



Transmission Services

Oversupply Management Protocol, Version 3

Response to Customer Comments

Posted: April 2, 2013

This document contains the Transmission Customer comments and Transmission Services' response to those comments for the Oversupply Management Protocol, Version 3, Business Practice posted for review from March 4, 2013 through March 15, 2013.

Thank you for your comments.

Table of Contents

1. Industrial Customer of the Northwest Utilities (ICNU)	2
2. Southern California Edison (SCE)	2
3. Portland General Electric Company (PGE)	3

1. Industrial Customer of the Northwest Utilities (ICNU)

The Industrial Customers of the Northwest Utilities (ICNU) welcomes this opportunity to comment on the Bonneville Power Administration's (BPA) draft Oversupply Management Protocol (Version 3). ICNU is a non-profit trade association representing large industrial energy users in the Pacific Northwest, including customers served by preference customers of BPA. As such, ICNU has a strong interest in BPA's wholesale power and transmission costs and business practices, which ultimately are a significant deterrent in the viability and competitiveness of ICNU members' businesses. Several ICNU members also operate cogeneration (combined heat and power, "CHP") facilities within BPA's balancing authority that are subject to the conditions of the Oversupply Management Protocol.

In particular, ICNU would like to comment on Section J "Notification that Oversupply Management Protocol is in Effect". Previously, notification was made through a manual phone call from BPA. BPA's proposed changes to the protocol would involve automated notification through the iCRS Generation Advisor system with no phone contact.

During BPA's customer call to discuss the proposed protocol changes, ICNU and other parties raised concerns regarding the technical capability of some generators to respond to this type of notification, particularly during off-peak hours. Given this limitation and the extremely short window until the protocol goes into effect, ICNU urges BPA to consider keeping manual phone call notification for customers that indicate that they are technically unable to respond to the iCRS automated notification.

To the extent BPA is not willing or able to follow this course in the revised protocol, ICNU urges BPA to proactively work with customers to find alternatives or solutions on an individual basis that will facilitate the needs of BPA and customers to comply with the OMP. At a minimum, ICNU recommends that BPA should provide customers with additional time to develop the technical systems to comply with this requirement and not implement any automated systems until at least 60 days after the new protocol is set to be effective.

Thank you for your consideration of these comments. ICNU appreciates BPA's efforts to engage customers while addressing the operational challenges of oversupply events.

Transmission Service's Response

BPA understands that some generators may not have the necessary tools respond to automated notification through the iCRS Generation Advisor (GA) system. GA is a web-based application that requires a username to access with no program to install. There is a requirement for a static IP address or range for security purposes and a computer with a speaker with the web-page open. There is an audible alarm and banner indicating the state of the system and the generation limit for the plant.

For those that are not able to receive automated notification, BPA will use an email exploder that will indicate the start of an OMP event. When a generator receives the email, they should ensure their plant is operating at its minimum generation level.

2. Southern California Edison (SCE)

Southern California Edison (SCE) appreciates the opportunity to comment on the Oversupply Management Business Practice.

OSM Protocol V3

- A. 4MW buffer for adhering to dispatch target needs to be a percentage/fixed value combo because a mere 4MW is not fair for large generators. Suggestion: Buffer is the greater of 4MW or 2% or installed capacity.

Transmission Services' Response

BPA will adopt a deadband that is 2% of installed capacity. BPA has observed large plants reduce generation to zero as requested and experience wind gusts that pushed their generation over 4 MW. Assessing a Failure to Comply Penalty in these situations would be inappropriate.

- B. SCE strongly recommends that Section J.4.b needs to be revised to state that curtailment signals will be separate and distinct from each other to represent the limit type, be it a DSO, OMP or other. The warnings, limits and control value can be used as multiple point indicators (still a less-than ideal concept) however; the trigger for these should be separate, one for DSO T/F, one for OMP T/F, one for the next flavor of curtailment, etc. Having the OMP signal transmitted via the same electronic signal as a DSO 216 Limit level 1 Alarm created operational and settlement issues. SCE is available and would be happy to discuss a cost-effective solution to this issue.

Transmission Services' Response

We currently do have two separate signals, but we transmit a -2 on the DSO216 signal when in an OMP state because a number of plants had already integrated that signal into their EMS and we did not want to require customers to set up an additional signal into their EMS that would do the same thing. Operationally, a plant could just watch the DSO216 signal and limit the plant according to the -2 or -3 and then look at the OMP flag to see if OMP is active to determine the reason for limiting the plant output.

3. Portland General Electric Company (PGE)

Portland General Electric Company (PGE) appreciates the opportunity to comment on the Bonneville Power Administration's (BPA) proposed revisions to the Oversupply Management Protocol (OMP) Business Practice version 3. PGE understands and appreciates the challenges associated with integration of large amounts of variable energy resources into the BPA control footprint and the need to maintain reliable bulk electric system operations.

- A. PGE believes that it is incumbent upon BPA to utilize every tool at its disposal to ensure appropriate use of the Federal Columbia River Transmission System. PGE requests BPA include in the Oversupply Management Protocol the requirement to re-tag replacement Federal Hydropower provided to wind generators during an Oversupply Management event when time permits according to its current business practices. Specifically, it is PGE's opinion that according to the "Scheduling Transmission Service business practice, Version 9 effective 09/28/2012 and Intra-Hour Scheduling business practice, Version 5 effective 05/12/2012. PGE believes BPA not only has the tools to re-schedule generation from federal hydropower resources to the appropriate sink during an oversupply event but also the responsibility to do so.

Transmission Service's Response

It is not feasible for BPA to re-tag transactions within the hour during oversupply events. BPA is not the e-Tag author and cannot change the e-Tag. Moreover, the Federal Energy Regulatory Commission (FERC) specifically found that changes to the e-Tag were not required by NERC and NAESB standards. *Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 141 FERC ¶ 61,234, P65 (2012). Similarly, BPA's business practices do not require such a change either. In addition, as stated in BPA's response to public comments on the latest Attachment P filing, the need for using the Oversupply Management Protocol (OMP) is an hour-to-hour determination, and the need for using OMP cannot be determined until after the start of the operating hour. BPA's Response to Public Comments at pp. 1-2, available at:

<http://www.bpa.gov/Projects/Initiatives/Oversupply/OversupplyDocuments/2013/20130301-Public-Comment-Responses.pdf>.

- B. PGE would also like to suggest that remote generation located within BPA's Balancing Area Authority that operates under a pseudo tie agreement be specifically excluded from this business practice. PGE seeks this simple clarification to ensure that remote resources are not inappropriately asked to reduce generation during an Oversupply Management event. Specifically Portland General Electric would like to suggest the following change to Section B.1;

"All generators with 3 MW or greater nameplate generating capacity in BPA's Balancing Authority Area are subject to Oversupply Management Protocol except those generators operating and scheduling output under a Bonneville Transmission Services pseudo tie agreement. "

PGE appreciates the opportunity to comment on the proposed revisions to Oversupply Management Protocol business practice and looks forward to continued engagement with BPA on this issue.

Transmission Service's Response

BPA agrees with PGE's recommendation to exclude generation that operates under a pseudo tie agreement and will include the proposed change.