



Department of Energy

Official File

Bonneville Power Administration
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POWER SERVICES

April 19, 2021

In reply refer to: PT-5

April 19, 2021

TO: Energy Imbalance Market Governing Body

SUBJECT: Wheel, Export, and Load Priorities

The Bonneville Power Administration (Bonneville) appreciates CAISO's efforts to reach an interim resolution on the critical issue of transmission access. Transmission access has significant implications for suppliers and load serving entities both inside and outside of the CAISO Balancing Authority Area (BAA) and has substantial impacts on the broader wholesale energy trade across the West. We believe the Revised Final Proposal dated April 14, 2021 has come a long way to close the gap of incomparability between the requirements for wheel-through transactions and imports serving California load to receive highest priority. However, there are still important areas that we believe are not fair and equitable and thus Bonneville is not able to support the Revised Final Proposal, even as an interim solution.

The root problem of the issue regarding transmission access is the fact that CAISO does not have a forward open access transmission procurement framework in place. Consequently, there is no ability for wheel-throughs to request, reserve, and pay for firm transmission over CAISO's transmission system outside of the day-ahead and real-time energy market framework. There are also no explicit processes or rules in place for California load-serving entities to secure firm transmission rights over CAISO's transmission system akin to a "designation of network resources." Bonneville recognizes that the absence of an open access transmission procurement framework renders this issue extremely challenging to solve for the summer of 2021.

As an interim solution for summer 2021, Bonneville continues to advocate for equal priority for equal requirements between wheel-through transactions and imports to serve load in the CAISO BAA. The final proposal provides comparable eligibility criteria in the requirement to demonstrate a power supply contract 45 days ahead of the month for highest priority status. Yet there are two main areas that we believe remain unfair and inequitable: (1) the proposal restricts "PT" wheels to transactions that show monthly firm upstream transmission 45 days ahead of the month while import Resource Adequacy resources to serve load in the CAISO BAA do not have any requirement for upstream transmission; and (2) economic imports are able to displace import Resource Adequacy resources and still receive highest priority while wheel-

throughs are not afforded the ability to receive economic displacement for their forward contracts.

Bonneville believes these two areas of incomparability provide an unjust advantage to loads in CAISO's BAA, which negatively impacts the ability of neighboring BAAs to serve their loads with interregional transfers. The interim solution should allocate scheduling priorities under the same or comparable terms and conditions. We respectfully request the EIM Governing Body advise the interim solution be modified to ensure comparability between wheel-throughs and imports to serve CAISO BAA load. We also request CAISO's efforts to develop a long-term solution be highly prioritized and the stakeholder process be conducted on a more expeditious timeline. The development of a forward transmission procurement framework, at a minimum, should adhere to FERC open access principles and not inhibit competitive wholesale energy trade across the markets in the West.

Sincerely,

A handwritten signature in blue ink that reads "Suzanne Cooper". The signature is written in a cursive style with a large, stylized initial 'S'.

Suzanne Cooper
Vice President Bulk Marketing
Bonneville Power Administration