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Bonneville Power Administration
Energy and Generation Imbalance Services and
Charges

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Transmission Services

A

**Open Access Transmission Tariff
(OATT)**

This document contains updates to
Attachment K

Posted August 6, 2010

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The charges for Energy Imbalance Service are set forth in the Transmission Provider's Schedule ACS-08, Ancillary Services and Control Area Services Rate, or its successor.

Issued by: Elliot Mainzer
Issued on: October 3, 2008

B.

Bonneville Power Administration Transmission Services 2010

Transmission and Ancillary Service Rate Schedules Effective October 1, 2009

SECTION II. ANCILLARY SERVICE RATES

D. ENERGY IMBALANCE SERVICE

The rates below apply to Transmission Customers taking Energy Imbalance Service from BPA-TS. Energy Imbalance Service is taken when there is a difference between scheduled and actual energy delivered to a load in the BPA Control Area during a schedule hour.

1. RATES

a. Imbalances Within Deviation Band 1

Deviation Band 1 applies to deviations that are less than or equal to: i) $\pm 1.5\%$ of the scheduled amount of energy, or ii) ± 2 MW, whichever is larger in absolute value. BPA-TS will maintain deviation accounts showing the net Energy Imbalance (the sum of positive and negative deviations from schedule for each hour) for Heavy Load Hour (HLH) and Light Load Hour (LLH) periods. Return energy may be scheduled at any time during the month to bring the deviation account balances to zero at the end of each month. BPA-TS will approve the hourly schedules of return energy. The customer shall make the arrangements and submit the schedule for the balancing transaction.

The following rates will be applied when a deviation balance remains at the end of the month:

- (i) When the monthly net energy (determined for HLH and LLH periods) taken by the Transmission Customer is greater than the energy scheduled, the charge is BPA's incremental cost based on the applicable average HLH and average LLH incremental cost for the month.
- (ii) When the monthly net energy (determined for HLH and LLH periods) taken by the Transmission Customer is less than the energy scheduled, the credit is BPA's incremental cost based on the applicable average HLH and LLH incremental cost for the month.

b. Imbalances Within Deviation Band 2

Deviation Band 2 applies to the portion of the deviation i) greater than $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value, ii) up to and including $\pm 7.5\%$ of the scheduled amount of energy or ± 10 MW,

whichever is larger in absolute value.

- (i) When energy taken by the Transmission Customer in a schedule hour is greater than the energy scheduled, the charge is 110% of BPA's incremental cost.
- (ii) When energy taken by the Transmission Customer in a schedule hour is less than the scheduled amount, the credit is 90% of BPA's incremental cost.

c. Imbalances Within Deviation Band 3

Deviation Band 3 applies to the portion of the deviation i) greater than $\pm 7.5\%$ of the scheduled amount of energy, or ii) greater than ± 10 MW of the scheduled amount of energy, whichever is larger in absolute value.

- (i) When energy taken by the Transmission Customer in a schedule hour is greater than the energy scheduled, the charge is 125% of BPA's highest incremental cost that occurs during that day. The highest daily incremental cost shall be determined separately for HLH and LLH.
- (ii) When energy taken by the Transmission Customer in a schedule hour is less than the scheduled amount, the credit is 75% of BPA's lowest incremental cost that occurs during that day. The lowest daily incremental cost shall be determined separately for HLH and LLH.

2. OTHER RATE PROVISIONS

a. BPA Incremental Cost

BPA's incremental cost will be based on an hourly energy index in the Pacific Northwest. If no adequate hourly index exists, an alternative index will be used. BPA-TS will post the name of the index to be used on the OASIS at least 30 days prior to its use. BPA-TS will not change the index more often than once per year unless BPA-TS determines that the existing index is no longer a reliable price index.

For any hour(s) that the energy index is negative, no credit is given for positive deviations (actual energy delivered is more than scheduled).

b. Spill Conditions

For any day that the Federal System is in a Spill Condition, no credit is given for negative deviations (actual energy delivered is less than scheduled) for any hour of that day.

If the energy index is negative in any hour that the Federal System is in a Spill Condition:

- (i) For negative deviations (energy taken is less than the scheduled energy) within Band 1, no credit will be given.
- (ii) For negative deviations (energy taken is less than the scheduled energy) within Band 2, the charge is the energy index for that hour.
- (iii) For negative deviations (energy taken is less than the scheduled energy) within Band 3, the charge is the energy index for that hour.

c. Persistent Deviation

The following penalty charges shall apply to each Persistent Deviation:

- (1) No credit is given when energy taken is less than the scheduled energy.
- (2) When energy taken exceeds the scheduled energy, the charge is the greater of: i) 125% of BPA's highest incremental cost that occurs during that day, or ii) 100 mills per kilowatthour.

If the energy index is negative in any hour(s) in which there is a negative deviation (energy taken is less than the scheduled energy) that BPA-TS determines to be a Persistent Deviation, the charge is the energy index for that hour.

If BPA-TS assesses a persistent deviation penalty charge in any hour for a positive deviation, BPA-TS will not also assess a charge pursuant to Section II (D) (1) of this ACS-10 schedule.

Reduction or Waiver of Persistent Deviation Penalty

BPA-TS, at its sole discretion, may waive all or part of the Persistent Deviation penalty charge if (a) the customer took mitigating

action(s) to avoid or limit the Persistent Deviation, including but not limited to changing its schedule to mitigate the magnitude or duration of the deviation, or (b) the Persistent Deviation was caused by extraordinary circumstances.

SECTION III. CONTROL AREA SERVICE RATES

B. GENERATION IMBALANCE SERVICE

The rates below apply to generation resources in the BPA Control Area if Generation Imbalance Service is provided for in an interconnection agreement or other arrangement. Generation Imbalance Service is taken when there is a difference between scheduled and actual energy delivered from generation resources in the BPA Control Area during a schedule hour.

1. RATES

a. Imbalances Within Deviation Band 1

Deviation Band 1 applies to deviations that are less than or equal to: i) $\pm 1.5\%$ of the scheduled amount of energy, or ii) ± 2 MW, whichever is larger in absolute value. BPA-TS will maintain deviation accounts showing the net Generation Imbalance (the sum of positive and negative deviations from schedule for each hour) for Heavy Load Hour (HLH) and Light Load Hour (LLH) periods. Return energy may be scheduled at any time during the month to bring the deviation account balances to zero at the end of each month. BPA-TS will approve the hourly schedules of return energy. The customer shall make the arrangements and submit the schedule for the balancing transaction.

The following rates will be applied when a deviation balance remains at the end of the month:

- (i) When the monthly net energy (determined for HLH and LLH periods) delivered from a generation resource is less than the energy scheduled, the charge is BPA's incremental cost based on the applicable average HLH and average LLH incremental cost for the month.
- (ii) When the monthly net energy (determined for HLH and LLH periods) delivered from a generation resource is greater than the energy scheduled, the credit is BPA's incremental cost based on the applicable average HLH and LLH incremental cost for the month.

b. Imbalances Within Deviation Band 2

Deviation Band 2 applies to the portion of the deviation i) greater

than $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value, ii) up to and including $\pm 7.5\%$ of the scheduled amount of energy or ± 10 MW, whichever is larger in absolute value.

- (i) When energy delivered in a schedule hour from the generation resource is less than the energy scheduled, the charge is 110% of BPA's incremental cost.
- (ii) When energy delivered from the generation resource is greater than the scheduled amount, the credit is 90% of BPA's incremental cost.

c. Imbalances Within Deviation Band 3

Deviation Band 3 applies to the portion of the deviation i) greater than $\pm 7.5\%$ of the scheduled amount of energy, or ii) greater than ± 10 MW of the scheduled amount of energy, whichever is larger in absolute value.

- (i) When energy delivered in a schedule hour from the generation resource is less than the energy scheduled, the charge is 125% of BPA's highest incremental cost that occurs during that day. The highest daily incremental cost shall be determined separately for HLH and LLH.
- (ii) When energy delivered from the generation resource is greater than the scheduled amount, the credit is 75% of BPA's lowest incremental cost that occurs during that day. The lowest daily incremental cost shall be determined separately for HLH and LLH.

3. OTHER RATE PROVISIONS

a. BPA Incremental Cost

BPA's incremental cost will be based on an hourly energy index in the Pacific Northwest. If no adequate hourly index exists, an alternative index will be used. BPA-TS will post the name of the index to be used on the OASIS at least 30 days prior to its use. BPA-TS will not change the index more often than once per year unless BPA-TS determines that the existing index is no longer a reliable price index.

For any hour(s) that the energy index is negative, no credit is given for positive deviations (actual generation less than scheduled).

b. Spill Conditions

For any day that the Federal System is in a Spill Condition, no credit is given for negative deviations (actual generation greater than scheduled) for any hour of that day.

If the energy index is negative in any hour that the Federal System is in a Spill Condition:

- (i) For negative deviations (actual generation greater than scheduled) within Band 1, no credit will be given.
- (ii) For negative deviations (actual generation greater than scheduled) within Band 2, the charge is the energy index for that hour.
- (iii) For negative deviations (actual generation greater than scheduled) within Band 3, the charge is the energy index for that hour.

c. Persistent Deviation

The following penalty charges shall apply to each Persistent Deviation:

No credit is given for negative deviations (actual generation greater than scheduled) for any hour(s) that the imbalance is a Persistent Deviation (as determined by BPA-TS).

For positive deviations (actual generation less than scheduled) which are determined by BPA-TS to be Persistent Deviations, the charge is the greater of: i) 125% of BPA's highest incremental cost that occurs during that day, or ii) 100 mills per kilowatthour.

If the energy index is negative in any hour(s) in which there is a negative deviation (actual generation greater than scheduled) that BPA-TS determines to be a Persistent Deviation, the charge is the energy index for that hour.

New generation resources undergoing testing before commercial operation are exempt from the Persistent Deviation penalty charge for up to 90 days.

If BPA-TS assesses a Persistent Deviation Penalty charge in any hour for a positive deviation, BPA-TS will not also assess a charge pursuant to Section III (B) (1) of this ACS-10 schedule.

Reduction or Waiver of Persistent Deviation Penalty

BPA-TS, at its sole discretion, may waive all or part of the Persistent Deviation penalty charge if (a) the customer took mitigating action(s) to avoid or limit the Persistent Deviation, including but not limited to changing its schedule to mitigate the

magnitude or duration of the deviation, or (b) the Persistent Deviation was caused by extraordinary circumstances.

d. Exemptions from Deviation Band 3

The following resources are not subject to Deviation Band 3:

- (i) wind resources; and
- (ii) new generation resources undergoing testing before commercial operation for up to 90 days.

All such deviations greater than $\pm 1.5\%$ or ± 2 MW will be charged consistent with section 1.b., Imbalances Within Deviation Band 2.

Definitions

13. FEDERAL SYSTEM

The *Federal System* is the generating facilities of the Federal Columbia River Power System, including the Federal generating facilities for which BPA is designated as marketing agent; the Federal facilities under the jurisdiction of BPA; and any other facilities:

- a. from which BPA receives all or a portion of the generating capability (other than station service) for use in meeting BPA's loads to the extent BPA has the right to receive such capability. "BPA's loads" do not include any of the loads of any BPA customer that are served by a non-Federal generating resource purchased or owned directly by such customer which may be scheduled by BPA;
- b. which BPA may use under contract or license; or
- c. to the extent of the rights acquired by BPA pursuant to the 1961 U.S.-Canada Treaty relating to the cooperative development of water resources of the Columbia River Basin.

16. HEAVY LOAD HOURS (HLH)

Heavy Load Hours (HLH) are all those hours in the peak period hour ending 7 a.m. through hour ending 10 p.m., Monday through Saturday, Pacific Prevailing Time (Pacific Standard Time or Pacific Daylight Time, as applicable). BPA matches NERC Standards in classifying six holidays as Light Load Hour.

20. LIGHT LOAD HOURS (LLH)

Light Load Hours (LLH) are all those hours in the off-peak period hour ending

11 p.m. through hour ending 6 a.m., Monday through Saturday and all hours Sunday, Pacific Prevailing Time (Pacific Standard Time or Pacific Daylight Time, as applicable). BPA matches six holidays classified according to NERC Standards as LLH. Memorial Day, Labor Day and Thanksgiving occur on the same day each year; Memorial Day is the last Monday in May, Labor Day is the first Monday in September and Thanksgiving Day is the fourth Thursday in November. New Year's Day, Independence Day, and Christmas Day fall on predetermined dates each year. In the event that they fall on a Sunday, the holiday is celebrated the Monday immediately following that Sunday, so that Monday is also LLH all day. If these days fall on a Saturday, the holiday remains on that Saturday, and that Saturday is classified as LLH.

41. PERSISTENT DEVIATION

A Persistent Deviation is one or more of the following:

a) For Generation Imbalance Service only:

Negative deviation (actual generation greater than scheduled) or positive deviation (generation is less than scheduled) in the same direction for four or more consecutive hours, if the deviation exceeds both: (i) 15% of the schedule for the hour, and (ii) 20 MW in each hour. All such hours will be considered a Persistent Deviation.

b) For Energy Imbalance Service only:

Negative deviation (energy taken is less than the scheduled energy) or positive deviation (energy taken is greater than energy scheduled) in the same direction for four or more consecutive hours, if the deviation exceeds both: (i) 15% of the schedule for the hour, and (ii) 20 MW in each hour. All such hours will be considered a Persistent Deviation.

c) A pattern of under-delivery or over-use of energy occurs generally or at specific times of day.

61. SPILL CONDITION

Spill Condition, for the purpose of determining credit or payment for Deviations under the Energy Imbalance and Generation Imbalance rates, exists when spill physically occurs on the BPA system due to lack of load or market. Spill due to lack of load or market typically occurs during periods of high flows or flood control implementation, but can also occur at other times. Discretionary spill, where BPA may choose whether to spill, does not constitute a Spill Condition. Spill for fish is included in discretionary spill and is not a Spill Condition.