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Renewable  
Northwest  
Project

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TO: BPA Tech Forum, [techforum@bpa.gov](mailto:techforum@bpa.gov)

RE: Managing Imbalances

Renewable Northwest Project appreciates the opportunity to comment on Bonneville's concerns regarding managing imbalance accumulations on BPA's system. BPA's January 19<sup>th</sup>, 2012 meeting on this subject follows up on the commitment made in the Partial Transmission Settlement Agreement to explore ways to "... prevent or mitigate cumulative imbalances and patterns of under-delivery or over-use of energy."<sup>1</sup> This meeting was a good start to this discussion, but RNP believes that more information is required in order to design appropriate policies to address imbalance accumulations.

Having reviewed the monthly imbalance reports<sup>2</sup> of the last twelve months, RNP recognizes that in several instances the accumulated wind generator imbalance (WGI) has not leveled to zero. RNP notes that the same monthly imbalance reports demonstrate that the accumulated energy imbalance (EI) also frequently does not level to zero. Lastly, RNP notes that in several instances the wind generator imbalance is equal but opposite of the energy imbalance.<sup>3</sup> An important next step is to analyze the net total system accumulated imbalance from both energy and generator imbalance. Understanding the size, patterns, and characteristics of the system issue will form the basis for policy discussions going forward.

RNP appreciates that the accumulation of imbalance energy (both GI and EI) may cause Bonneville to market federal hydro power in an unforeseen manner. Until data and analysis show otherwise, it remains our position that these costs may already be recovered through existing rates. As this conversation moves forward, BPA should clearly articulate where they believe the gap is between existing rates and policies, and the costs associated with the forced marketing of accumulated imbalances.

When considering policy remedies for wind generator imbalance, RNP believes it is important to recognize that the same challenges are introduced through load forecast error. Cost recovery designs for WGI should mirror those of energy imbalance.

The interaction between BPA's DSO 216 policy and scheduling practices to avoid accumulated imbalances has always been an important part of this policy discussion. The desire to avoid DSO 216 events can exacerbate accumulated imbalances, and the desire to avoid Persistent Deviation Penalties can trigger DSO 216 events. It is possible that the use of DSO 216 is preventing generator imbalances from netting to zero. This issue also deserves more

analysis. We recognize that BPA provided the accumulated imbalance for a single wind generator following a persistence schedule, but it is unclear if DSO 216 events were modeled in that analysis and a similar analysis for the entire wind fleet would be more useful.

RNP looks forward to learning more about accumulated imbalance on BPA's system and exploring effective policies to address this issue. We believe that the utilization of more incremental scheduling practices and improving variable energy forecasting practices will mitigate this issue. RNP appreciates that BPA exempts participants in the Committed Intra-hour Scheduling Pilot from the Persistent Deviation Penalty. Once a sufficient record has been established, a confidential report analyzing the impact of this policy on accumulated imbalances would facilitate broader discussion.

We also continue to encourage BPA to reach out to the worst offenders of accumulated imbalance to identify and resolve their specific shortcomings before BPA implements system wide policies that have sweeping effects on how all generators schedule energy. BPA should appreciate that each wind project owner is operating under different contractual arrangements with different off-takers, different forecasting and scheduling capabilities, and different cost and risk exposures. BPA may have to reach out to all parties involved in the transaction in order to change behavior.

RNP appreciates the opportunity to comment on this issue and looks forward to discussing this issue further. In summary, RNP believes that cost recovery principles for imbalance energy should be consistent across customer classes and more information will aid additional policy considerations. We hope that BPA finds these comments useful; please let us know if any clarification is required.

Sincerely,

Cameron Yourkowski

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<sup>1</sup> United States. Bonneville Power Administration. *Partial Settlement Agreement*, BP-12 Final ROD. July 2011. B-12-A-02.

<sup>2</sup> United States. Bonneville Power Administration. *Ancillary & Control Area Services*. Web. <<http://transmission.bpa.gov/business/ancillary/>>.

<sup>3</sup> United States. Bonneville Power Administration. *BPA Imbalance Activity Report September 2011*. Web. <[http://transmission.bpa.gov/business/ancillary/2011\\_sept\\_report.pdf](http://transmission.bpa.gov/business/ancillary/2011_sept_report.pdf)>.