

BP-14 Generation Inputs Workshop

April 26, 2012



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Introduction

- This is the third Generation Inputs Workshop of the BP-14 Rate Case. More workshops are scheduled through July 2012.
- Workshops will be posted on the BPA agency calendar. Tech Forum notices will inform you of the dates and provide the link to workshop materials.
- These workshops are discussions between BPA and customers and stakeholders prior to BPA crafting an Initial Proposal.



Follow-Up from Previous Generation Inputs Workshops: Customer Feedback



Follow-Up from Previous Workshops: Customer Feedback on *Dec* Acquisitions

- *Dec* Acquisitions for BP-14
- BPA requested customer feedback at the 27 March workshop on the following:
 - For the FY2014-2015 rate period, should BPA provide fewer *dec* reserves (i.e., a lower level of service than *inc* reserves) given the high cost of acquiring *dec* reserves? The amount of *decs* would be limited by the Federal Columbia River Power System's ability to provide.
 - The cost of BPA procuring *decs* may be less cost effective than occasional feathering at wind projects.
 - Request for Proposal costs were so high that BPA chose not to purchase for FY 2012 and 2013
- Should BPA attempt to add *decs* to Supplemental Service?



Follow-Up from Previous Workshops: Customer Feedback on Performance Based Rate Design

- In the March 8 workshop, BPA requested customer feedback on the following:
 - What aspects of performance-based metrics should be pursued for VERBS rate design for the FY 2014-2015 rate period?
- BPA presented two concepts at the 8 March workshop.
 - Variable billing factor for imbalance component (generator's contribution to the hourly use of *incs* and *decs*)
 - Some customers would pay more and others would pay less under this plan; monthly bills would be less predictable
 - Customer choice of scheduling practice linked to centralized forecast or objective metric (e.g., persistence)
 - Creates more predictable monthly billing
 - Extension of existing Committed Intra-Hour Scheduling concept
 - Could be linked to Persistent Deviation exemption



Clarification in ACS-14 Rate Schedule



Clarification in ACS-14 Rate Schedule

- We are proposing to clarify in the ACS-14 Rate Schedule that capacity-based generator balancing products (DERBS, VERBS) and Generation Imbalance Service, do not provide decing capacity or provide energy for negative deviations (actual generation greater than scheduled) relative to the sum of schedules for scheduling periods when e-Tags from the generator are curtailed or when the generator is under a generation limit dispatch order.
- Under this clarification. BPA would no longer be providing Generation Imbalance compensation for overgeneration relative the sum of schedules during curtailments or limit generation orders.



Timeline for Generation Inputs in BP-14 Rate Case and Related Processes



Inputs Needed for Rate Case Calculations Preliminary Schedule, Subject to Change

- 1 May 2013.
 - Election for Self Supply for Imbalance Component.
 - Election for Committed Intra-Hour Scheduling.
 - Election of Scheduling Accuracy for Each Wind Facility.
 - Election to Take Balancing Reserves from BPA.
 - Level of Service Decision.



Inputs Needed for Rate Case Calculations Preliminary Schedule, Subject to Change

- 1 June 2012
 - Dynamic Transfer Capability (DTC) Business Practice Revisions
- 5 June 2012
 - Integrated Program Review Kick-off
- 1 July 2012
 - Solicit Requests for DTC
- 1 August 2012
 - Responses on DTC Requests Due
- September – October 2012
 - Evaluate DTC Requests
- October 2012
 - Final Integrated Program Review Spending Levels
- 1 November 2012
 - BPA Awards DTC



Balancing Reserve Capacity Quantity Forecast Assumptions for Initial Proposal



Balancing Reserve Capacity Quantity Forecast Assumptions for the Initial Proposal

- A balancing reserve forecast for the initial proposal will be calculated soon.
- This reserve forecast will be an input to the hydro study (HYDSIM) that will be used for the initial proposal.
 - The balancing reserve forecast may be rerun for the initial proposal if substantial changes need to be made to the input assumptions.
- HYDSIM will be run for the final rate proposal.



Balancing Reserve Capacity Quantity Forecast Assumptions for the Initial Proposal

- Summary of the Installed Wind Forecast presented at the 27 March Generation Inputs workshop.
 - The March 2012 preliminary forecast for FY 2014-2015 has an installed wind capacity of 4,770 MW at the beginning of the rate period, an installed wind capacity of 5,938 MW at the end of the rate period, and an annual average of 5,208 for the rate period.
 - The March 2012 preliminary forecast for the beginning of the BP-14 rate period is about 750 MW less than the BP-12 final study for the end of this rate period.
 - Reduction includes a forecast of about 200 MW of wind leaving the BPA Balancing Authority in FY 2013.



Balancing Reserve Capacity Quantity Forecast Assumptions for the Initial Proposal

- Level of Service Percentile Coverage.
 - 99.5% in BP-12 rate case.
 - Assume 99.5% for BP-14 Initial Proposal.

- Scheduling Period.
 - 60-minute scheduling period in BP-12 rate case.
 - Assume 60-minute scheduling period for base VERBS service in the BP-14 Initial Proposal.



Balancing Reserve Capacity Quantity Forecast Assumptions for the Initial Proposal

- Wind Scheduling Accuracy
 - 30/60 (30-minute persistence scheduling accuracy in a 60-minute scheduling period) initial assumption for non-Committed Intra-Hour Scheduling and non-self supply plants
 - 30-minute persistence scheduling accuracy in BP-12 rate case
 - BPA will conduct studies of capacity requirement associated with non-Committed Intra-Hour Scheduling and non-self supply plants scheduling 30/30, 45/60 and 60/60 as well as a study of the fleet using historic actual schedules, to enable discussion of additional options for schedule accuracy elections by various wind generators.



Balancing Reserve Capacity Quantity Forecast Assumptions for the Initial Proposal

- **Committed Intra-Hour Scheduling Participation.**
 - Assumed 525 MW of installed wind capacity participating in Committed Intra-Hour Scheduling Pilot in BP-12 final rate proposal.
 - For BP-14 Initial Proposal, assume participation level for May 2012.
 - 571 MW represents this assumption.
- **Self Supply of generation imbalance component of VERBS.**
 - Customer-Supplied Generation Imbalance Pilot participation by Iberdrola in BP-12 rate case was forecast to be 1393 MW.
 - Assume self supply in an amount equal to current Iberdrola wind projects and forecasted Iberdrola wind projects. This amount is forecast to be 1472 MW for BP-14 Initial Proposal.



Method for Mapping Supply to Need



Method for Mapping Supply to Need

- See “Mapping the Cost of Forecast Firm FCRPS Balancing Capability to Competing Balancing Needs and the Framework that Supports BPA’s Acquisition of Additional Balancing Reserves.”



Initial Staff Response to Iberdrola Proposal



Initial Staff Response to Iberdrola Proposal

- Iberdrola presented a draft proposal for wind balancing service/rate at the March 8 Generation Inputs Workshop. BPA staff has been reviewing the proposal. While BPA is not prepared yet to take a position on many aspects of it, some initial thoughts are:
 - BPA is willing to offer short-term on-demand capacity products on a discretionary basis.
 - BPA use of system flexibility would be at BPA's sole discretion.
 - Assuring load service, accounting for non-power constraints, and consideration of other factors would affect the decision to offer on-demand capacity from the FCRPS.
 - This option should be redefined as purchases of capacity to support reserves from a (minimally functioning) market, not just a BPA-only option.
 - Use of WebEx
 - Market participation—BPA would be one of many sellers and/or purchasers.
- Slice implications need to be clarified.
- BPA has not considered eliminating the Persistent Deviation penalty in its review of Iberdrola's proposal.



Request for Wind Generation Data

- BPA is requesting the total Potential Generation for all Wind Plants, who have or can calculate and archive such data, connected to the BPA system in the smallest time increment available (one minute average preferred) for the period of October 1, 2009, to Present. If data is unavailable for this entire time period, please provide whatever data you do have.
- For those that are able to provide data to BPA immediately, please provide it (MW) in digital format (via email or mail a CD/DVD) to BPA in one of the following formats: comma separated variable (*.csv), Excel (*.xls or *.xlsx), MatLab (*.mat) or text (*.txt).
 - Provide data to Frank Puyleart: frpuyleart@bpa.gov
OR Frank Puyleart, TOT-DITT-2, P.O. Box 491, Vancouver, WA 98663
- A Official Request Letter was sent out on April 16, 2012 through the Transmission Account Executives.
- **Please fulfill this request by May 1, 2012 for inclusion in the BP-14 Initial Proposal.**
- Please contact Frank Puyleart at frpuyleart@bpa.gov with questions.



Customer/Stakeholder Issues, Concerns, or Presentations



Next Steps

- Next Generation Inputs discussion workshops planned.
 - 9 May 2012, 1:00-4:00
 - 23 May 2012, 1:00-4:00
 - Tech Forum announcement will be sent to confirm dates and times.
 - For every Generation Inputs workshop we will dedicated 30 minutes for customer presentations.

