



Transmission Services

Customer Comments on Tariff Automation Efforts

**Comments Received from
Powerex
June 6, 2012**

Posted July 6, 2012

To the Project Manager and Project Leads of the Bonneville Tariff Automation Efforts,

Powerex has responded to your request for comments below. Please feel free to contact me directly if you have additional questions by replying to this email or calling me at 604-891-6031.

Regards,

Michael McWilliams
Director, Transmission
Powerex Corp.

Posting of Equivalent ATC

This effort is to post ATC/TTC values for all "posted paths" and will comply with FERC Order 890 which requires TPs using flowgate methodology to convert AFC/TFC values to path ATC/TTC values.

Project Lead: Huy Nguyen, hdnguyen@bpa.gov

In addition to general comments, please address the following:

1. Please identify your preference for where the Equivalent ATC/TTC values are posted on OASIS (eg, under Sys Data, Offerings, or somewhere else)?
2. How often do you foresee using this capability?
3. What benefit do you see this capability provides? Do you foresee any changes to your business by having this capability?
4. Do you have any other comments or suggestions about our proposed approach?
5. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

 1. Powerex recommends posting Equivalent ATC on OASIS under Offerings
 2. Powerex will use this new capability occasionally
 3. This simply adds another method for calculating ATC without needing to use the scenario analyzer. This new functionality will not significantly change Powerex's business.
 4. No.
 5. No.

Conditional-Firm Resales and Redirects

To support pro forma compliance, BPA will be removing restrictions to redirects and resales of CF.

Project Lead: Pete Lee, pblee@bpa.gov

In addition to general comments, please address the following:

1. CF service may be resold during the time that it has Priority 6 scheduling rights. Child resale "firm ups" occur as if they are still part of the parent CF service. In the event where partial STF capacity remains to "firm up" some (but not all) of the children, what is the most equitable way to distribute this remaining

- capacity? Should it be based on queue time of the resale or some other criteria? We are not aware of any guidance from FERC or NAESB on this matter.
2. CF service uses specific contract exhibits. Should an assignor be prohibited from reselling service to an assignee who has not signed the contract agreement? Why or why not?
 3. How do you see this capability changing how you do business?
 4. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

Regarding the Firm Up of Conditional Firm. Powerex recommends that if only a portion of the CFS request may be Firmed-up that BPA notifies the owner of the parent request. The customer should have the option of choosing how they want to allocate that firmed up capacity. This could be facilitated by letting them do a CFS to Firm redirect on OASIS up to the maximum Firmed-up capacity. The onus would be on the customer to allocate it amongst any resales if applicable.

Ideally all CFS specific exhibits (restrictions) would be clearly identified on OASIS. They should be entered by BPAT, perhaps into the Provider Comments, and they need to detail the number of curtailable hours or system conditions applicable to each agreement. This way the conditionality of the service will be transparent to the assignee. The specific contract exhibit should only need to be signed by the assignee if it is a long-term resale. This restriction should not be imposed on short-term resales.

Unless BPA plans to implement something complex that may be undesired by customers (i.e. firming up child requests via queue time or prorate), Powerex is fine with BPA providing updates on this via the CBPI conference call.

Non-firm Products for Daily / Weekly / Monthly

This effort is to define new Non-firm Products for Daily, Weekly and Monthly horizons and to implement the automation of these offerings for use by September 2012.

Project Lead: Greg O'Shea, gmoshea@bpa.gov

In addition to general comments, please address the following:

1. Please review the proposed product definition attributes from the slides. Do you have any concerns about how BPA proposes to define these products?
2. How often do you foresee using these products? How will the availability of these products change how you do business?
3. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

The addition of Daily, Weekly, and Monthly Non-Firm products seems straight forward. Powerex has no concerns at this time. However, if BPA ever intends to modify how it calculates Non-Firm transmission it could severely impact all of BPA's customers, particularly long-term rights holders, and Powerex would urge BPA to seek input from customers prior to proposing any modifications.

Simultaneous Submission Windows (SSW)

This effort includes defining a time period during which all requests submitted will be considered to have been submitted "simultaneously". This also includes the selection

of a methodology for allocating constrained capacity other than first-come, first served during the simultaneous window.

Project Lead: Mike Steigerwald, mlsteigerwald@bpa.gov

In addition to general comments, please address the following:

1. Would you prefer a fixed or rolling start to the simultaneous window?
2. What window duration is preferred for each of the transmission services? Remember, FERC requires a minimum of 5 minutes.
3. The window is required for Firm. Should we optionally subject non-Firm to the simultaneous window also?
4. Which transmission allocation should we use? Please provide a rationale for your choice. If there are options you specifically do NOT want us to consider, please indicate why.
5. Do you support the change to split BPA's Hourly market opening to have Firm open at 9:00am and non-Firm remain at 10:00am?
6. Currently, the market opens for many of BPA's transmission services at midnight. One customer requested that we move these to a new time (e.g., 6:00am). Do you support such a change? If so, which services and which time do you prefer?
7. How do you see this capability changing how you do business?
8. Do you feel further customer workshops and/or conference calls are necessary for this project, other than the planned discussions at the monthly CBPI Conference Call?

1. A fixed simultaneous window should be the only one considered. It does not make sense to have a rolling window. Since requests in the simultaneous window need to be hidden from competitors, customers would never know if a rolling window has opened. Additionally, a rolling window would unnecessarily impose delays in queue processing, negatively impacting the market for no benefit.
2. 5 minutes should be plenty of time for any customer to be able to submit a request to a simultaneous window. Increasing this provides little to no benefit and only delays the processing and awarding of the requests.
3. Powerex recommends that BPA does not subject Non-Firm to the simultaneous window at this time since it is not a FERC requirement and the impact to daily scheduling is not yet known. The merits of applying a simultaneous window to non-firm can be evaluated at a later date.
4. Powerex strongly encourages the lottery method for queue order. This is the most similar to how the queue is traditionally processed. A simple example of where pro-rata and equal share fails is in the following example: there is 4MW of capacity posted and 5 customers submit for the full amount in the simultaneous window. Based on either method, who gets what? Pro-rata and equal share also results in counteroffers that permits the customers to withdraw their request when they don't get what they need. It would be extremely challenging and disruptive for the TP to try to reallocate that released capacity back amongst all the customers that initially submitted to the simultaneous window. The equal share method also discriminates against entities with significant generation in a region, and the pro-rata method makes it so no one gets the actual capacity they want. Pro-rata may also encourage customers to request more than what they actually need to get more of what they actually want.
5. Powerex has no concerns with BPA's proposal to split the hourly market opening.

6. Powerex is indifferent to the time of the market opening, however if BPA intends to change it Powerex would propose that is should be on the first business day after the existing window opening, and it should be at a time between when the BPA transmission desk is staffed (8AM?) and prior to the hourly openings. This would allow staff to monitor the competitions and be there to provide support if there are any questions from customers.
7. Provided the lottery method is used for determining queue order and the simultaneous window is a fixed one, this should not impact customers significantly.
8. Unless BPA decides against the lottery method and a fixed window, the planned discussions at the monthly CBPI call should be sufficient.

Short-term Preemption and Competition

Project Lead: Bob Zerfing, razerfing@bpa.gov

For this particular effort, there are no specific questions at this time. The initial focus will be on evaluating the functionality of OATI's Preemption and Competition Module (PCM). A schedule for upcoming customer meetings along with corresponding agendas is being produced and will soon be shared. BPA will explore the issues raised by preemption and competition and examine the impacts to regional business models. Concurrent with BPA's regional discussion on the topic, BPA will also be participating with the North American Energy Standards Board (NAESB) OASIS subcommittee which is addressing the same topic. Both the evaluation of the PCM module and participation in NAESB will help inform and shape BPA's ultimate specification and implementation.

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