

M-S-R PUBLIC POWER AGENCY GEN INPUTS

May
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M-S-R DISCUSSION POINTS

- **Scheduling Accuracy Improvements**
- **Half of wind generators want to leave BPA's system**
- **Cost allocation policies – disincentive**
- **Third Party Supply Acquisitions**

WIND GENERATORS SCHEDULING SUCCESS

- **Scheduling Accuracy Improved Dramatically Under Intentional Deviation**
- **Committed Participants - Outperformed Uncommitted Participants**
- **Reasons for Scheduling Success?**

EXODUS OF WIND GENERATORS

- More than 50% of Wind Generators Request Permission to Leave by End of BP-18
- Most of the Most Accurate Schedulers Leaving
- Questions:
 - Why are the Best Schedulers Leaving?
 - Future Rate Impacts?

COST ALLOCATION POLICY

- **Are BPA Rates a Disincentive?**
 - **Are They Cost Based?**
- **Methodology for Determining Costs/Benefits**

BPA RATES-DISINCENTIVE?

- Exodus of Wind Generators a Signal?
 - Assume Wind Generators Pursue Lowest Cost
 - Exodus Suggests BPA Rates Not Competitive
- Discussion of Explanations?

BPA RATES COST BASED?

- Are BPA Rates Based on Cost Causation?
- Which Resources Provide Ancillary Services?
- Are Costs Included That do not Provide Ancillary Services?
- Are Energy Related Costs Included?
- Information is Needed with Regard to Resources

INFORMATION BASE TO GUIDE COST ALLOCATION

Asset Operational Benefits and Revenue Requirements

	Big 10 Hydro	Balance Hydro	CGS	Energy Eff	Res Exch	WNP #1 & 3	Total
Cap 1-hour							
Tier 1 Energy							
INC reserve							
Secondary Energy							
Potential Tier 2 Energy							
Rev. Req.							

M-S-R requests the above information be provided so customers can analyze the cost allocation concepts and develop a principle based, sustainable cost allocation methodology

3RD PARTY SUPPLY ACQUISITION

- Have 3rd Party Supply Acquisitions been Successful?
- How do the Costs Compare with BPA Supply?
- What Changes Would Make 3rd Party Supply More Successful?
- Are Changes Planned?

GEN INPUTS DISCUSSION SUMMARY

- **Loss of Key Wind Participants a Concern/Signal**
- **Need for More Information Regarding Asset Benefits and Costs**
- **Need More Information about 3rd Party Acquisitions**
- **Understanding Information Before Positions**

CONCLUSION

- **Questions?**