the power.

While PPC supports adopting Option 1-B information requirements for the 2010 NOS, we recognize that the level of detailed information under Option 1-A would give transmission planners a better picture of use of the transmission system. We suggest that,

[1] In the comments, all references are to BPA Presentation: NOS 2010 Cluster Study Assumptions Update, April 15, 2010.

as customers are able to accurately provide that information, they be required to provide it on an ongoing basis.

In regard to redispatch information, PPC encourages BPA to better define the information that it is seeking from customers, permit parties to provide that information by means other than the current PTSA exhibit (e.g., by telephone), and to refer to the historical redispatch as a baseline of information. We also strongly suggest that BPA begin to incorporate the ColumbiaGrid PSAST analysis that includes an analysis of various levels of generation for existing resources and other external work as sensitivity analyses in their study. We caution BPA, however, that some customers will not be able to provide redispatch information. For example, utilities subject to PSANI cannot provide dispatch information until a decision is made by BPA on resolution of the issues surrounding the implementation of PSANI. The possibility that BPA may decide to require Slice customers to designate individual PORs at federal generators also impairs the ability of Slice customers to state with any confidence the future redispatch of their federal power.

Slide 7-8, Issue #2: Alternatives for Cluster Study Assumptions

BPA requested comments from parties regarding the assumptions that it should make in modeling the use of the transmission system by generation. With regard to modeling thermal generation (Element 2-A), PPC strongly supports use of 100% of contract demand or capability in the model. Regarding wind modeling for PTP and NT requests (Elements 2-B and 2-C), PPC supports reducing the percentage of contract demand dispatched to no lower than 60-75%. Though current analysis may show that this level could be lower, the data available underlying the analysis is limited and includes a period in which wind production was significantly below normal. Therefore, reducing the demand dispatch level to 60-75% is a reasonable reduction for the 2010 NOS process. That level may be reevaluated and reduced in the future as more data becomes available. With regard to “relief generation” (Element 2-D), PPC supports using 50% FCRPS and 50% Mid-C generation with a cap. We would like to discuss further with you, however, how the cap should be established and at what level. We also have concerns with assumptions that may be made regarding backing-down coal or gas generation west of the Cascades and the impact of those actions on transmission stability limits, particularly in the Centralia area.

Concerning all Elements presented, PPC objects to the use of the REBA in the 2010 NOS Cluster Study. Customers have not been given enough time and information to fully assess the REBA model. Moreover, many customers have significant concerns regarding elements of the model that have been presented, including incorporation of the Canadian Entitlement, the assumption of security-constrained economic dispatch, carbon price assumptions, and other elements. Additionally, while it may be that economic factors drive many resource dispatch decisions, contractual obligations and other non-economic factors also play a significant role. If an economic model is used, these non-economic factors need to be included. At this time, we have no information on whether

REBA models a dispatch at all similar to actual dispatch. As a general matter, we believe that the cluster study assumptions for transmission planning should model reality to the maximum extent possible, as these studies inform engineering decisions and not economic choices.

Slide 9, Issue #3: Evaluation of the 24 month Redirect Notice

PPC has no opinion on this issue at this time because we have not yet had sufficient time or information to allow us to consider the question adequately. We look forward to discussing this issue further at future customer forums.

Sincerely,

/s/

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