



Transmission Services

Customer Comments on Short-Term Preemption & Competition for Transmission Rights

Comment Received from
Franklin PUD
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From: Linda Esparza [mailto:LEsparza@franklinpud.com]
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To: Tech Forum
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Subject: Short-term Preemption and Competition

Franklin PUD requests that BPA reexamine its decision to implement Short-Term Preemption and Competition.

Implementation of Short Term Preemption & Competition in its standard form may have serious unintended consequences that can adversely impact current day-ahead and hour-ahead scheduling processes, create reliability issues, impair the transmission resale market, and result in additional costs to BPA customers. Given that BPA has been providing efficient and reliable transmission service to its customers under its flow gate-based system, Franklin asks BPA to reexamine its decision to implement Short Term Preemption & Competition until all costs and benefits are thoroughly analyzed. Here are some issues we see with this proposal:

1. Automation and system impact:
 - a. Under BPA's flow gate-based system a single transmission request often has an impact on multiple flow gates, thus increasing complexity in identifying defenders and potentially impacting multiple customers/requests.
 - b. A large volume of transmission requests (original, redirect, resale) will increase the complexity of identifying all possible defenders.
2. Impact on PTP load serving entities:
 - a. Franklin is within BPA's balancing area and has only a PTP transmission contract. The nature of this contract and modeling of transmission requests in the system requires us to make redirect and resale requests to simply schedule power to our load, let alone market excess power. Short-term competition practice may render us unable to schedule some power to our load and/or to the market, and incur energy imbalance and other penalties as a result when our transmission requests get preempted or replaced by competing requests.
3. Market impact:
 - a. Short-term competition bumping rules will undermine an efficiently designed system that allows for minimal schedule interruption throughout all time intervals and transmission priorities.

- b. BPA's robust transmission resale market may be disrupted due to uncertainty when redirecting short-term requests within conditional windows.
 - c. Small PTP customers like Franklin marketing excess power or serving load, as well as small NT customers marketing their excess power, will incur additional transmission costs by matching challengers' requests or will not be able to compete against large (in MW and duration) marketers' transmission service requests. This will unnecessarily burden smaller utilities financially.
 - d. The short-term competition unconditional window timelines will adversely impact day-ahead scheduling activity when daily and hourly PTP short-term requests can be challenged before 2 p.m. on a pre-schedule day. This creates huge uncertainty for scheduling and places a great burden on dealing with challengers while also having to meet scheduling deadlines.
4. Additional financial impact:
- a. More monitoring of day-ahead and real-time schedules will be necessary and more time spent adjusting and resupplying schedules impacted by short-term competition. This will undoubtedly have a cost, both for utilities that do their own scheduling, and for smaller utilities like Franklin that contract for that service. The costs will be reflected in additional labor and/or improving IT systems to alert and defend transmission rights subject to competition.
 - b. BPA's cost of implementation will certainly be passed on to all customers.

We urge you to reconsider this proposal and the inherent challenges in cost and implementation. Benefits of a short-term competition market are questionable.

Thank you for the opportunity to comment.

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