

Dynamic Transfer Capability (DTC) Rates Settlement Update Workshop

January 19, 2012



INTRODUCTION

- BPA agreed to engage parties through workshop discussions and written comment and response regarding many facets of Dynamic Transfer Capability (DTC) pursuant to the BP-12 Transmission Settlement Agreement.
- Today's discussion is intended to review the status of DTC-related actions identified in the settlement and to solicit customer feedback.
- We encourage you to join us today in an open and constructive dialogue on these DTC-related issues. This is our opportunity to listen and your opportunity to give us feedback, ask questions, and explore the future DTC work at BPA.
- You will also have an opportunity to submit written comments for consideration and to help us shape the conversation for subsequent workshops.



BPA BP-12
Transmission Settlement:
Activities to Date



BP-12 Transmission Settlement Language

- **BP-12 Final ROD (BP-12-A-02A), Section 5(a-c)**
 - 5.a) During the Rate Period, BPA will engage the signatories in discussions, request and respond to written comments, and take the following actions regarding the following issues:
 - i. BPA will adopt commercial practices under which BPA allocates dynamic transfer capability (DTC) on BPA's transmission system, including DTC for both imports and exports, taking into account the technical and operational requirements and the DTC needed for self-supply and other regional initiatives;
 - ii. BPA will further develop methodologies to determine the availability of DTC;
 - iii. BPA will adopt ways to secure reliable and reasonable operational certainty for generators given the operational limits on the amount of DTC that BPA can make available;
 - iv. BPA will develop and adopt methodologies for determining the infrastructure requirements and cost allocations for increasing DTC;



BP-12 Transmission Settlement Language (con't)

- 5.a) During the Rate Period, BPA will engage the signatories in discussions, request and respond to written comments, and take the following actions regarding the following issues (con't):
 - v. BPA will determine the appropriate use and terms of dynamic transfer agreements to govern access to and use of DTC; and
 - vi. To the extent, if any, that BPA has the unilateral authority to do so, BPA will determine the appropriate use, if any, of the Northwest Power Pool Firm Contingent product code for wind.

- b) During the Rate Period, BPA will hold discussions with interested parties and accept and respond to written comments regarding ways that generators can operate to prevent or mitigate cumulative imbalances and patterns of under-delivery or over-use of energy. These discussions will not include discussions of the Persistent Deviation charge or the criteria for Persistent Deviation.

- c) By April 15, 2011, BPA will allocate available DTC for the Rate Period.



BPA BP-12 Transmission Settlement: DTC-Related Follow-up Actions

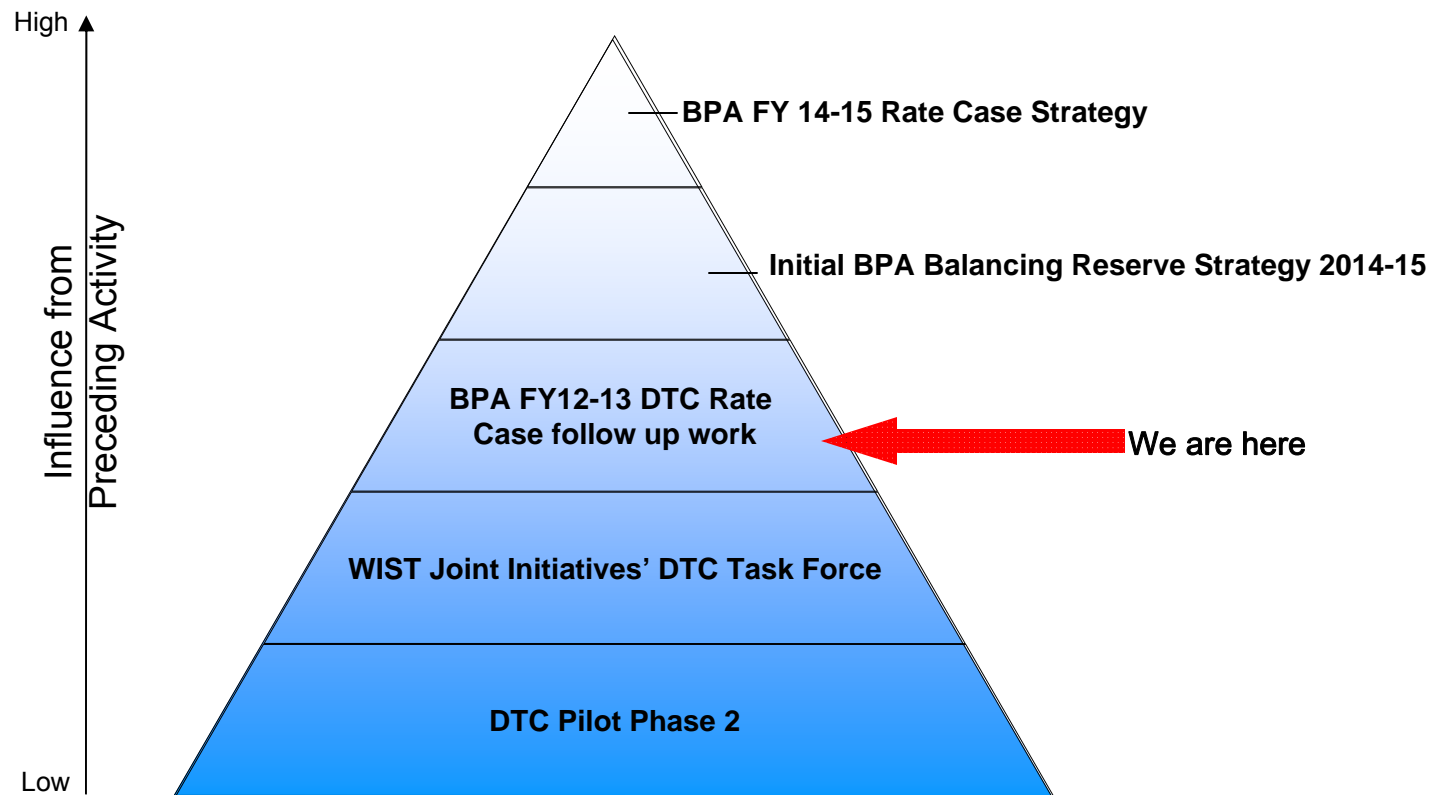
<u>Action</u>	<u>Status</u>
▪ Adopt commercial practices for allocating DTC	- Done April 2011
▪ Further develop methodology	- Done. WIST DTC TF Report 2, 3
▪ Secure reliable operational certainty	- Ongoing: to be discussed in rate case workshops, Summer/Fall 2012
▪ Adopt methodologies for determining infrastructure req'ts and cost allocations for increasing DTC	- Ongoing: to be discussed in rate case workshops, Summer/Fall 2012
▪ Clarify use of DTOAs/DTAs	- Ongoing with individual signatories
▪ Determine use of Firm Contingent scheduling	- Ongoing regional discussion
▪ Allocate DTC by April 15, 2011	- Done



BPA DTC-Related Work: Building On Success



Relationship of BPA DTC-Related Work to Other Initiatives: Building Upon Success



BPA Wind Integration Team (WIT): DTC Pilot 2012 Work Plan Update

Action

- Participate on JI-WIST DTC Task Force
- Develop BPA Initial Balancing Reserve Strategy
- Implement DTC Pilot Phase 2
- Dynamic Scheduling System (DSS) evaluation
- Rate Case Settlement follow-up on DTC-related issues
- Develop DTC Allocation and Methodology

Status

- Done; Phase 3 report released in December 2011
- In progress; first customer meetings in Spring 2012
- In progress; pilot evaluation starts in Summer 2012
- In progress; specification review underway
- First customer DTC workshop held January 19, 2012
- Not yet started; planned for Summer/Fall 2012



WIST Joint Initiatives DTC Task Force

- The DTC Task Force has produced a uniform regional methodology to set Transfer Variability Limits (TVLs) – a.k.a. dynamic transfer limits.
- This methodology is consistent with the methodology BPA has been using to assess dynamic transfer limits and evaluate DTC requests. BPA looked at the impact from dynamic variability across specific paths at POR/POD combinations; the Task Force looked at impacts from variability and most severe contingency.
- The Task Force will not recommend a strategy for increasing TVL. The Task Force believed that would overstep its scope and is the rightful purview of Balancing Authorities.
- Each Balancing Authority has the responsibility to determine when, how, and how much TVL to grow, if any. BPA will be reviewing its options for addressing DTC/TVL use prior to the next rate case.
- The Task Force will not recommend commercial policies or practices. However, the Task Force may recommend that a new task force be convened to discuss commercial policies relating to TVLs.
- WIST DTC Task Force reports can be found at:
<http://www.columbiagrid.org/DTCTF-documents.cfm>



DTC Issues

- Term of DTC Awards
- Priority of DTC Allocation
- Possible Growth of DTC (how much, when, and for what purpose?)
 - Network
 - Interties
- Possible DTC Rate
 - Billing Determinant
 - Segmentation of Facilities
- Possible Direct Assignment of Costs for New Uses
- Standardized Contract Terms and Conditions



Written Comments and Responses

- Interested parties may submit written comments regarding any of the DTC related issues to:
 - techforum@bpa.gov
 - Please write “**2014 Rate Case: DTC**” in the subject line.
 - Submit comments by February 10, 2012.

- BPA will respond to written comments
 - Customer comments and BPA responses to comments will be posted to the BPA Web site by March 2, 2012.
 - BPA Rates Web site link at:

BP-14 Pre-Rate Proceeding Meetings & Workshops

or

http://www.bpa.gov/corporate/ratecase/bp14_meeting_ws.cfm



Next Steps

- The next tentative dates for DTC-related workshops are:
 - March 7, 2012
 - May 9, 2012

- Additional workshops may be scheduled depending on customer feedback and interest.

- See BPA Calendar for updates at:

http://www.bpa.gov/corporate/ratecase/bp14_meeting_ws.cfm

