Commercial Operations Approved Project Business Case Summary

Marketing and Settlements Solution Project

This project replaces BPA Power Services' system used for power trading, settlements, reporting, and querying functions for transactions with the California Independent System Operator (CAISO). Replacement of this system is needed to address rapidly changing business needs, lack of product updates, declining product reliability, including multiple instances where system issues caused critical bids to fail and led to lost revenue, rising operation and maintenance (O&M) spend, and increased vendor support risk since the initial implementation in 2008. Upgrades to BPA's CAISO system are also needed to meet the new demands posed by the expanding EIM, because BPA has load obligations in multiple current and future EIM participants' BAs. A modern software solution will allow BPA to quickly adapt to bidding, scheduling, and settlement functions needed to serve transfer load in EIM BAs.

Cost and Timeline

The project is expected to cost $2-$4 million. The project began in January 2017 and is expected to be complete by March 2018.

Benefits Summary

There are numerous benefits to this project. By replacing this system, the agency will benefit from easier access to new capacity markets, fewer user errors via improved bid validations, improved analytics, and situational awareness, all of which will contribute to net secondary revenue.

Additional operational efficiencies will be gained through more advanced reporting capabilities and better support for key settlements processes, as well as moving to a Software-As-A-Service (SaaS) cloud-based software platform. This will lower future O&M spend tied to report generation and hardware and storage needs, as well as mitigate the impact of increasing support risk by the current vendor.

Finally, this solution will provide agency-wide access to public CAISO data across Power, Transmission, and Corporate business lines which will improve accuracy and efficiency of agency studies and policy recommendations, as well as responses to public inquiries and rate proceedings. This will benefit multiple workgroups, enable BPA to more accurately and efficiently gather source data, leverage "big data" and data science techniques to analyze the increasingly complex and integrated policy and market design issues of the 21st century utility landscape.