

PNGC (received February 2, 2004)

Comments on the revised TRM Methodology and the De Minimus impact deadband
Section 3. De Minimus Impact Deadband. This section is unclear and confusing; it should be redrafted using more precise language.

Specific questions:

Is there a distinct deadband bucket for "answered requests in a time period between ATC reviews" created in the first paragraph of section 3. What happens when this deadband bucket limit is reached?

Is there a separate deadband bucket for "offers" (5% or 100 MW)? What happens when the 5% or 100 MW limit "offer" bucket is reached? Once an offer is accepted, does the de minimus impact move up to the deadband bucket described in paragraph 1? If so, what is the meaning of the sentence at the end of the second paragraph indicating that all new offers for transmission service are suspended when the 2% or 50 MW limit is reached? If this is the case, what is the purpose of the higher 5%/100 MW limit?

This section needs to be redrafted with some precision so that we can decipher intent of the language.

Further, What is the rationale for the 2 and 5%, and the 50 and 100 MW? Are these some kind of tolerances on the system? Are these related to changes in carrying capacity between different ambient temperatures? Are these number pulled out of the air?

This section should be redrafted and put out for comment again since the operation and intent of this section is so unclear.

Aleka Scott
Manager of Transmission and Contracts
PNGC Power
Feb. 20, 2004

PPC (received February 26, 2004)

Re: Proposed revisions to ATC Methodology, Appendix 4.

Dear Mr. Oster:

PPC staff has reviewed BPA's proposed revisions to its Available Transfer Capability Methodology, Appendix 4. We appreciate your willingness to continue to take input from customers on this issue and your sensitivity to our requests for public process when changes to the methodology are proposed.

We wish to confirm our understanding of BPA's proposed revisions to the "*de minimus* impact dead-band." BPA originally instituted the "dead-band bucket" as a mechanism to allow it to ignore very small impacts on a Network Flowgate when calculating that flowgate's total transfer capability (TTC). When a transmission service agreement or amendment is executed and the resulting expected use of the flowgate (in MWs) is below the "*de minimus*" standard, this amount is added to a dead-band bucket and is not treated as a reduction in the flowgate's TTC. There is a dead-band bucket for each Network Flowgate. Although impacts in the dead-band bucket are ignored in TTC calculation made between base case power flow updates, the dead-band bucket has a limit so that the cumulative impact of these very small uses is less than 2% of the flowgate's TTC or 50 MW, whichever is less. This permits BPA to sell more than the TTC of each flowgate by the maximum amount permitted in each dead-band bucket.

BPA's proposed revision to the dead-band bucket rules would permit it to have *outstanding offers* of new transmission service and related agreements that, if accepted, would total more than the current limit on the dead-band bucket for that flowgate. BPA could make multiple offers of new transmission service that have a total forecasted impact at a flowgate of 5% of the flowgate's TTC or 100 MW, whichever is less. BPA expects to be able to manage its outstanding offers so that the total impacts from accepted offers would not exceed 2% of the flowgate's TTC or 50 MW, whichever is less. BPA has declared that, if the 2% or 50 MW dead-band limit is reached for a flowgate, its ability to make new offers that have an impact on that flowgate would be suspended. BPA believes that this proposed practice creates a risk that the 2% or 50 MW rule might be violated, but believes the risk to be "negligible and manageable".

If our understanding is correct, the risk can be avoided only if BPA is successful in incrementally making offers so that it is unlikely that all of the outstanding offers will be accepted and so that the amount of impacts from accepted offers remains below the original dead-band bucket limit. PPC does not object to BPA's proposed revisions, but does so only with the understanding that BPA will strictly manage its outstanding offers such that it minimizes the risk that the 2% or 50 MW limit will be exceeded. PPC's lack of objection to the proposed revisions is contingent on BPA's successful efforts to adhere to that limit.

As the amount of uncommitted capacity in the transmission system declines, the ability of BPA to stay within the 2% or 50 MW limit becomes increasingly important. Because the dead-band bucket limit will assume increasing importance for BPA's existing transmission customers, PPC requests that BPA inform the customers on an ongoing basis of the amount of megawatts in the dead-band bucket for each Network Flowgate and whether the 2% or 50 MW limit has been exceeded for those Network

Flowgates. PPC further requests that, at the end of one year and at the end of each base case power flow update, BPA and the customers review together the dead-band buckets and the procedure set forth in Appendix 4.

Sincerely,

/s/

Nancy Baker

Senior Policy Analyst

Renewables Northwest Project (received March 4, 2004)

Subject: TBL's Proposal to Amend the De Minimus Impact Dead-Band of the Available Transfer Capability Methodology

The Renewable Northwest Project (RNP) appreciates the opportunity to provide comments on TBL's proposed changes to the ATC methodology.

RNP is a non-profit renewable energy advocacy organization whose members include environmental and consumer groups, and energy companies. RNP works to increase the development of clean renewable energy resources in the Northwest. The proposed amendments to the ATC methodology are positive changes and we support their quick implementation.

Increasing the dead-band bucket for system studies and financial agreements should allow the TBL to move more efficiently through the queue. This should allow generators ready to make commitments to take transmission service to gain access to the transmission system.

The removal of the PUF criteria requirement for generators smaller than 4MW is a reasonable change. By their very nature these generators have de minimus flow and therefore limited impact on the system. In addition, small generators bring benefits to the region. Many of these generators are renewable resources that offer environmental benefits often with no fuel costs. Small generators also bring distributed generation benefits and are a cost effective way to meet incremental load growth in the region.

RNP supports the proposed ATC changes for renewable resources. We look forward to working with you further on this and other changes that can make more transmission capacity available to the regions new resources.

Sincerely,

Natalie McIntire

Policy Associate

Powerex (received March 5, 2004)

Thank you for providing an opportunity to comment on the Transmission Business Line's (TBL) "Proposal to amend the De minimus Impact Dead-Band of the available transfer capability methodology". We have reviewed the posting dated 20 February, 2004 and have the following comments:

- Some of the paths with the least ATC appear to be in the I5 corridor, and in some upcoming months the available ATC appears to be less than 200 MW (i.e. Paul to Allston 194 MW in Aug'04). Consequently, we are concerned about the risk that this scarce ATC may be awarded to requests that have a de minimus impact on the path. Our sense is that TBL may make offers that total cumulative de minimus impact on some of these constrained paths of up to 100 MW. However, once these offers have been made, it is not clear that TBL has any way of ensuring that the dead band bucket for Executed Agreements for New Transmission Service will be kept to 50 MW or 2 % of TTC. Powerex would like to see TBL implement some feedback mechanism, such that as the deadband bucket for Executed Agreements starts to be filled up, that TBL reduce the amount of offers it makes. For instance, 100 MW deadband bucket for offers is appropriate when there is 0 MW used up in the 50 MW deadband bucket of Executed Agreements. However, when 40 MW of the 50 MW deadband bucket for Executed Agreements has been used up then we don't think it is appropriate to continue to float offers that could have a potential 100 MW de minimus impact. Instead, we would propose that offers be floated that correspond to twice the amount of room remaining in the 50 MW deadband bucket for Executed Agreements.
- TBL's practice of offering PTP contracts with multiple PORs and PODs is problematic in general. Specifically, with regard to the ATC methodology it seems like it would be difficult to model the impact of these transactions. When calculating the De minimus Impact of PTP contracts with multiple PORs and PODs do you assume the worst case for different combinations and permutations for each of the flow gates?

Our thanks again, for seeking our input on this proposal.

Gordon Dobson-Mack and Michael McWilliams Powerex Corp.

PacificCorp (received March 5, 2004)

PacifiCorp Merchant Function makes the following comments and questions regarding Bonneville Power Administration's proposed ATC methodology: Generally, PacifiCorp believes the methodology and its impacts have not been sufficiently developed to permit PacifiCorp to evaluate the workability of the proposal or its effects particularly to determine whether in fact it will have no negative impact on the exercise of existing contracts as asserted by Bonneville. Bonneville should not make a decision to implement the methodology until the remaining technical issues have been resolved, test runs performed and the results shared with customers so that the impacts can be analyzed.

1. Is the new user of the ATC generated from the new ATC methodology curtailed first if there is not sufficient re-dispatch available for TRM? There is no information on a curtailment priority list as the new ATC methodology creates ATC based on Injection and Withdrawal not the traditional specific path ATC.
2. Has BPA-TBL confirmed from Transmission Providers within the WECC that implementation of this new ATC methodology will or will not create loop flow and will or will not rely on other parties transmission systems?
3. Has BPA-TBL attempted to include the proposed internal flowgates as part of WECC Path Rating Catalog Procedures and Guidelines? It is critical for BPA-TBL customers to be aware of and have sufficient information to understand components of each flowgate its TTC and how it is derived
4. Based on the proposed flowgates on the north of Hanford and north of John Day paths it is not clear how the MID C Hourly Coordination Agreement will be operable. Please describe the impact of your proposed ATC methodology on the operation of this agreement.
5. How will PacifiCorp and other utilities have the ability to audit the data and clearly understand the BPA-TBL analysis on TTC and ATC and which product is sold and how the re-dispatch services are provided?

Thank you for this opportunity to express our concerns on this proposed methodology.

Bill Miller, Manager
Contract Administration
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