

August 16<sup>th</sup>, 2013

TO: BPA Tech Forum, *delivered via email at [Techforum@bpa.gov](mailto:Techforum@bpa.gov)*

RE: BPA Commercial Initiatives: Sequencing & Cumulative Impacts

Renewable Northwest Project (RNP) appreciates the meetings and the opportunity to comment on the many BPA Transmission commercial initiatives currently underway. The delivery of third party balancing reserves, short-term preemptions and competitions, managing hourly firm sales, and implementing 15-minute scheduling, are all important initiatives from our perspective.

The implementation of 15-minute scheduling is an especially important transmission initiative that has the potential to deliver broad benefits to many BPA customers and BPA itself. Widespread use of 15-minute scheduling would decrease the balancing reserve burden placed on BPA by almost 50 percent, allowing BPA to repurpose this capacity and optimize its revenue stream.

The sooner that BPA can give customers confidence and experience with using 15-minute scheduling the sooner customers will be able to make the transition to 15-minute scheduling and the sooner BPA and the region will realize the associate benefits. As such, RNP supports the concept of a phased implementation in order to facilitate offering 15-minute scheduling at a time earlier than is currently contemplated.

RNP believes that offering 15-minute scheduling over the Southern Intertie should also be a priority as such service represents the most likely usage of 15-minute scheduling in the near term. The CAISO is on track to transition to a 15-minute market in mid-2014. Such a market will make it much easier for customers in the Northwest to utilize 15-minute scheduling and decrease the burden placed on BPA's balancing reserves.

In order for customers to take advantage of the rate incentives, which were established to encourage customers to use 15-minute scheduling, they need to make an election on April 4, 2014. In order for customers to be able to make such an election they need confidence from BPA that 15-minute scheduling will indeed be ready by October 1, 2014. Ideally, the region could get some experience with 15-minute scheduling before making an important decision with financial implications and penalties (April 4<sup>th</sup> election).

The settlement of the FY 2014-15 Generation Inputs and Transmission Ancillary and Control Area Services Rates states that “Bonneville shall implement 15-minute scheduling as soon as feasible” and that “Bonneville will take reasonable steps to implement 15-minute scheduling by October 1, 2014.”

While we understand that it is complicated and difficult to manage multiple transmission initiatives simultaneously while ensuring reliability and cost effectiveness, we also recognize that there is more than a year between now and the deadlines agreed to in the settlement. RNP encourages BPA to take all reasonable and feasible steps to allow customers to transition to 15-minute scheduling as soon as possible, no later than October 1, 2014.

RNP appreciates the opportunity to comment. Distributing BPA’s takeaways from the July 24<sup>th</sup> and August 8<sup>th</sup> meetings and then asking for customer comments was an effective approach and is much appreciated.

Sincerely,

Cameron Yourkowski  
Senior Policy Manager