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Bonneville Power Administration

Additional submitted attachment is included below.



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

POWER SERVICES

February 21, 2017

California Energy Commission
1516 Ninth Street
Sacramento, California 95814

**Subject: Comments on the Scoping Order for the 2017 Integrated Energy Policy Report,
Docket Number: 17-IEPR-01**

The Bonneville Power Administration (BPA) appreciates the opportunity to offer comments to the California Energy Commission on the draft scoping order for the 2017 Integrated Energy Policy Report. BPA recognizes that it offers these comments after the formal close of comment but respectfully requests these comments be considered in preparation of the final scoping order.

The Pacific Northwest-Pacific Southwest Intertie electric transmission system is a resource that has the potential to offer California with flexible capacity which may reliably integrate variable renewable energy resources, meet changes in net load shape due to renewable integration, and help mitigate oversupply conditions; all contributing to California's ability to achieve the objectives of SB 350. This combination of high-voltage transmission totals more than 7,000 megawatts of electric transfer capacity between the two regions. This transfer capacity means that existing facilities can support exports of energy from California to the Northwest while much of the forecasted net load ramp may be met with shaped day-ahead imports of energy from the Northwest to California.

The net load ramp due to the increasing amounts of renewable generation on the grid is largely forecastable. Instead of relying on the real-time market to meet the needs of this ramp, a large part of this ramp can be met through hourly schedules on a day-ahead basis, if the CAISO's day-ahead market is structured to incentivize this.

BPA's ability to make use of the flexibility of carbon-free Federal Columbia River Power System (FCRPS) increases the farther ahead of real-time operations the obligation is established. BPA plans dam operations to meet their obligations and operational requirements on a continuous basis up to real time. The continuous planning occurs due to the interdependent system of hydroelectric dams, whose operation is bound together by the physics of hydrology, in addition to the several non-generation uses of the system with priorities set higher than the production of electricity (flood control, navigation, fish and wildlife protection, etc.).

The California market is currently designed to capture flexible capacity as 5 minute dispatches of energy. Not only does this timeframe preclude the CAISO from making use of the majority of

the cost-effective and carbon-free flexible surplus capacity available from FCRPS, it presents a unique set of transmission challenges for resources outside of the CAISO boundary because these external resources are required to be dynamically connected to the CAISO whether they are dispatched or not. The Pacific Northwest-Pacific Southwest intertie is currently limited to 400 MW of dynamic transfer capability (DTC) to deliver 5 minute energy. In contrast, allowing Pacific Northwest (PNW) hydroelectric resources external to the CAISO to provide 15-minute Flexible Resource Adequacy allows use of the entire California-Oregon Intertie rated capacity, totaling nearly 4,000 MW. Going a step further and allowing these resources to schedule day-ahead ramps to meet the highly forecastable part of Flexible RA needs brings the Pacific DC Intertie into play as well, and another 3,000 MW of transfer capability.

Developing product categories eligible to provide Flexible Resource Adequacy, and providing capacity payments for these services, would make it more economically attractive for Northwest parties to provide flexibility. If product categories are developed to capture the flexible attributes of Pacific Northwest hydro resources, then both California parties and Northwest parties would benefit.

For more detail and context around the issue, BPA has linked previous comments offered to CAISO regarding [SB 350](#) and the [Flexible Resource Adequacy and Must Offer Obligations](#) initiative.

BPA urges the Commission to consider this potential for enhanced integration of renewable resources in its schedule of workshops for the IEPR. Please contact me for any additional information or assistance.

Sincerely,

/s/Suzanne Cooper

Suzanne Cooper
Vice President Bulk Marketing
Bonneville Power Administration