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Submitted via email to [techforum@bpa.gov](mailto:techforum@bpa.gov) on July 1, 2021

**RE: Comments in Response to June 17 BPA EIM Stakeholder Meeting**

PPC appreciates the opportunity to comment on BPA’s Energy Imbalance Market (EIM) stakeholder process. These “implementation” workshops are an important part of BPA’s five-phase process in place to guide the agency’s decision on EIM participation.

All PPC members are statutory preference customers of BPA and represent over 90 percent of BPA’s Tier 1 sales. Overall, Northwest public power is the largest purchaser of BPA’s power products and services and is among the largest purchasers of BPA’s transmission products and services, funding nearly 70 percent of the agency’s total power and transmission costs. As BPA is a self-funding agency and covers its costs by selling its products and services, this means that PPC members will bear the majority of the impacts from BPA’s participation in the EIM.

*Close Out of Phase IV*

As Phase IV of BPA’s decision process ends, PPC reiterates its thanks to BPA staff for their hard work developing materials for these workshops. There are many areas where BPA has worked to be transparent with customers on how they will be impacted, particularly through development of the “customer impact summaries” regularly presented during this phase of the process. PPC has appreciated the effort by BPA staff to work through these details with customers. These efforts have been consistent with the spirit of Phase IV of BPA’s process, and we commend BPA staff on this work.

In other areas, particularly around BPA’s business case and rate assumptions, PPC has concerns on the transparency and accountability BPA has committed to going forward. We understand that BPA may need some flexibility on these commitments given that it does not yet have experience participating in the EIM market; however, customers need some additional assurances that BPA will, in fact, be transparent about the results of its participation and will remain accountable for the manner in which it participates – including creating benefits for preference customers through lower power rates.

There is still time in advance of BPA’s issuing of the letter to the region to work collaboratively to identify solutions which would both address PPC members’ concerns and be implementable within the constraints that BPA would face as a new EIM Entity and provide the agency its needed flexibility. We look forward to any opportunity to further explore this with BPA in advance of its final decision on EIM participation.

PPC reiterates the importance of Phase V of BPA’s EIM decision process. The comments offered below are limited to responding to BPA’s materials presented on June 17. PPC is not taking a position on BPA’s EIM participation at this time.

### Comment Review & Follow-up

PPC appreciates the thorough responses to our May 17 workshop comments that were included in the BPA meeting materials from June 17. There are several areas where we continue to have concerns with staff's proposed approaches to EIM participation.

BPA's proposed use of the CAISO quarterly benefit report to report out to customers on benefits received from the EIM is inappropriate and worrisome for BPA preference customers. The simplified assumptions used to generate this report are not an accurate reflection of the level of benefits that BPA will realize from EIM participation. PPC understands that other EIM entities perform additional analysis to evaluate their purported benefits. BPA staff has indicated there may be some efforts to quantify benefits in the future. BPA must commit to producing its own benefit analysis, including identifying some specifics on the methodology which will be used, in order to address customer concerns on transparency and accountability. We understand that the agency will likely learn to better estimate these benefits as it gains experience in the EIM. Developing a methodology for estimating benefits should be an iterative process with improvements made once BPA has experience participating in the EIM, but lack of experience in the market is not a justifiable reason to not begin developing a methodology for BPA's initial participation.

PPC understands that BPA cannot commit to the outcomes of future rate cases outside of the rate case process, but some additional assurance is needed to indicate that BPA will work to quantify the benefits of participation and include those benefits in Power rates. We welcome discussions with BPA ahead of the Administrator's EIM participation decision about what this could look like within the constraints of the rate case process. Currently BPA has committed to workshops on this issue as part of the BP-22 settlement, but customers have no sense of what the outcome of those workshops or staff proposals for the next rate case might be and this provides little comfort to PPC members.

In our previous comments, PPC reiterated the importance of ongoing discussions with customers to monitor impacts of EIM participation on BPA's asset controlling supplier (ACS) emission factor. We appreciate BPA considering reporting on impacts to its ACS emission factor regularly and reiterate the importance of this to PPC members.

In response to our request to commit to monitoring specific metrics as part of its Phase V process, BPA staff described potential difficulties with this commitment due to lack of experience in the market. We can appreciate that BPA will gain additional knowledge about which metrics will be most valuable to its customers as it gains experience in the market, but the agency should have some expectation of what metrics will be useful to customers. In previous comments PPC supplied a list of metrics we would like to see in regular reporting. Our understanding is that many if not all of these metrics should be easily incorporated into a reporting dashboard that could be shared with customers using the systems that BPA will use for settlements. If this is not the case, we would like to better understand the challenges preventing BPA from reporting on the identified metrics.

PPC members need additional reassurances on the transparency related to BPA's EIM participation. Some commitment is needed beyond "future discussions;" the more specifics that can be identified, the more comfort BPA's customers will have about transparency. PPC welcomes the opportunity to explore with BPA what that may look like in advance of the letter to the region.

#### *EIM Project Overview & Real-Time Operations*

PPC appreciates the project overview update and the additional information on real-time operations in the EIM. In particular, the discussion on the voluntary nature of the market and description of how BPA would separate from the market if needed was helpful. We support the use of OASIS to communicate information on temporary isolation from the market and encourage BPA to explore other options for additional communication. Establishing clear expectations if an isolation from the market does occur will be important and including as much information as possible about this process in business practices will be helpful.

#### *Settlements, Testing, and Training*

PPC appreciated the details shared on settlements, testing and training to help customers better understand the practical next steps of BPA's EIM participation. The detailed mock-up presented at the workshop detailing EIM settlements was valuable. We appreciate BPA making as much information available as possible to help customers know what to expect if the agency does join the EIM.

#### *Conclusion*

The phase IV process has been successful in providing customers information on the practical impacts of BPA's participation. As we turn to Phase V, BPA's reluctance to make firm commitments to reporting on its participation continues to be a concern for PPC and its members. The potential for exposure to risks without commensurate opportunities for benefits through rate relief also continues to be a concern.

PPC members will be looking for some commitments from the agency in its letter to the region to address these areas of concern and ensure transparency, objective metrics, accountability, and tangible benefits related to BPA's EIM participation for its preference customers. Thank you for the opportunity to comment.