

BPA Comments on CAISO EIM Draft Tariff Language posted

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Submitted by: Russ Mantifel, BPA Transmission & Policy (rxmantifel@bpa.gov)

I. OVERVIEW

Bonneville Power Administration (BPA) appreciates the opportunity to participate in PacifiCorp's Energy Imbalance Market (EIM) stakeholder process and to provide comments that reflect our principles as an intermediary Balancing Area Authority (BAA). BPA is primarily interested in ensuring the use of the BPA transmission system will be consistent with comparability and Open Access principles; that operation of the transmission system will be consistent with NERC and WECC reliability standards; and that our own customers in neighboring BAAs receive fair and comparable service. We continue to work collaboratively with PacifiCorp (EIM Entity) and with the CAISO (Market Operator) to ensure that these principles are taken into account in the development of the EIM. We continue to hold our own stakeholder process to engage our customers in the region, share activities to-date and, more importantly, assure that any BPA customer concerns and issues, related to implementation of the CAISO-PacifiCorp EIM, are addressed in a timely fashion.

II. COMMENTS

1) Metering and Settlement Data.

Section 29.10, Telemetry Requirements, requires that a non-participating resource in an EIM Entity Balancing Authority that "is not a generating unit or is a generating unit with a nameplate capacity in excess of 10 MW (including each aggregated resource with a total nameplate capacity in excess of 10 MW) and each intertie with the EIM Balancing Authority Area [must have] telemetry meeting the requirements of the Business Practice Manual." This requirement would appear to mean that *all* generation in an EIM Entity BAA must install telemetry *even if* that resource chooses not to participate in the EIM. BPA requests clarification whether this language is intended to require all non-participating resources (including behind-the-meter resources) in the EIM Entity BAA to install telemetry. BPA also requests clarification of what constitutes "a generating unit."

2) EIM Participating Resources.

Section 29.4(d)(1)(C) notes that to be an eligible resource for participation in the EIM, the resource must "meet[] California Air Resources Board registration and reporting requirements." Section 29.32 provides additional details about the Greenhouse Gas Regulation adders. BPA reiterates its previous comments regarding these requirements. BPA is legally prohibited from purchasing carbon allowances. Therefore, BPA proposes that the CAISO take on the obligation for any CARB carbon allowances needed for the EIM market and develop a cost allocation method for those costs, rather than have the generator be notified after the fact that the generator must procure a carbon allowance.

Alternatively, BPA suggests the CAISO revise its language to permit generators to limit their participation to certain EIM Entities. That is, the CAISO could revise the tariff to allow generators an option of *not* dispatching its resources to serve CAISO load (thereby avoiding the carbon allowance requirement). Without such an exception, federal parties will have no way of directly participating in the EIM.

3) Transmission Access Charge

BPA has previously expressed concerns about the lack of a Transmission Access Charge for EIM exports out of the CAISO. BPA's concerns remain, and it would like further clarification about the ISO does not intend to address the transmission "Reciprocity" issue in its tariff.

4) Temporary Reversion

In Section 29.1(d) the draft tariff states:

The CAISO may, within thirty (30) days following the implementation date of the EIM for an EIM Entity, and upon Market Notice, temporarily revert to pre-EIM operations for a period not to exceed 60 days with respect to that EIM Entity if market or system operational issues adversely impact the EIM Area or any EIM Entity Balancing Authority Area.

Such a temporary reversion may have impacts on intermediate BAAs. The CAISO should consider communicating such a reversion to neighboring BAAs, and/or WECC.

5) EIM Transmission Service Registry

In Section 29.17(a)(2) the draft tariff states that EIM Entity Scheduling Coordinators shall:

...register in the EIM Transmission Service Registry the static network topology information associated with transmission capacity that each EIM Transmission Service Provider owns, controls or has a contractual entitlement within the EIM Entity Balancing Authority Area that may be used in the EIM;

BPA notes that transmission may be required on systems that are not in any EIM Entity Balancing Authority Area. The CAISO should consider edits that reflect this.

6) Use of Defined Terms

To the extent practical, BPA encourages the ISO to sync defined terms with those already in use in the WECC. For example, terms that are found in the NERC Glossary of Terms.

III. Closing

We look forward to continued collaboration with PacifiCorp to find mutually agreeable solutions to implementation issues related the CAISO EIM that is scheduled to become effective Fall 2014.