Western Public Agencies Group responses to BPA:

(submitted 12/4/15)

Questionnaire on Transmission Load Service and ATC

Nov. 18, 2015

Instructions

Per the discussion held during the November 17, 2015 Transmission Load Service workshop and to help inform which alternatives BPA will further explore, please provide preliminary feedback on the below questions.

Please submit responses no later than close of business **Friday December 4, 2015** to TechForum@BPA.gov. BPA plans to use your feedback to inform where additional data is needed to refine and evaluate options for changes to the Long-Term Firm ATC calculation process.

Questionnaire

1. Do you agree that BPA should continue to use 1-in-2 NCP load forecasts, for those loads BPA forecasts, within Planning ETC studies? If not, why and what would you propose is used instead?

   We offer no proposed change at this time. However, we understand that the use of non-coincidental peaks rather than coincidental peaks for the 1-in-2 NCP load forecasts within Planning ETC studies means the load forecasts used are fairly conservative, which may be appropriate to ensure sufficient capacity is available for future load service. We further understand that some customers have requested that BPA look at even more conservative load forecasts, including 1-in-5 NCP and 1-in-20 NCP load forecasts. To provide balance to the analysis, we recommend that BPA and customers also review the use of load forecasts based on coincidental peaks including 1-in-2 CP, 1-in-5 CP and 1-in-20 CP.

2. Which assumption do you prefer for the modeling of wind resources:
   a. 60% of contract demand, not to exceed 60% of nameplate;
   b. Highest impact, per flowgate, of either 100% of contract demand, capped by nameplate, or FCRPS;
   c. Historical peaks, capped by contract demand; or
   d. Other? (Please describe)

   Based on our current understanding, our preference is to use historical peaks, capped by contract demand.

3. Which assumption do you prefer for the modeling of non-wind non-Federal resources:
   a. Contract demand, capped by nameplate;

b. Historical peaks, capped by contract demand;
c. Contract demand, capped by nameplate or historical peak, whichever is lower; or
d. Other? (Please describe)

We concur with BPA's recommendation to use contract demand, capped by nameplate.

4. Do you agree that BPA should model more variation in FCRPS output, by encumbering ATC for the higher of "stressed" Upper Columbia output, Lower Columbia output, and Lower Snake output individually?
    a. If so, do you believe stressing these groups of projects should be done by modeling each group at nameplate output, adjusted nameplate output (decreased to reflect expected generation outages), or historical peak output?
    b. If not, why and what would you suggest instead?

No recommendation.

5. To balance the generation to load and export in the ATC base cases, would you prefer BPA:
    a. Continue to increase or decrease hydro projects;
    b. Use a merit order logic, to increase the least expensive resources first and decrement the most expensive first;
    c. Inc or dec all resources *pro rata*; or
    d. Other? (Please describe)

We are concerned that the current balancing logic of backing down the FCRPS to balance generation to load and export in the ATC base cases is unsustainable. As preference customers, we receive the vast bulk of our power from the FCRPS. In order for us to receive this power, BPA must reserve and hold enough transmission capacity to bring FCRPS generation to load. Since the current balancing logic apparently backs down FCRPS generation by as much as 2,600 MW to the benefit of non-federal generation, including exports, we are concerned that it could create a transmission deficit for load service to BPA's power customers.

For the above reasons, we could support BPA's use of a pro rata methodology however we encourage BPA to continue to explore the possible benefits of employing some kind of merit order dispatch that may serve as a more reasonable and defendable approach to modeling the system.

6. Do you agree that encumbrance of ATC for aggregate regional load growth is acceptable or do you think each customers' individual load growth should be represented, knowing that the latter option will likely require automation with a higher cost, longer implementation timeline, and only moderately different results in the final ATC values?

Based on what we know now, the encumbrance of ATC for aggregate regional load growth appears acceptable. In any event, the focus and priority should be on serving load growth within the region rather than the encumbrance of ATC for extra-regional purposes.

7. Do you have an opinion on how an uncertainty margin, beyond that already included in TTC calculations, should be calculated? If so, would you prefer BPA determine such a margin as:
    a. A percentage of the flowgates' TTC;
    b. A percentage of the difference between actual flows and ETC values;
    c. To the extent multiple scenarios are run and the "highest of" isn't used in ETC calculations, the difference between the highest of and the selected scenario; or
    d. Other? (Please describe)

    At this time, we have no opinion on how the uncertainty margin should be calculated. However, to the extent the margin is reduced below current levels, we recommend that any capacity made available due to such reduction first be held for future regional load growth before being released for commercial purposes.

8. What data would help you make a more informed selection to any or all of the above questions?

    See response to Question No. 1 above.