



Transmission Services

Customer Comments on Short-Term Competition for Transmission Rights

Comment Received from
Portland General Electric

March 30, 2012

Posted April 5, 2012

PGE Comments on Short Term & Hourly competitions

Portland General Electric Company (PGE) appreciates the opportunity to comment on the matter surrounding short term and hourly competitions as discussed at BPA's customer workshop on March 1, 2012. We understand the importance of creating a fair and FERC compliant process for managing transmission service requests in the short-term market but have major concerns regarding the methodology proposed and the serious implications it will have to operations, staffing, unforeseen and unwarranted costs, as well as potential impacts to system reliability. PGE requests that BPA modify the proposed timeline and have another customer workshop where we can process the initial discussions, disseminate BPA's response to additional comments and concerns and further investigate other options and alternatives. There are far too many open issues to digest, and to impose any kind of business practice by the fall of this year seems impractical. In addition, it was noted on several occasions at the workshop that this proposal, which will seriously impinge on the current practice, should be discussed at a national level with the North American Energy Standards Board (NAESB).

With the impending spring-run off season and the imposed Oversupply Management Protocol, followed by the summer peak season, it does not seem feasible to put in place a business practice without the proper testing, staffing and scrutiny of the process to verify that it is workable. In addition, there could be concerns over processing test TSRs through the demo OASIS system that may not properly reflect scenarios that could occur in a production situation. Also, it would take a large coordinated effort to create realistic scenarios to vet the process out.

The proposed 'Defender Unconditional Window', as presented at the customer workshop, is disconcerting as it relates to prescheduling and the firm hourly condition window to be in effect up until 14:00 of the preschedule day. It would be unrealistic, as industry standards require a preschedule check-out to occur no later than 15:00. This would be extremely burdensome on staff to have to recreate schedules or find alternate sources/sinks in such a short matter of time should one not be able to defend its short term TSR request. Additionally, the proposed competition process could create a cyclical impact where you would adjust an original schedule with a revised schedule with a new TSR, then that said TSR could be impacted by the same competition. PGE suggests that BPA put in place one round of competition to alleviate redundancy of the process and to limit the impacts on operational staff.

Regarding the hourly market and the dynamic environment we are faced with today with Variable Energy Resources and the increase of intra-hour scheduling, hourly operations could be impacted with TSR requests that are challenged or indefensible during the hourly window and more specifically with intra-hour adjustments. The hardship of having to monitor approved eTags against TSRs through reductions and reloads and finding alternative solutions in such a critical time period to meet BPA's hourly and intra-hour scheduling timelines creates further strain on operational staff. PGE encourages BPA to reconsider the impacts of hourly competitions and request that BPA revisit the conditional window in real time.

At the workshop, BPA staff indicated that if your TSR is challenged during the conditional window that alarming functionality would be set in place via OASIS. Counterparties who are using the suite of OATI products for operations are currently bombarded with all sorts of alarms and notifications and an increased number of user screens on display. PGE is interested in how the current alarming functionality would suit this proposed process well when email notification to changes to a TSR are sent to the originator of the TSR. In addition, setting up alarming functionality for specific filters is standard across all transmission providers, which would inundate OASIS users with all sorts of unnecessary alarming. BPA should find a solution, with their vendor, to see how they can create reliability limits against approved eTags rather than create reloads and reductions in OASIS after the eTag has already been approved. PGE has serious concerns of having to manage a separate system in OASIS where, like most transmission customers, we have to manage a large transmission portfolio. PGE suggests that the reductions or reloads to a TSR automatically adjust the corresponding and confirmed eTag.

Multiple TSR redirects and transassigns to self is a common practice with BPA transmission customers. BPA is aware that this competition process would have serious consequences for multiple TSRs transassigned to the same counterparty. Should the competition process create a forced annulment to a defending TSR, the unbundling of TSR transassigns would be extremely problematic—particularly if the TSR is already confirmed and eTagged. In addition, the suggested alternatives on how to handle the unbundling of transmission redirects and resales (particularly in the hourly market) could possibly harm the secondary transmission resale market and create greater reliability issues. Having to defend the process in the hourly market in conjunction with hourly and intra-hour scheduling deadlines would be burdensome on operational staff and to secondary counterparties.

In conclusion, PGE strongly recommends that BPA delay the timeline for the development and implementation of a business practice until such time as the regional and national dialogs regarding competition have concluded.