

About the Sep 19 TPP Package

On September 19, rate case parties met in the BPA Rates Hearing Room to work towards a settlement. At that meeting, BPA presented a chart with the statistics from 8 different combinations of features. This package contains the 8 ToolKit runs and a cleaned-up version of the chart that should be easier to read and understand.

Bug Alert

We've discovered a bug in the ToolKit that probably affects (infects?) all copies of versions 1.32, 1.33, and 1.34. It affects any runs that have modeled the CRAC producing 25% of the cash prior to the beginning of the next Treasury payment and any runs modeling the Lump-Sum CRAC. The effect of the bug is to make the CRAC more powerful than it should be – the ToolKit assumes more cash is available from the CRAC than the specified parameters would actually produce. The impact is larger for the Lump-Sum CRAC than for the 25% acceleration CRAC. ToolKit version 1.36 distributed with this package has been fixed.

The Runs

- Studies named “bpa 0-x” (e.g., “bpa 0-28”) have no Slice load. All customers are non-Slice, and all share in CRAC 1 at either 28.1 or 34 mills, and in the CRAC 2 with the given parameters. The non-Slice CRAC 2 amounts are spread over a craccable load that includes what would have been Slice load of 2,000 MW (about \$72M/mill). In all other studies, CRAC 2 is spread over a craccable non-Slice load that is 2,000 MW smaller (about \$56M/mill).
- Studies named “bpa 1-x” have 2000 MW of Slice load. Slice & non-Slice customers share in CRAC 1 at either 28.1 or 34 mills, and both are subject to CRAC 2. For purposes of display, it is assumed that Slice customers shoulder 21.65% of the CRAC 2 burden.
- Studies named “bpa 3-x” have 2000 MW of Slice load. Slice and non-Slice customers share in CRAC 1 at either 28.1 or 34 mills. Non-Slice customers are subject to CRAC 2. Slice customers are subject to the “Special Slicers’ C 2”, or the “pseudo-CRAC”: in CRAC 2 years, Slicers true up to full augmentation MW at a market price; in non-CRAC 2 years, they true up for augmentation MW at either 28.1 or 34 mills, as determined by the CRAC 1 setting.
- Studies named “bpa 5-x” include 2000 MW of Slice which is not subject to any CRAC. Instead, Slice customers true up to full augmentation MW at a market (index) price in all years. Non-Slice customers are subject to 78.35% of CRAC 1 & CRAC 2.

Notes

- The amounts of CRAC cannot always be compared directly between two options if the quantity of Non-Slice load varies - for example, in Option 0-28 all of the load is Non-Slice, while in Option 1-28 the Slice load is only 78% of the Non-Slice load in Option 0-28. The mill impacts take into account the amount of Non-Slice load, and are more directly comparable.

- Rule of thumb: 1 mill produces about \$72 million with Slice included & IOU Fin excluded; if Slice is separated, then \$56M/mill for non-Slice and \$16M/mill for Slice
- Slice fraction of true-up: 28.3%
- Non-Slice fraction of CRAC: 78.35%
- Slice true-up assumed to be received 100% in year where events requiring true-up occur (CRAC 1 in studies named “bpa 1-x”, CRAC 1 and the Pseudo-CRAC 2 in “bpa 3-x”, and the true-up for MW and \$ in “bpa 5-x”).
- C 1 is the load-based CRAC 1 - the quantity shown is the deemed market price for CRAC 1 (and any Slice augmentation true-up).
- “Special Slicers’ C 2” (CRAC 2)

When “TRUE”, when CRAC 2 triggers, Slicers true up to spot price for all augmentation MW not already purchased.

When “FALSE”, Slicers participate in the regular CRAC 2.

When “Full TU”, in every year, Slicers true up to spot price for all augmentation MW not already purchased.

- Average CRAC/year is the average amount of CRAC 2, averaged over all years, whether or not CRAC 2 triggers. Ave CRAC/access is the average amount of revenue generated by CRAC 2 *when it triggers*. The ave CRAC/year is equal to the ave CRAC/access multiplied by the CRAC2 frequency.

Other Files

The other files used in these runs – one or more of 3 RiskMod files (five were included in the Sep 8 TPP Package, but only three are used here), two NORM files, and a Prior ToolKit file, are the same as the ones distributed on September 12. They are available here in a separate package for those who don’t yet have them.

Byrne Lovell, Bonneville Power Admin (503) 230-3930

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