

To: Tech Forum
From: NRU and PNGC Power
Date: November 13, 2012
Re: Comments on NT Redispatch Alternatives

These comments on the NT Redispatch alternatives presented at the October 25th Customer Forum are jointly submitted by Northwest Requirements Utilities (“NRU”) and PNGC Power.

NRU represents 50 NT customers of BPA who have BPA Load Following power contracts, over half of whom are using or plan to use non-federal resources to serve some or all of their Above Rate Period High Water Mark (“A-RHWM”) loads in the coming years. PNGC Power and its 14 member utilities are an NT customer of BPA and PNGC has a BPA Load Following power to serve the combined power requirements of its 14 member utilities. PNGC will also use non-federal resources to serve a portion of its A-RHWM load in the coming years.

It is important to NRU and PNGC Power that NT service provided by BPA remains least cost and highly reliable. It is also important that any modifications to BPA’s NT Redispatch policy work within the confines of the BPA Load Following Power Sales Agreement. Below are a few specific comments on the proposal itself.

Support Alternative 1. Among the two alternatives presented at the Customer Forum, NRU and PNGC support Alternative 1 presented at the October 25, 2012 Customer Forum. With its three tests of Effectiveness and Dispatchability, Controllability, and Cost, we believe it is the least cost, most appropriate redispatch alternative of those presented. We do not support Alternative 2 as it would result in significant costs without much assurance that the resources being paid to standby would actually be able to alleviate real-time transmission congestion.

Any NT Redispatch Modification Must Work Within the BPA Load Following Contract Requirements. If DNRs of Load Following customers are eligible for NT redispatch under any revised NT Redispatch policy, it is imperative that any such policy accommodates and addresses the requirements of the Load Following Power Sales Agreement, particularly requirements associated with Unauthorized Increase Charges, Transmission Scheduling Service and transfer service. We encourage Transmission Services to work closely with Power Services to ensure any NT redispatch policy enacted will not result in Load Following customers violating the terms of their power sales agreements or incurring penalties under that agreement.

Related to this, we would ask that the NT redispatch policy clearly state that if an Unauthorized Increase (“UAI”) Charge or other penalty charges from Power Services is levied as a result of a customer’s DNR being used for NT redispatch, that those UAI or other penalty charges will be reimbursed under the NT redispatch policy.

Further, we question the efficacy of redispatching flat block market purchases sourced from a MID-C balancing authority area and being used to serve Load Following customers’ loads. We suggest that flat block market purchases being used by Load Following customers be explicitly ineligible for NT redispatch.

Concluding Remarks. We greatly appreciate the time and energy Transmission Services has put into discussing and analyzing these issues with customers over the past year, and we look forward to remaining involved in the conversation. Thank you for the opportunity to comment.