



Transmission Services

Establishing Minimum Generation Levels and Minimum Ramp Rates for Oversupply Management, Version 1

Response to Customer Comments

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This document contains the Transmission Customer comments and Transmission Services' response to those comments for the Oversupply Management Protocol, Version 1, Business Practice posted for review from March 8, 2012 through March 26, 2012.

Thank you for your comments.

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1. TransAlta

A. General Comments Regarding Both OMP BPs

As stated in earlier OMP comments, TransAlta supports BPS's continued efforts to manage the complex operational and commercial challenges BPA faces as a result of oversupply events. However, TransAlta does not support BPA's proposed OMP due to its striking similarity to Environmental Redispatch ("ER") policy that FERC ordered could not be extended. TransAlta believes that OMP fails to fix the major issues identified in FERC's December 7, 2011 Order. OMP does not comply and BPA should not continue to develop the protocol, establish BP's, or make OMP effective until the Commission has made a determination on BPA's filing.

TransAlta's specific comments BP's are constructively offered here because in several instances the BP's do not adequately address operational and economic impacts of OMP on non-Federal thermal generation. The comments do not imply support for OMP in any way.

Comments Regarding the Min Gen BP

During the March 22, 2012 conference call regarding the OMP BPs, BPA staff seemed to indicate that the list factors in Sections C.1.a for establishing minimum generation levels and ramp rates in an exclusive list, as if they are the only reasons a generator may have for declaring Min Gen. TransAlta contends that it is inappropriate for BPA to dictate "eligible" Min Gen factors. Generators, operating conditions, and contracts vary widely and situations will come up that are not contemplated currently. The last sentence in Section C.1.a should be modified to read as follows.

"Reliability factors that should be considered when establishing minimum generation levels are established in Section 9 of Attachment P, but are not limited to:".

Transmission Services' Response

The language in the Business Practice is taken directly from Section 9 of Attachment P. BPA does not have the flexibility to expand those factors for the Business Practice.

2. Industrial Customers of Northwest Utilities ("ICNU")

The Industrial Customers of Northwest Utilities ("ICNU") takes this opportunity to provide comments on BPA's "Oversupply Management Protocol, V1" business practice, and in particular, the related business practice "Establishing Minimum Generation Levels and Maximum Ramp Rates for Oversupply Management." ICNU is a trade association representing the interests of large industrial users in the Northwest, including customers served by BPA's preference customer utilities. ICNU's membership includes significant cogeneration capability within the BPA balancing authority.

ICNU is generally supportive of BPA's proposed business practice implementation. Section C.1.a.x of the "Establishing Minimum Generation Levels and Maximum Ramp Rates" document appropriately acknowledges the unique need of cogeneration to maintain minimum generation levels that are consistent with safe and reliable operation of the associated industrial plant

process. The importance of this provision for the safety, reliability, and economic viability of cogeneration facilities in the BPA balancing authority cannot be overemphasized. ICNU understands that BPA will defer to a cogeneration facility's designated minimum generation levels and maximum ramp rates, especially those necessary to operate the facility safely and support related plant operations.

BPA should work closely and proactively with cogeneration facilities to ensure clear communication and understanding between the cogeneration facilities and BPA dispatch staff regarding operating requirements and capabilities. To that effect, ICNU recommends several clarifying additions to BPA's proposed business practices. First, in addition to the requirements for facilities to report their minimum generation and maximum ramp requirements, BPA should commit to providing clear and timely acknowledgment to cogeneration facilities that their operating parameters are understood and acceptable. Also, BPA should add language to their practices specifying the procedure and emergency contact for cogeneration facilities in the event that a facility receives an erroneous dispatch order or penalty notice in contradiction to their operating criteria established with BPA. This type of addition will provide cogeneration facilities with greater clarity and certainty that they will be able to operate their facilities safely and reliably under oversupply conditions.

ICNU is appreciative of BPA's desire for comments on this important business practice. Please do not hesitate to contact ICNU for clarification on any of the topics addressed in these comments.

Transmission Services' Response

Thank you for the comment. Transmission Dispatch initiates any Dispatch Orders to cogeneration facilities related to Oversupply Management. Our Account Executives have verified minimum generation levels with generators and this information is used by Dispatch. If for some reason a generator operator believes they have received an erroneous Dispatch Order they should notify the Dispatcher using the normal procedures so we can log the generator operator's response to the Dispatch Order.

3. Iberdrola

Bonneville should provide the ability to establish Maximum Ramp Rates for all plants regardless of type. Iberdrola has worked closely with BPA on voltage control and is of the opinion that, to the extent possible, reasonable ramp rates improve voltage control. Given plants can suddenly trip off-line it is not always possible to bring generation off line in a controlled manner, but it is Good Utility Practice to do so whenever practical. Iberdrola suggests that BPA look at worst case scenarios at substations with a large amount of wind, for instance Jones Canyon, and examine the effect of suddenly removing all generation or starting up all generation. It is likely that previous studies in these areas were based on one or two facilities going off line or on line as this would be the natural distribution absent a coordinated dispatch such as OM. This may create a potential reliability issue.

Transmission Services' Response

Limit signals and release of the limit signal are now ramped in and out for those generating facilities with D20 RTUs. We will continue to evaluate any potential reliability issues related to voltage control and generation limits.