Transmission Services

Customer Comments on the Network Open Season Cluster Study & Redirects

Comments Received from
Puget Sound Energy, Inc.
April 27, 2010

Posted May 4, 2010

From: Yedinak, Jason - Marketing
Sent: Tuesday, April 27, 2010 3:26 PM
To: Tech Forum
Subject: 2010 Network Open Season Cluster Study Issues Customer Comment - PSE

April 27, 2010

VIA E-MAIL To techforum@bpa.gov

Re: 2010 Network Open Season Cluster Study Issues Customer Comment

By notice posted April 16, 2010, Bonneville Power Administration ("BPA") requested comment on various alternatives (presented by BPA staff on April 15, 2010) with respect to the following regarding the NOS 2010 Cluster Study:

> Issue #1: Evaluating four alternatives for customer-supplied information relating to NOS-eligible long-term firm transmission request(s), specifically Sink and Source.
>
> Issue #2: Evaluating four alternatives for assumptions BPA must make in the NOS 2010 Cluster Study.
>
> Issue #3: Evaluating whether to retain or remove the 24 month notice provision for the 2010 NOS Bulletin for changes to the redirect guarantee on the BPA network.

BPA has requested submittal of written comments via techforum@bpa.gov under the following deadlines.

> By Tuesday, April 27, 2010, submittal of comments on Issue #1 and Issue #3.
>
> By Friday, May 7, 2010, submittal of comments on Issue #2.

Puget Sound Energy, Inc. ("PSE") submits the following responses on 2010 Network Open Season Cluster Study Issues #1 and #3:

> In response to the Issue #1, PSE chooses and supports "Option 1-A: Require more customer-supplied information." However, PSE would suggest that the NOS Cluster Study process be opened up to allow for the inclusion of greater customer input on all assumptions made.
>
> In response to Issue #3, PSE chooses and supports the first option, "Retain the 24 month Redirect language in the NOS 2010 Bulletin."

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Comments Received from
Puget Sound Energy, Inc.
May 7, 2010

Posted May 10, 2010

PSE PUGET SOUND ENERGY
The Energy To Do Great Things

May 7, 2010

Department of Energy
Bonneville Power Administration
Transmission Services
P.O. Box 64109
Vancouver, WA 98666-1409

Via Email: techforum@bpa.gov

Re: Comments of Puget Sound Energy, Inc. on Draft NOS 2010 Cluster Study Assumptions Update of April 15, 2010, Issue #2 (Alternatives for Cluster Study Assumptions)

Dear Ladies and Gentlemen:

In this letter, Puget Sound Energy, Inc. ("PSE") comments on the draft NOS 2010 Cluster Study Assumptions Update of April 15, 2010, Issue #2 (Alternatives for Cluster Study Assumptions) ("Alternatives"). Thank you for the opportunity to comment and to work cooperatively with Bonneville on the issues addressed by the Alternatives.

Each of the four "elements" to the Alternatives set forth under Issue #2 includes, among other items, "REBA-influenced economic dispatch, which could include CO2 price effects." In PSE's view, BPA's transmission customers have not received sufficient information to confirm that Regional Economic Benefits Analysis (REBA)-influenced economic dispatch will take into consideration all of the complexities of Northwest generation operations. The following are among the items that PSE would like to confirm have been considered in the Regional Economics Benefits Analysis:

1. Are import/export assumptions accurately reflected in the REBA?
    - Are seasonal exchanges scheduled over the Southern Intertie included in the REBA?
    - Is Canadian Entitlement power return included in the REBA?

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2. Are must-run generation and power sales contracts accurately reflected in the REBA?

3. Does the REBA accurately reflect actual redispatch of generation that may occur at the same-path loading point for internal flowgates vs. external paths (actual operation of these is not the same)?

4. Thermal generator data used in the REBA models seem to be taken from public information sources, which may be significantly different from the individual generator operating parameters in the region.

In addition to the above, PSE notes that one of the cases run in the analysis uses the $28/ton carbon price proposed in now-dated Waxman-Markey climate legislation. The accuracy of this pricing information has not, to PSE's knowledge, been verified.

Based on the foregoing, it is PSE's view that REBA-influenced economic dispatch should not be included in the "elements" to the Alternatives until BPA and its customers have had an opportunity to discuss in an open forum, and agree upon, acceptable Northwest generator dispatch models. PSE respectfully recommends that BPA not proceed with any of the Alternatives at this time, and that a series of meetings be initiated to address the issues raised in these comments.

PSE appreciates BPA's review of these comments and consideration of the recommendations contained herein. By return e-mail, please confirm BPA's receipt of these comments.

Very truly yours,

Puget Sound Energy, Inc.

By David E. Mills

Title Director, Energy Supply & Planning