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January 5, 2024

TransAlta’s Comments on BPA’s November 29, 2023 Day-Ahead Market Participation Evaluation Workshop

TransAlta Energy Marketing (US) (“TEMUS”) appreciates this opportunity to provide comments on Bonneville Power Administration’s (“BPA”) fourth workshop held on November 29, 2023 in their public review process to evaluate potential participation in a day-ahead market (“DAM”). TransAlta is a generation owner/operator and it moves power throughout BPA’s balancing area and WECC using BPA’s long- and short-term transmission products.

TEMUS values the ongoing discourse with BPA and the agency’s willingness to respond to stakeholder comments. However, the four workshops held thus far have been focused on potential impacts to power products and customers with minimal discussion of the impact to transmission customers, many of whom have made significant financial investments in BPA’s transmission and are relying on its enduring use and value.

To address these concerns, TEMUS requests that coming workshops focus on potential impacts to transmission usage, availability, and rates.

Specifically, TEMUS would like to understand how BPA expects its OATT-based transmission service to change, particularly for day-to-day practices and changes to long-term products that customers utilize in short-term markets. Call this a “day-in-the-life” exercise to cover the following topics.

Day-in-the-Life Review for Transmission Use

- **New Day-Ahead Practices and Deadlines** This should be a thorough examination and answer questions, such as: What will be the day-ahead scheduling deadline? How long will transmission sales on OASIS be paused during the day-ahead market run? Is the availability of short-term transmission products expected to change? Can transmission customers schedule or redirect their reserved transmission in real-time (after the day-ahead scheduling deadline)? Will real-time transmission use be subject to uplift (imbalance or redispatch charges)? TEMUS contends that BPA and the region fully understand how transmission will be used differently in real-time, how transmission availability may change, and whether utilization of BPA’s transmission products are expected to change *before* BPA’s decision is made.

- **Seams Management** Using just one example, if BPA chooses to join SPP’s Markets+ offering, a seam between that market and CAISO will develop. What issues are expected that could impact the free flow of power between BPA’s territory in the Pacific Northwest and California? TEMUS does not agree that the region can “cross that bridge” later and we share E3’s concern, at slide 15 in the October 23, 2023 workshop, when they presented their Western Markets Exploratory Group (“WMEG”) study results¹.

Other Transmission Topics for Discussion

- **Transmission Revenue** At two previous workshops, uncertainty regarding future transmission revenue (also referred to as “wheeling revenue”) was highlighted as a risk that could cause upward pressure to BPA’s transmission rates. BPA mentioned this at the November 29, 2023 workshop², and at the October 23, 2023 workshop, E3’s presentation at slide 20 featured conflicting outcomes—savings for BPA customers or increased costs—that are determined by wheeling revenue assumptions. The uncertainty around future transmission revenue must be addressed as part of BPA’s DAM participation decision making. TEMUS requests that BPA conduct an analysis of potential impacts to transmission rates or share results from studies conducted thus far.
- **Allocation of Implementation Costs** TEMUS is concerned that BPA’s costs to join and implement a DAM could be significant and requests that BPA present a plan for allocating costs to BPA customers that are proportional to expected benefit by Power and Transmission Business Line.
- **Transmission Expansion** How could joining a DAM impact transmission expansion and cost allocation? Is participating in a DAM expected to improve BPA’s ability to expand the transmission system or add more hurdles?

TEMUS appreciates the evaluation process BPA has conducted so far, particularly because the stakes are much higher than when BPA considered participation in the Energy Imbalance Market and because BPA’s customers automatically follow in BPA’s wake and cannot individually choose. For those reasons, we are looking forward to a much deeper dive into topics affecting transmission use with stakeholders before a policy “leaning” is decided.

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¹ [E3 WMEG Benefits Study presentation from BPA’s Oct 23, 2023 workshop](#)

² [Nov 29, 2023 BPA workshop presentation](#)