

## **Generation Inputs BP-14 Game Plan**

The purpose of this Generation Inputs BP-14 game plan is to set a starting spot for both internal and external discussion on what will be the primary issues of the BP-14 Rate Case. This BP-14 Game Plan is intended to focus our discussions on stakeholder priorities and allow us to manage the workload and workshop schedule given limits on time and resources. It should also help us identify feasibility of ideas as well as help calibrate expectations. This document is the beginning of a collaborative process to determine what the BP-14 Game Plan will be.

### **Discussion Starting Spot for Gen Inputs BP-14 Rate Case**

Intent key:

- ⇒ *Unchanged* means use the same, or nearly the same if changes in dependencies require minor tweaks, as the practice as determined in BP-12 Rate Case. To make time for higher priority issues, limited to no workshop time will be dedicated to these issues.
- ⇒ *Explore* means dedicate workshop time to flesh out the possibility of adding an enhancement to the current Gen Inputs practice (BP-12 Rate Case).
- ⇒ *Enhance* means dedicate workshop time with the intent to use that time to flesh out the details of an enhancement to the current Gen Inputs practice (BP-12 Rate Case).

### **Rate Case Issues Related to Generation Inputs:**

#### A. Rate Design

- i. *Enhance* - Credit for times when BPA is providing less than the level of balancing reserves as stated in the rate case.
- ii. *Enhance* - Clarify the treatment of *dec* capacity and Generation Imbalance (GI) energy during times of transmission-related curtailments.
- iii. *Explore* - Performance-based (also called volumetric) component in VERBS (similar to the performance feature found in DERBS). *Discussion begins at 3/8/2012 workshop.*
- iv. *Explore* - Assess risk and determine appropriate risk mitigation for balancing reserve-based Ancillary and Control Area Service rates; specifically the application of CRAC, NFB Adjustment, Emergency NFB Surcharge. Will be discussed in conjunction with workshops on risk treatment of net secondary revenues with PF Public customers.
- v. Persistent Deviation
  - *Explore* - Exemption from Persistent Deviation charge for 30/60 scheduling based on centralized forecast for specific facility.
  - *Unchanged* - Exemptions from Persistent Deviation charges for 30/30 scheduling under Committed Intra-Hour Scheduling, hours where schedule is better than 30/60 estimated schedule, and Customer-Supplied Generation Imbalance (CSGI).
  - *Unchanged* - Persistent Deviation definition as of January 2012 with the three-hour window and additional criteria.
- vi. *Explore* - If any changes are needed to Dispatchable Energy Resource Balancing Service (DERBS).

B. Cost Allocation

- i. *Unchanged* - Method for calculating embedded and variable cost of Federal Columbia River Power System (FCRPS) reserves. Not including a possible wear and tear adder.
- ii. *Explore* – Wear and tear adder to balancing services.
- iii. *Enhance* - Method for allocating cost of FCRPS reserves to competing balancing needs.
- iv. *Enhance* - Method for allocating the costs of *inc/dec* acquisitions that are forecast in the Rate Case to competing balancing needs.
- v. *Enhance* - Method for allocating the cost of *inc/dec* acquisitions that were not forecast in the Rate Case.
- vi. *Enhance* - Method for allocating Wind Integration Team (WIT) costs determined in Rate Case. Magnitude of WIT costs not a Rate Case issue. The forum for discussing the magnitude of these costs is BPA's Integrated Program Review (IPR).

C. Quantity of Balancing Reserves Needed

- i. *Unchanged* - Balancing reserve quantity forecast uses pooled approach so diversity benefits are shared among the customer groups.
- ii. *Unchanged* - Method of forecasting the balancing need for wind, non-Federal thermal capacity, and load.
- iii. *Explore* - Balancing need for solar resources. Whether to use existing data from the solar industry to develop VERBS solar rate that BPA can demonstrate is cost based.

D. Supply of Balancing Reserves

- i. *Enhance* - FCRPS available balancing reserve limit defined.
- ii. *Unchanged* - BPA will continue to base quantities of reserves provided from the FCRPS on rate case forecast.
- iii. *Explore* - How to address Rate Case forecast *inc/dec* acquisition needs and acquisition needs not forecast in Rate Case (method and timing). This will include discussions on the feasibility of BPA's ability to base acquisitions of additional non-FCRPS reserves on balancing reserve needs determined through use of wind forecasting models.

E. Level of Service

- i. *Explore* - Level of service as it relates to scheduling elections (e.g. 99.5% for *inc* at 30/60)
- ii. *Explore* – Customer options, participation, and commitments (e.g. Customer-Supplied Generation Imbalance, Committed Intra-Hour Scheduling, Supplemental)
- iii. *Explore* – Treatment of PF Public customers sinking Variable Energy Resources to their load in BPA's Balancing Authority Area.

**Rate Case dependent decisions from non-Rate Case processes:**

1. Dynamic Transfer Capability (DTC) – explore need to grow DTC in FY2014-15.  
*March 7th workshop.*
2. Enhanced BPA Balancing Authority - discuss strategic direction for FY2017 and beyond.  
*March 7th workshop.*
3. Integrated Program Review (IPR) – determine expense levels for major BPA programs.  
*31 January 2012 meeting, workshops in June and July*
4. Oversupply Rate Case – formal 7(i) process.  
*To be determined soon*