

# BPA NEWS

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BONNEVILLE POWER ADMINISTRATION  
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## **BPA explores reliability coordinator services options**

**Portland, Ore.** – The Bonneville Power Administration signed a letter of intent today to explore receiving reliability coordinator services from the California Independent System Operator. CAISO announced in December that it would begin offering RC services outside of its footprint in September of 2019.

The non-binding document enables Bonneville to participate in CAISO’s stakeholder process as it forms its RC service, helping BPA to reduce potential seams issues between the federal transmission system and those transmission customers who use BPA’s system to participate in that RC.

Peak Reliability has been the provider of reliability coordinator services for the western United States and portions of Mexico and Canada since 2014. With CAISO and other entities proposing to provide these services, Bonneville needs to consider what is best for reliability as well as the potential cost implications to its customers.

The letter of intent enables BPA to further evaluate more specifically whether the CAISO RC is the best option for Bonneville and its customers.

BPA also signed today a non-binding notice of withdrawal with its current reliability coordinator, Peak Reliability, effective as of Dec. 31, 2019. Since every Balancing Authority and Transmission Operator (BPA is both) must have one and only one reliability coordinator, this action allows BPA to mitigate cost risks as it maintains the flexibility to evaluate all reliability coordinator options.

“The reliability of the federal transmission system in the northwest and the Western Interconnection are our principal concerns,” said Michelle Cathcart, vice president of Transmission Operations for BPA. “Our two actions today with CAISO and Peak RC will ensure we can maintain that reliability across our footprint as the region’s utility providers, including some of our customers, decide which path to pursue for reliability coordinator services.

“These actions also help preserve our flexibility as we evaluate RC service providers in an effort to



secure the most reliable solution that meets the unique requirements of our stakeholders and the region,” added Cathcart.

The function of a reliability coordinator is to have visibility of transmission operations and potential areas of conflict or congestion across multiple balancing authorities or transmission operators within a geographic region. The use of an RC is a mandatory compliance measure enforced by the North American Electrical Reliability Corporation and the Western Electricity Coordinating Council as the regional enforcement entity.

These actions do not prescribe a future outcome for BPA and who it receives RC services from. During the formational period of the CAISO RC, Bonneville will evaluate those services along with potential changes at Peak Reliability and other potential reliability coordinator providers to determine the best path forward for ensuring reliability and delivering value to the Northwest.

In order to sign the letter of intent with CAISO, BPA also signed a non-disclosure agreement specific to the internal operations and policies of the developing CAISO RC. BPA continues to work with CAISO to find additional flexibilities within the intent of that NDA to enable Bonneville to better serve customers who may be going through a similar process.

“We believe there is value in keeping as much of the region intact as possible through this decisional period,” Cathcart said. “A unified Northwest, ultimately, is a stronger Northwest.”

A decision on reliability coordinator services is not tied to participation in a western energy imbalance market like the CAISO EIM. Bonneville continues to closely monitor the development of a western EIM and is exploring the possibility of joining such a market as another means of preserving the value of Northwest hydropower and transmission.

### **About BPA**

*The Bonneville Power Administration, headquartered in Portland, Oregon, is a nonprofit federal power marketer that sells wholesale electricity from 31 federal dams and one nuclear plant to 142 electric utilities, serving millions of consumers and businesses in Washington, Oregon, Idaho, western Montana and parts of California, Nevada, Utah and Wyoming. BPA delivers power via more than 15,000 circuit miles of lines and 260 substations to 511 transmission customers. In all, BPA markets about a third of the electricity consumed in the Northwest and operates three-quarters of the region’s high-voltage transmission grid. BPA also funds one of the largest fish and wildlife programs in the world, and, with its partners, pursues cost-effective energy savings and operational solutions that help maintain affordable, reliable and clean electric power for the Northwest. [www.bpa.gov](http://www.bpa.gov)*

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