



Non-Wires for South of Allston Program
Customer Meeting
July 12, 2016



Agenda

1. Discuss bidder response to BPA's RFO seeking non-wires to relieve congestion risk on SOA during summer peak periods.
2. Discuss BPA's proposed changes to the Requesting Transmission Service Business Practice to stop unlimited hourly firm sales and redirects under certain conditions.
3. Discuss next steps for SOA Non-Wires Program to go-live in July of 2017.

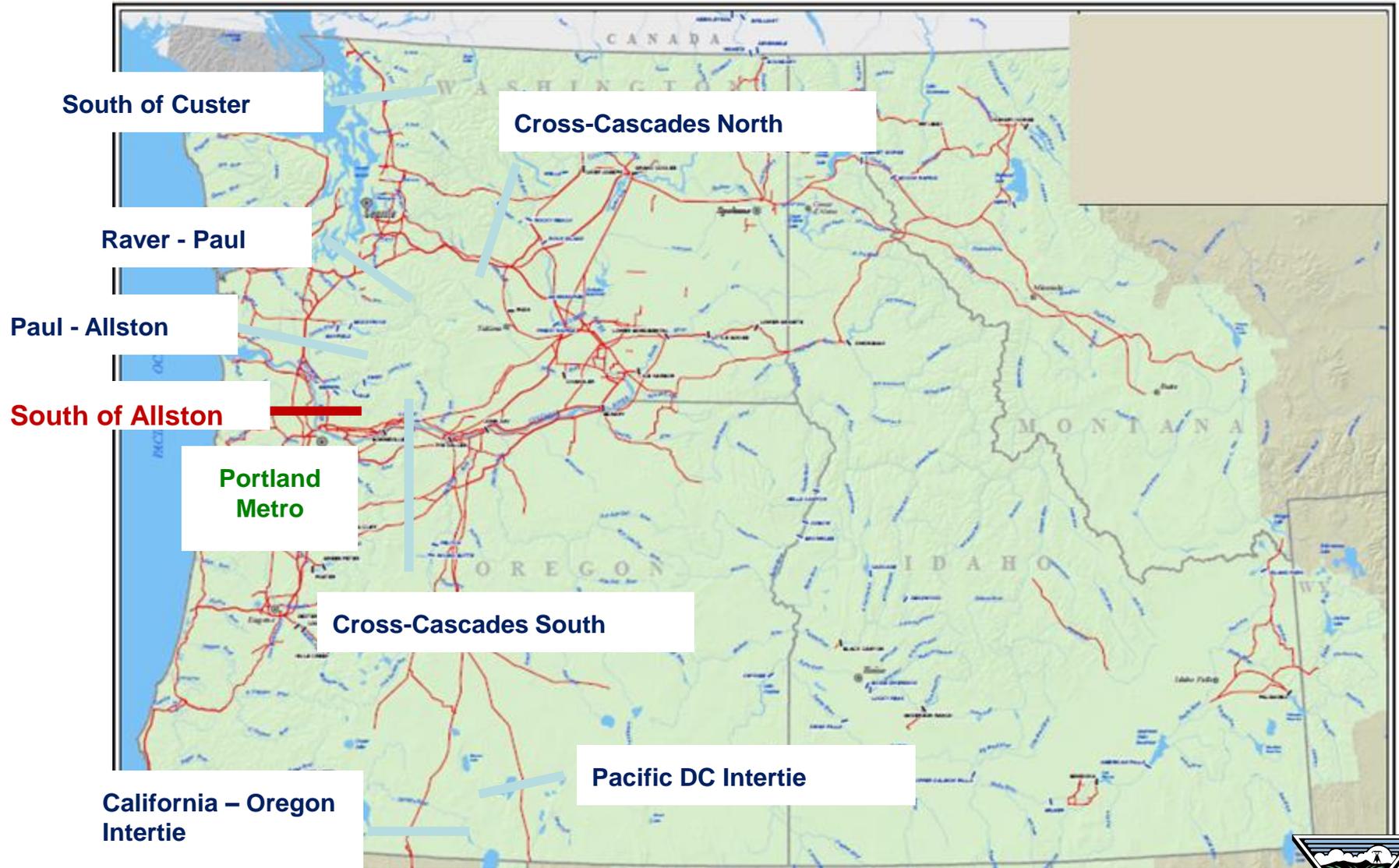




*The **BPA Administrator** stated in the Final EIS for the I-5 Project that “we are also continuing to explore potential options that would not involve building the line – referred to as non-wire measures – to see if there are any feasible and cost-effective options that could defer the need for the project, either in the long term or indefinitely.”*

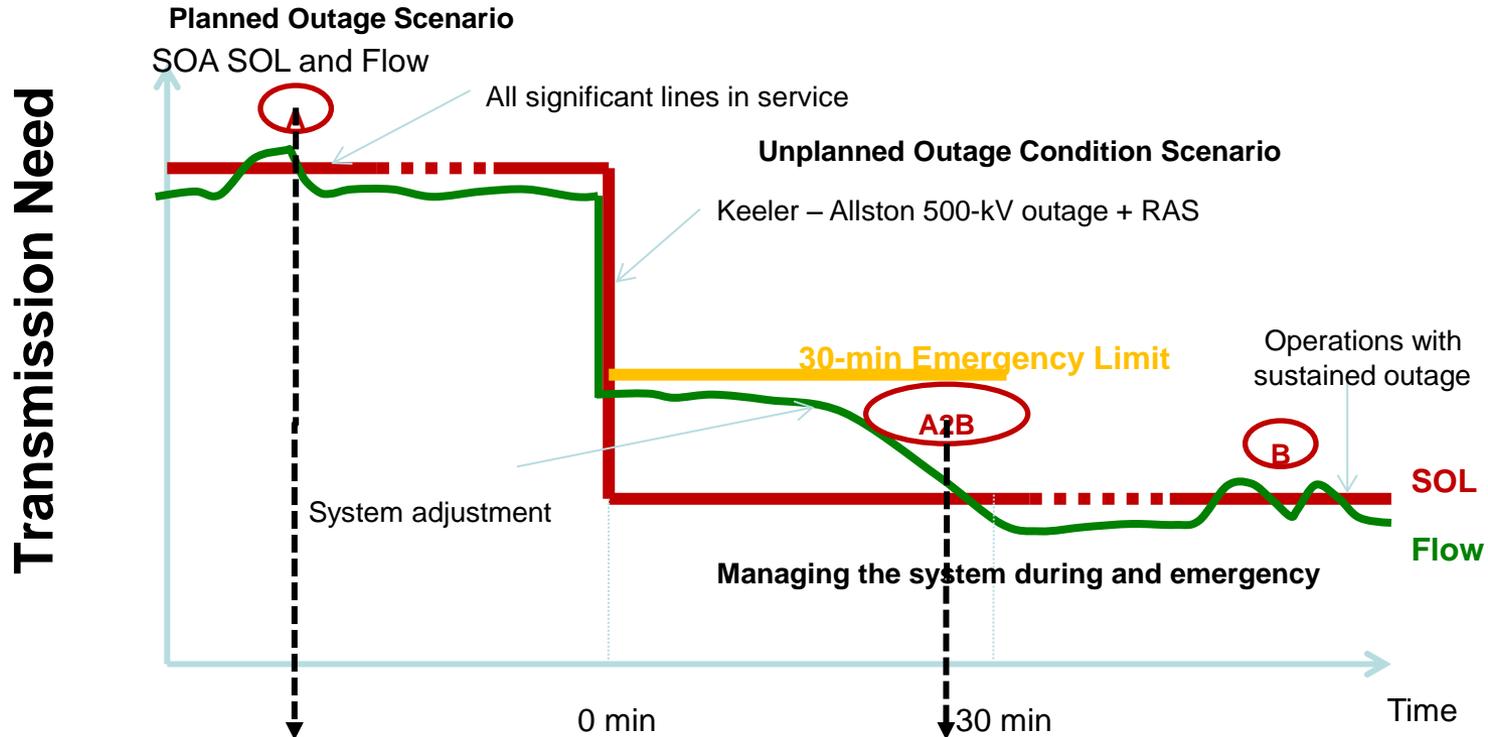
Across the agency, significant effort is being put into further exploring options to defer the need to build the I-5 Project. The RFO for non-wires is one of these options.

Pacific Northwest Transmission Paths



Scope of Operational Problem

(scope of RFO on “A problem” to mitigate risk pre-contingency)



Transmission Need

Non-Wires

Non-Outage (A)	Outage (A2B)
90 Min Notice INC, DEC, DSM	Within Hour notice (ten minute) is needed but outside of the scope of BPA's SOA RFO issued 4/26/16
Day Ahead Notice INC, DEC, DSM	



Bidder Response to RFO

- BPA received 20 responses totaling 947 MW INC and 805 MW of DEC. From these offers, BPA is considering the purchase of enough incremental and decremental capacity and energy to yield 100 MW+ of targeted flow relief to manage congestion on the SOA during summer peak periods.
- The composition of resource types that responded to the RFO was about:
 - 50% represented generation redispatch
 - 30% represented demand response
 - 17% represented battery storage
 - 3% represented other proposals
- BPA received bids that ranged in price from less than \$1kw-mo to more than \$38 kw-mo for capacity. Most INC energy bids were indexed. Due to budget constraints, BPA will not buy either INCs or DECc if final capacity prices significantly exceed the lower end of this range.

BPA's Bidder Evaluation

- BPA's bidder evaluation involved a comprehensive review based on the following criteria:
 - Term Sheet compliance,
 - Reliability performance,
 - Resource availability,
 - Price competition,
 - Environmental uncertainties,
 - Product maturity,
 - Professional reputation,
 - Portfolio diversity and growth and
 - Ease of implementation.

- Additionally, three dispatch scenarios were evaluated to explore pricing and resource availability under different conditions.





Unlimited Hourly Firm

Unlimited Hourly Firm

- BPA's current policy is to stop making hourly firm available when the system experiences congestion.
- BPA will apply this policy in conjunction with deploying third party redispatch when congestion on South of Allston is forecasted at preschedule.
- This is being done to avoid exacerbating a forecasted reliability event.
- BPA will post notice by 9 am at preschedule whether hourly firm will be available for the hours of forecasted congestion.
- BPA will post proposed changes to its "Requesting Transmission Service" Business Practice in the next week or so.



Next Steps

SOA Pilot Program project milestones:

- Jul XX BPA post business practice out for comment
- Jul 15 Bidders submit best and final offers
- Jul 21 BPA purchase decision on SOA Non-Wires portfolio
- Jul 22 BPA notify finalist of acceptance/rejection
- Aug XX Deadline for customer comments on business practice
- Aug XX BPA finalize business practice and respond to comments
- Dec 31 BPA conclude contract negotiations
- Jul '17 Start of two-year SOA Non-Wires Program