

Interim Hourly Firm AFC Project (Managing Hourly Firm Sales)



Background

- BPA manages Hourly Firm Sales on External Paths (Interties).
- Currently, BPA does not manage Hourly Firm sales on Network Flowgates.
 - BPA does not currently deny Hourly Firm Transmission Service Requests (TSR) on Network Flowgates if there is not sufficient AFC.
 - Congestion on Network Flowgates is mitigated in-hour (except on NOEL Flowgate) through curtailments and other tools.
- As a congestion management tool, BPA uses “Stop Hourly Sales” on Network Flowgates when dispatch determines that critical conditions exist and are likely to extend multiple hours or days.

Background - Continued

- Permitting unregulated Hourly Firm sales of transmission on Network Flowgates poses several concerns:
 - Failure to manage Hourly Firm Sales increases the potential for real-time Firm curtailments.
 - Customers with Long-Term Firm contracts are curtailed pro-rata with customers who purchase Hourly Firm transmission as late as prior to the delivery hour.
 - Increased likelihood Western Interconnection Reliability Coordinator (RC) will direct BPA Dispatch actions to relieve congestion management on the transmission system.
- BPA is currently evaluating methods for managing the sale of Hourly Firm to address identified concerns.

Project Drivers

- Managing Hourly Firm Sales is supported by several project drivers:
 - Preserve the value of Long-Term Firm transmission rights.
 - Reduce the likelihood of Firm transmission curtailments.
 - Reduce the risk of Reliability Coordinator (RC) issuing directives to BPA Dispatch concerning congestion management and operation of the Federal transmission system.

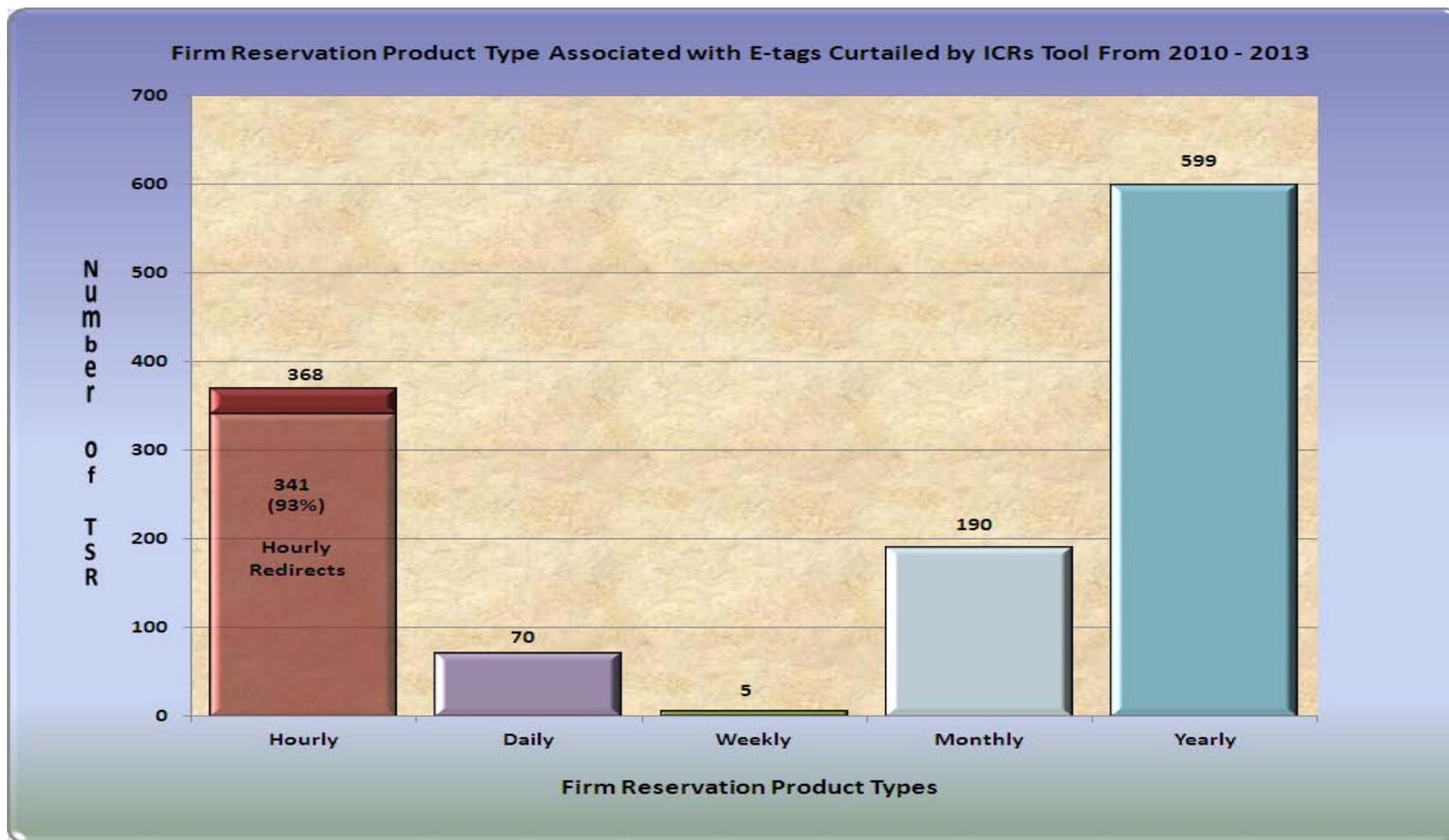
2010 – 2013 Firm Curtailments

- May 2010 West of Cascades North Flowgate curtailment events
 - Multiple Firm transmission curtailments and Stop Hourly Firm and non-Firm transmission sales limits
 - West of Cascades North (WOCN) Lessons Learned report recommended developing an hourly ATC Methodology to manage hourly network sales.
- July 2011– Firm curtailments on the Raver Paul Flowgate
- 2012 -- four Firm curtailment events:
 - two on West of McNary Flowgate
 - two on North of Hanford (S>N) Flowgate
- 2013 -- Firm curtailment events:
 - West of McNary
 - Two on NOEL

2010 – 2013 Firm Curtailments

- Preliminary analysis
 - Ratio of Curtailed Schedules associated with Hourly Firm Reservations to Long-Term Firm Reservations:
 - 0.61 : 1
 - About 93% of curtailed hourly firm schedules were redirect reservations
 - About 95% of Hourly Firm reservations are Redirect TSRs

2010 – 2013 Firm Curtailments



Stop-Hourly Sales

- “Stop Hourly Sales” is a proactive congestion management tool which stops new sales, including redirects.
 - It is used for expected extended congestion.
- Issuance of “Stop Hourly Sales” -
 - Raver-Paul – 6/4/2013
 - NOEL – 4/26/2013
 - SOA – 4/17/2013
 - North of Hanford – 10/2/2012
 - Raver-Paul – 7/24/2011
 - Cross Cascade North – 5/18/2010 - 5/19/2010

Interaction with Other Projects

- Managing Hourly Firm Sales impacts the following identified projects:
 - Short-Term Competition & Preemption
 - Denials of Hourly Firm TSRs, customers may acquire longer duration Firm, or Non-Firm, service.
 - 15-Minute Scheduling
 - Management of Hourly Firm sales would be another tool in the proactive management of congestion prior to implementation of more granular (15-minute) scheduling.
 - STAR Short-Term ATC Method Automation
 - Managing Hourly Firm Sales is to be an interim practice to an Hourly ATC Methodology.
 - NT Redispatch Project
 - By potentially decreasing the risk of Firm curtailments, there may be a decreased need to call on NT Redispatch.

Potential Customer Impacts

- Decreased risk of Firm curtailments.
 - Managed Hourly Firm Sales may lead to less Firm transmission use; Non-Firm use may increase and congestion may focus on Non-Firm curtailments.
- Increased risk of Non-Firm curtailments
 - With increased use of Non-Firm service, congestion may focus on Non-Firm curtailments.
- Denials of Hourly Firm service requests.
 - Denials may lead customers to use longer term Firm or Non-Firm transmission service.
- Reservation of longer duration Firm service
 - Customers unable to acquire Hourly Firm service, in order to obtain Firm service, may need to rely on longer duration Firm products (Daily, Weekly, Monthly).
- Increased use of Non-Firm service.
 - Customers who cannot acquire Hourly Firm service, may decide to seek Hourly Non-Firm service.

Proposed Sequencing/Timeline

- Proposed Timeline of Project:
 - Implementation no earlier than December 2013, but no later than March 2014.
 - Given the challenges in managing the Network Flowgates during constrained times, improving the tool set used by dispatchers is needed.
 - Historically constraints are experienced during the Fall and Spring outage periods.
 - The strong desire is to have a solution in place before the spring outage season.
 - Implementation timing is subject to addressing:
 - Changes to system requirements
 - Updates to processes and procedural changes
 - Customer coordination, testing and training

Customer Coordination

- Interim Project announced 4/11/2013 customer forum
- Customer kickoff presentation, 4/26/2013
- Comments received 5/31/2013
- July 24, 2013 update
- August 2013 Customer Forum update
- Monthly conference call updates, starting September 2013
- Customer participation in Production testing, starting October 2013
- Customer training, starting November 2013
- Post Implementation monitor and improve