



Transmission Services

Intra-Hour Scheduling Pilot Program Phase II Business Practice

Response to Customer Comments

Posted: June 27, 2011

This document contains the Bonneville Power Administration's (Bonneville) Transmission Customer comments and Transmission Services' response to those comments for the Intra-hour Scheduling Pilot Program Phase II Business Practice, posted for comment on May 31, 2011.

Thank you for your comments.

Table of Contents

1. Iberdrola	2
2. Powerex	3

1. Iberdrola

Iberdrola Renewables appreciates the opportunity to comment on Phase II of Bonneville's Intra-Hour Scheduling Pilot Program Business Practice and submits the following comments.

1. Iberdrola Renewables fully supports the expansion of the Intra-Hour Scheduling Pilot Program but believes intra-hour scheduling opportunities will remain limited under Bonneville's revised Business Practice. Although the Business Practice is no longer limited to exporting wind from the BPA BAA, transactions remain restricted to circumstances where a generator is expected to generate in excess of its submitted hourly schedule. Practically speaking, this circumstance will generally be limited to variable energy resources whose fuel source cannot be controlled, which in the northwest is limited to wind generation.

Transmission Services' Response

Transmission Services appreciates support for its evolving Intra-Hour Scheduling Pilot Program (Pilot). While Phase II is an expansion of current policy, Bonneville agrees that Phase II has limits. Bonneville expects to expand the Pilot to allow for additional flexibility sometime later this year when it implements Phase III of the Pilot.

2. Iberdrola Renewables appreciates Bonneville's efforts to expand intra-hour scheduling capability and is hopeful additional expansion can be implemented quickly that will enable wind generators to better manage the significant risk associated with under-generation relative to schedule on Bonneville's system. For variable generators, even expanded intra-hour capability which would enable an existing generation schedule to be reduced for the second half of the scheduling hour, which we understand is targeted for Phase III, will require agreement from the receiving party to allow a downward tag adjustment and a bookout of the reduced generation - a requirement that may or may not be acceptable to receiving entities.

Transmission Services' Response

Bonneville recognizes customer needs and the benefits of coordinated and consistent policies across the region. Bonneville is working diligently with other Northwest Balancing Authorities to help adopt consistent Intra-Hourly scheduling practices. Bonneville is hopeful that other "receiving parties" will be interested in and willing to implement elements of Bonneville's proposed Phase III, including proposals for downward tag adjustment. However, while Bonneville intends to move forward with Phase III, the other receiving parties have ultimate control of tag approvals/denials and Bonneville cannot guarantee they will agree to any specific eTag adjustment or bookout of the generation.

3. As an interim solution to the implementation of 15-minute scheduling as contemplated under the FERC VER NOPR, Iberdrola Renewables encourages Bonneville to work toward implementing true 30-minute scheduling - where all generation schedules and transmission reservations cover 30-minute periods. True 30-minute scheduling will

improve a variable energy resource's ability to avoid significant generation imbalance energy charges and/or DSO 216 tag curtailments during volatile wind periods. This structure will significantly improve the accuracy of variable energy resource schedules, minimize the level of reserves required to balance VER generators, and provide significant economic benefit to end-use customers.

Transmission Services' Response

Transmission Services is working toward the objective of full 30-minute scheduling flexibility within the Northwest. Bonneville agrees that doing so will help wind generators, balancing authorities including Bonneville, and entities supplying balancing resources provide their respective services more efficiently, thereby providing economic benefits to consumers.

2. Powerex

Powerex is pleased that BPA is expanding the scope of its Intra-Hour Scheduling Pilot Program so that it is no longer limited to exporting wind from BPA's balancing authority area. Powerex supports intra-hour scheduling as it will facilitate the more efficient use of BPA's transmission system and the integration of variable energy resources.

While we agree, however, that a phased-in approach to intra-hour scheduling is necessary as a result of the technical challenges associated with implementation, we believe that BPA's ultimate goal should be to develop an intra-hour scheduling process which is consistent with the terms of BPA's tariff. Although we recognize that some limits may be necessary during the implementation stage, we believe that the rights of firm transmission holders should be preserved to maintain consistency with the curtailment priorities in BPA's tariff. In this regard, we believe that firm rights holders should be able to submit intra-hour schedules on their firm transmission, and that these schedules should have priority over schedules submitted on non-firm transmission.

Transmission Services' Response

Transmission Services appreciates Powerex's support and comments for its evolving Intra-Hour Scheduling Pilot Program. Bonneville recognizes customer needs and the benefits of coordinated and consistent policies across the region. Bonneville is working diligently with other Northwest Balancing Authorities to help adopt consistent Intra-Hourly scheduling practices. Consistent with other Northwest BAs, intra-hour schedules will continue to be accepted only if sufficient unused transmission capacity is available without curtailing existing schedules. Once accepted, intra-hour schedule curtailments will be consistent with the assigned transmission priority.