

BPA Transmission Southern Intertie Hourly Non-Firm Workshop

February 17, 2016



Agenda

1. Summary of White Paper Comments
2. BPA's Proposal
3. Next Steps

Summary of Customer Comments on the Draft White Paper

- Thank you to the customers who submitted comments and to all the customers for their participation.
- BPA received comments from 20 customers:
 - The majority recommended BPA redefine peak hours using a high value methodology (Alt 2) and to pursue a mini 7(i)
 - Several customers recommended BPA not pursue a mini 7(i) and continue the discussion in BP-18 workshops
 - Many customers recommended BPA consider non-rate solutions, such as selling HNF only once (Alt 6) and coordinating scheduled release times of HNF with other BAAs.

BPA's Initial Rate Proposal for BP-18

- The CAISO-BPA seams issue is a problem that warrants a rate design change, as well as a non-rate change, to sustain value for long-term firm rights holders.
- BPA doesn't believe the issue warrants an expedited 7(i) now, given the many competing priority issues that the region will be addressing this spring and summer.
- The BP-18 Initial Rate Proposal will include a proposal to change the IS HNF rate methodology to use a divisor representing peak hours based on the changing daily net load profile in California. The load information can be found at the following web-site:
 - <http://oasis.caiso.com/mrioasis/logon.do>
 - http://www.caiso.com/Documents/CaliforniaISO_Time_UsePeriodAnalysis.pdf
- BPA will also explore setting separate on/off peak rates, seasonal rates and discounting in the BP-18 workshops.

Non-Rates Proposal

- BPA will propose the non-rate alternative to sell the HNF only once (Alternative 6)
 - Costs to implement will be included in the IPR for FY18-19 and will be subject to discussion in the IPR 16 process.
 - Implementation time frame is estimated at 6 months once the program is funded.

- BPA will continue the process to explore the other non-rates alternatives identified in the Southern Intertie Hourly Non-Firm workshops, as many customers noted that more exploration is needed to determine if the other alternatives are viable.

BP-18 Workshops

- At the BP-18 workshop on April 20, BPA staff will present its proposed IS HNF rate design.
- BPA will also present other considerations that need to be made when changing the IS HNF rate.
 - Should the hourly firm rate be changed?
 - Should the SCD rate on the Southern Intertie be set differently?
 - Should the Days 1-5 rate be set differently?
 - Should the rate be set directionally?
 - Should the rate have seasonal or on-peak/off-peak attributes?

Next Steps

- BP-18 transmission workshops will begin April 20

- By March 31, we request customers submit topics they would like to discuss during the BP-18 workshops.
 - Please submit topics to techforum@bpa.gov with title BP-18 Transmission Rate Case Parking Lot Issues