PGE Comments to BPA's proposed PCM implementation Plan

Portland General Electric (PGE) appreciates the opportunity to comment on BPA's proposed model for implementing automated Short-Term Preemption and Competition (PCM). PGE commends BPA and its transmission customers for working diligently together to help develop, guide and analyze the varying processes and issues that could arise during a short term competition. During this planning process of BPA's Tariff Compliance Automation Program (TCAP), concerns were raised about including hourly competition in the scope of work of which BPA agreed that it would not be included in the proposed PCM implementation plan. BPA also acknowledged that the inclusion of hourly competition could create significant market ramifications that could seriously impact system reliability. PGE supports BPA's decision to exclude hourly competition from this process and requests that *serious consideration* be given in the future should BPA chose to include hourly requests in a later version of PCM.

Based on the proposed PCM plan, PGE requests that BPA reconsider their anticipated April 2013 target date. It would be premature to implement the proposed plan in four months considering BPA staff and customers have noted several issues and concerns surrounding the PCM process, including unintended impacts associated with OATI's current PCM module. BPA staff has made note that they will be the first company to use OATI's version 3 PCM package. BPA also notes version 3 of the OATI PCM package may have other unnoted issues that are unforeseen by BPA and its transmission customers. In addition, NAESB is working on specific guidelines surrounding short-term competition that will not be finalized by April 2013. These important discussions at a national level could impact the region's standards for transmission competition and BPA should consider aligning their PCM go-live date with the developing NAESB's initiatives.

PGE is concerned that challenging TSRs have the ability to jeopardize the capacity of defending TSRs simply by strategically submitting a request, creating a competition and then extracting the challenging request, while preempting the defending TSR. What sort of guidelines or business practices will BPA put into place to prevent customers from gaming the PCM process? This practice could result in creating adverse reliability impacts to transmission customers with existing TSRs.

PGE is also disconcerted with several potential byproducts of the proposed PCM process: the additional financial risk that will be involved with unauthorized increase charges; having to unwind eTags that are already in a confirmed status; having to retag completed and verified Preschedules due to new AREF values that are a result of a short term competition; and the risk of double billing during the settlements process. Based on these concerns, PGE strongly recommends that BPA not implement this proposed module until these matters can be resolved or provide proof that the vendor can sufficiently meet the needs of the PCM process.

PGE requests that BPA reconsider allowing its transmission customers the ability to utilize their own firm transmission capacity should they be faced with competition, and not requiring additional purchases from BPA's AFC inventory. Also, PGE would like to have a more transparent and orderly process of being notified when a TSR has been impacted by competition. The manual practice of referencing the Reductions page or expecting email notification is insufficient for the scope of the new processes. Due

to personnel changes and movement within PGE and other BPA customers, long term or legacy TSRs may no longer contain accurate contact information, thus email notifications may be invalid.

With respect to the proposed PCM parameters, PGE also requests that the automated start hour begins at 06:00 on the first day of competition and not at midnight as proposed.