

Slice Product Review Issue Paper  
Draft, Pre-Decisional

TOPIC: Control Area Services

ISSUE: Should PBL sell a product that bundles use of un-requested FCRPS energy for self-supply of Control Area Services, or should PBL require all customers to either purchase these services from the control area or a third party or self-supply from their own non-FCRPS resource?

PBL CONCERN: PBL is restricted under FERC 888 from selling within-hour products inside the TBL control area. The current Slice product is not a sale of any federal resource and does not include rights to within-hour load following, yet the ability to self-supply CAS from Slice has been allowed. This implies creation of a virtual resource out of Slice (implied ownership) and provides special services that other Requirements customers cannot access. While CAS obligations are tracked separately for Slice customers in both PBL and TBL, in actual operations PBL cannot parse Slice customer CAS obligations or energy usage from PBL obligations because the Control Area operator is drawing them both from the same Federal System without attribution. The resulting uncertainty is being placed on non-Slice customers. Implementation of “self-supply” requires TBL to effectively schedule for the customers. The future Slice contract needs to clearly define whether there are allowable uses of un-requested system energy.

PBL is also concerned that BPA will bear risks and or costs to provide this service that are not in keeping with the overall product design as the industry continues to change. Changes in Control Area management, implementation of locational Control Area Services or other industry changes could compromise PBL’s ability to maintain operational control of the FCRPS or force PBL to be a third party provider on Slice Customer’s behalf (with associated risks and costs).

Finally, there are also equity concerns with other requirements customers since the decision to self-supply via Slice has an impact on non-Slice rates.

SLICE CUSTOMER COMMENTS: Slice should be viewed as a share of a resource and the Slice customers should have the ability to use their share of that resource in a manner equal to PBL’s ability.

NRU COMMENTS: We should consider excluding control area services from the products offered in slice. Technically, it is not necessary to include them from a reliability or service to load basis. There are economic arguments regarding whether slice customers are paying for these products and consequently should be able to use them. That should be considered in determining the costs the slice customers pay within the rates arena. To include such products greatly increases the complexity of slice and brings slice into the evolving, very complex world of transmission services in a way that none of us can fully comprehend or predict.

## IDEAS TO CONSIDER FOR A FUTURE SLICE PRODUCT:

**Idea 1:** The definition and intent of the Slice product will be stated in a manner that clearly identifies the product as an energy product that does not include within-hour rights to capacity in excess of scheduled energy deliveries. Revenues from PBL products using within-hour capacity would be shared with the Slice customers proportionally (compatible with product options 2 and 3).

**Idea 2:** The definition and intent of the Slice product will be stated in a manner that clearly identifies the product as a sale of not only energy, but also capacity, and the rights for a Slice customer to use their share of capacity will be deemed equal to PBL's ability to use capacity. Systems would need to be developed to calculate a separate system limit dedicated to use of control area services (compatible with product option 4).

**Idea 3:** Offer an alternative product (compatible with product option 1).