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December 23, 2016

Via Email (techforum@bpa.gov)

U.S. Department of Energy
Bonneville Power Administration
Transmission Services
P.O. Box 64019
Vancouver, WA 98666-1409

Re: Comments of PacifiCorp on Coordinated Transmission Agreement between Bonneville Power Administration and California Independent System Operator

Ladies and Gentlemen,

PacifiCorp respectfully submit these comments to Bonneville Power Administration (“BPA”) concerning the materials presented by BPA in its December 2, 2016 Coordinated Transmission Agreement (“CTA”) public meeting, in response to BPA’s request for comments by December 23, 2016, on the proposed CTA between BPA and the California Independent System Operator (“CAISO”).

PacifiCorp’s primary concerns relate to the implementation of Sections 5.2 and 5.3 of the CTA. PacifiCorp understands that these sections will not be implemented until further conversations have taken place with EIM Entities and other impacted parties. PacifiCorp is encouraged that BPA and CAISO plan to coordinate with EIM Entities and other impacted parties, and PacifiCorp looks forward to playing an active role in the implementation process. Specific concerns about various sections of the draft CTA are outlined below:

1. Section 2.0 - Upper and Lower Rate of Change Limits. In the definitions section, the Upper and Lower Rate of Change Limit definitions do not match what is currently used in the EIM model. PacifiCorp suggests that the definition be changed to reference what is currently in place, such as “The rate of change constraints that CAISO imposes on market flow on BPA defined flowgates.”
2. Section 3.0 - Coordinating Committee. PacifiCorp requests that BPA and CAISO expand the scope of the Coordinating Committee to include one representative from each EIM Entity which is impacted by BPA, or have a provision which provides for an opportunity for the Coordinating Committee to timely coordinate with each impacted EIM Entity, including coordination in advance of Coordinating Committee meetings, and to receive and consider input from each impacted EIM Entity. Any decisions made by the

Coordinating Committee should be reviewed to ensure they do not compromise any agreements between BPA, CAISO and any of the impacted EIM Entities.

3. Exhibit C - Directional Limits. Since Bonneville Managed Facilities may have limits in two directions, i.e. North-South and South-North, East-West, and West-East, BPA should list in Exhibit C what direction the path is being limited to. Since the Upper and Lower Rate of Change Limits are actually directional change limits and not magnitude limits, PacifiCorp suggests that Bonneville consider using different terminology, such as North, South, East and West limits depending on the direction of each path. Currently, “Upper” appears to be referencing whichever direction is considered to be the predominant direction of flow on each path (which tends to be South or West, but not always).
4. Section 2.1 - Bonneville Managed Facilities. Please clarify that the definition of Bonneville Managed Facilities only includes BPA facilities and not the facilities of any third parties. This could be accomplished by changing the first sentence of the definition to read, “The Bonneville transmission paths or facilities . . .” In addition, when Bonneville Managed Facilities are added or removed from Exhibit C, there should be some type of public notification if there is not an amendment filed at FERC.
5. Section 2.8 - EIM Area Total Flow Calculation. PacifiCorp would like clarification as to how CAISO calculates the EIM Area Total Flow.
6. Section 5.1 – Upper and Lower Rate of Change Limits. The CAISO will use EIM Participating Resources listed in Exhibit C to manage EIM Incremental Flow on Bonneville’s transmission system. This provision appears to implicate EIM Entities which are not a party to the CTA.
7. Section 5.2 – Managing EIM Area Total Flows When Bonneville is not Curtailing Transmission Schedules. Section 5.2 adds a new tool that gives BPA broad authority to re-dispatch or block the re-dispatch of generation in and between other BAA's in order to control flow within BPA’s BAA. This tool will impact balancing and economic dispatching throughout the EIM footprint. Previously, BPA implemented a very similar automated tool to block the increase of EIM Transfers between BAA's. At the time, BPA claimed the tool would be used for brief emergency periods when transmission events occurred. However, once the tool was in place, BPA decided unilaterally to use it for other purposes, and it was activated on an almost daily basis. From October 1-18, 2016, EIM Transfers were limited to as little as zero MW for over 9 hours per day, or 38% of the time. PacifiCorp and others requested that BPA implement an operating procedure to ensure non-firm schedule curtailments would occur before using this tool to block firm schedules, but these requests were not addressed. BPA also promised at the time to perform revised studies as they recognized the curtailments were not always necessary, but a year later they acknowledged they had decided not to perform those studies in spite of knowing they were blocking firm schedules unnecessarily and unfairly. Nothing in the new agreement appears to restrict Bonneville from using the Section 5.2 tool, once created, for other purposes. PacifiCorp is concerned that once Bonneville has the new Section 5.2 tool in place, they will use it for any number of purposes out of convenience rather than implement pro-rata, priority based curtailments. Since this would pose a

direct threat to the efforts of many northwest utilities to jointly optimize their transmission and generation via the EIM, PacifiCorp requests that Bonneville specifically identify in the agreement how this tool will or will not be coordinated with the rest of the actions noted in Section 5.2(1), as well as specifically limit what it can and cannot be used for.

- A. Section 5.2 of the CTA introduces inefficiencies to the EIM that affect balancing and economic dispatch throughout the EIM footprint, would impose costs on EIM Entities, and would occur prior to curtailment under the BPA Open Access Transmission Tariff that requires the curtailment of Point-to-Point Transmission customers and the redispatch of Network Transmission customers on a pro rata basis. As discussed below, EIM Entities should be compensated for such costs.
 - B. It appears that the effect of Section 5.2 is to potentially impose non-economic dispatch of EIM Participating Resources without expressly providing for compensation and without redispatch or curtailment of other BPA transmission schedules. BPA transmission contracts of the EIM Transmission Service Providers should not be treated in an unduly discriminatory manner, and EIM Entities should be compensated for dispatch under Section 5.2 of the CTA.
 - C. Imposing limits on the EIM Area Total Flow without compensation (i) limits flows from EIM Participating Resources and other resources and (ii) unfairly imposes the costs of congestion due to limitations of BPA's transmission facilities solely on EIM Entities. Section 5.2 benefits transmission customers, including those that are not EIM Entities (i.e., by not curtailing PTP customers or redispatching NT customers), and BPA. (For example, under proposed Section 5.2, a PTP customer using a pseudo-tie e-tag could increase its use of the BPA transmission system up to the full tag capacity, regardless of whether BPA was initiating pre-curtailment activities, such as Federal Columbia River Power System discretionary redispatch.) Section 5.2 essentially proposes to leverage the EIM to redispatch EIM Entities, rather than rely on transmission curtailment priorities; compensation should be provided for such use.
8. Section 5.3 – Managing EIM Area Total Flows When Bonneville is Curtailing Transmission Schedules. Similar to the comments regarding Section 5.2 above, PacifiCorp is concerned that Section 5.3 gives BPA the ability to re-dispatch generation in other BAA's without adequate visibility or knowledge of what the balancing or transmission impacts might be. PacifiCorp is concerned about the potential for disproportionate and potentially discriminatory curtailment of EIM Entities.
- A. Will BPA have the ability to identify which schedules on a given path are included in the EIM Area Total Flow calculation, or would those schedules be subject to curtailment at the same time that EIM incremental flow is re-dispatched to counter the same schedules? After Section 5.3 procedures are initiated, presumably bilateral schedules could continue to come in for subsequent periods, but EIM flows could not increase for the same periods.

- B. What method would BPA use to identify whether EIM transfers for subsequent periods should be further released due to priority vs. bilateral schedules?
 - C. Once the procedure is implemented, what methods are available to BPA operations to identify what percentage of each of the identified paths should be made available for EIM flows vs. bilateral schedules?
 - D. In general, similar to the concerns expressed in Section 5.2 above, PacifiCorp would like Bonneville to explain what guarantee there is that once Section 5.3 is available, it will not be used out of convenience for any purpose rather than in a pro-rata manner with other transfers for specific purposes.
 - E. BPA indicated that it would coordinate with EIM Entities to identify types of e-Tags that should be excluded from traditional curtailment inasmuch as they are covered by EIM. This could include bilateral e-Tags—for example, bilateral e-Tags supporting Non-Participating Resources. Section 5.3 of the Draft CTA does not currently address these matters.
9. Section 5.4 – Adjustment of Generation. Section 5.4 on South of Allston events may not be needed. There is an existing Northwest Power Pool procedure in place to address these events. If it remains, Section 5.4 needs to be reworded to more clearly identify its intended purpose. If Section 5.4 language is intended to identify a RAS event response, that should be clarified. There are many actions such as automatic AGC interruption that can be used for RAS events, and this agreement may not be an appropriate place to modify existing operating procedures. In addition, it is unclear what actions are being requested and whether those actions would be different from what is identified in Section 5.3 for other transmission paths.
10. Section 5.6 – Sole Discretion. PacifiCorp is concerned about the language giving BPA and CAISO sole discretion to amend or revise tariffs and business practices without feedback or input from impacted entities. PacifiCorp would encourage BPA and CAISO to provide a posting and comment period for such changes to be reviewed.
11. Section 5.7 – Waivers by Phone Line. PacifiCorp questions whether waivers by a recorded phone line are practicable. Waivers in writing would be more customary and acceptable.
12. Section 5.9 – Rate Impacts on Customers. PacifiCorp would appreciate an explanation of the rate impacts to customers which are contemplated by Section 5.9.

PacifiCorp appreciates the opportunity to provide comments, and BPA’s consideration of these comments.