



December 23, 2016

Portland General Electric Company Comments on BPA's proposed Coordinated Transmission Agreement (CTA) with the CAISO

Portland General Electric Company (PGE) appreciates the opportunity to submit comments on the proposed Coordinated Transmission Agreement (CTA) between Bonneville Power Administration (BPA) and the California Independent System Operator Corporation (CAISO).

PGE in general supports the establishment of this CTA between BPA and the CAISO. PGE recognizes the significant time and effort management and staff at these organizations have committed to developing an operational framework for EIM participants in the Northwest to use their long-standing transmission rights on the BPA network to support EIM transfers. PGE believes this work has, and will continue to, deliver broad benefits to BPA and all of its customers as it will result in a more reliable and efficient operating paradigm for all users of the BPA system and the regional transmission network as a whole.

However, PGE does have reservations about a subset of the conditions outlined in the CTA and is requesting further clarification and reconciliation on a few key points.

In addition to the specific comments provided below, PGE supports the comments on the proposed CTA submitted by the two current EIM entities in the Northwest, Puget Sound Energy, Inc., and PacifiCorp.

Given BPA's existing processes for managing congestion relief needs on the South of Allston path, including its acquisition of third-party supplied capacity in the form of incremental, decremental, and demand-side management load reduction rights, PGE is unconvinced that Section 5.4 is a necessary component of the EIM-specific CTA. If BPA nevertheless intends to retain Section 5.4, PGE requests that BPA clarify its intended purpose, and the operational and potential financial impacts of it on participating entities, by:

1. Providing additional specificity regarding instances and conditions under which Section 5.4 would be triggered, specifically with regard to how BPA defines "short duration" and how the short duration identifier would limit BPA's use of this protocol; and
2. Revising Section 5.4 language to clarify that BPA and CAISO are not able to call on specific EIM Participating Resources to resolve South of Allston-related system issues unrelated to an EIM Participating Resource's use of their BPA transmission rights on that path, whether through EIM or standard bilateral scheduling.

Additionally, PGE believes BPA should engage in further technical outreach to directly affected generation and participating Balancing Authorities to put appropriate commercial and operational bounds around the use of Section 5.4. PGE is concerned that without proper controls, BPA's use of Section 5.4 would lack transparency and could lead to an assertion that BPA was



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arbitrarily picking “winners” and “losers” among its transmission customers through this protocol.

Finally, given that BPA has engaged the region in other processes to pay for congestion alleviation across the South of Allston path, if BPA retains Section 5.4, PGE believes it is reasonable to expect that BPA will provide direct compensation to the appropriate entities. PGE believes this compensation should be commensurate with the relief provided by the affected BA and generation owners and that BPA should not simply rely on the economic settlement of the EIM to hold harmless the affected entities.

PGE appreciates BPA’s consideration of the matters raised herein. Please direct any questions on these comments to Shawn Davis at 503-464-7013, or shawn.davis@pgn.com.