

Export, Load, and Wheeling Priorities

Submitted by	Organization	Date Submitted
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Public Power Council (PPC) appreciates the opportunity to comment on the Final Proposal and Draft Tariff Language related to export, load, and wheeling priorities. PPC members are statutory preference customers of the Bonneville Power Administration (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.

PPC does not support the Final Proposal and Draft Tariff Language related to export, load, and wheeling priorities. One of CAISO's stated objectives of the Market Enhancements for Summer 2021 Readiness Initiative is to "Equitably balance the reliability of serving CAISO balancing authority area load with the reliability of exports, while providing open access to the CAISO transmission system." PPC believes the criteria wheel-through schedules must meet to achieve PT status, the penalty prices, and the new post-HASP and post-RUC process included in the CAISO's proposal result in inequitable access to transmission between wheel-throughs and CAISO load. The proposal inequitably prioritizes CAISO load relative to the needs of adjacent balancing areas. PPC believes the proposal is inequitable in the following ways:

- 1) Differences in requirements for forward contracted supply to receive the highest priority. Wheel-through schedules have more stringent transmission and timing requirements than RA imports to receive the equivalent penalty price and "PT" status.
- 2) Difference in the ability for spot market schedules to receive the highest priority. Spot market (day-ahead) non-RA imports can receive the same priority as forward contracted RA imports and wheel-through schedules that meet the "PT" status. Wheel-throughs cannot receive the same "PT" status by self-scheduling in the day-ahead timeframe.
- 3) If a wheel-through cannot meet the stringent "PT" criteria, imports have the ability to receive a higher priority. Real-time self-scheduled imports and real-time economic imports without RUC awards can have penalty prices that exceed LPT wheel-through schedules, even when a LPT wheel-through has a RUC award.
- 4) RA imports that do not clear RUC may receive a second opportunity to receive the highest penalty price associated with "PT" status wheels and RA imports that do clear the day-ahead market.
- 5) Due to the scheduling priority of self-scheduled day-ahead imports, the post-HASP process would allocate transmission to forward contracted RA and spot market non-RA imports but allocate transmission only to forward contracted wheel-through schedules with "PT" status and not spot market wheel-through schedules.

The Final Proposal's treatment of wheel-through schedules is a worrying departure from the norms of other balancing areas in WECC. For example, the Bonneville Power Administration as a balancing authority area and transmission provider supports a substantial volume of wheel-through schedules through its own transmission system, a significant portion of which sink in the CAISO BAA. To facilitate these wheel-throughs, transmission customers have the opportunity to reserve yearly, monthly, and daily firm transmission on a first come first serve basis. In addition to the multiple time horizons, the firmness of PTP transmission is not dependent on whether the reservation sinks in the BPA BAA or wheels across. Finally, if a customer reserves firm transmission, it receives equal curtailment priority to native load served with NT transmission. Although the transmission framework in CAISO is different than the Bonneville OATT, the drastic difference in Bonneville's treatment of wheel-through priority and that proposed by CAISO is highly concerning.

PPC recommends that CAISO strive to find a framework that equitably balances transmission access between CAISO load and other uses of the transmission system. PPC also believes this issue related to the forward procurement of transmission to support export, load, and wheel-through schedules in a separate stakeholder initiative.