

Report from the Flexibility Small Group

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Flexibility Small Group

- Explored four areas of flexibility in the Operating Reserves Business Practice that customers had identified:
 - Election Periods shorter than one year;
 - Allowing multiple Operating Reserve Suppliers for each TCH;
 - Allowing generators to self-supply supplemental reserve;
 - Allowing interruptible exports from the BPAT control area.
- Met on February 6 and March 13 to discuss proposals.
- Summary of discussions is published on the O.R. website.

Election periods shorter than one year

- PBL quoted an annual rate hence do not want TCH's to be able to cherry pick the months that they elect to self-supply;
- **Action Item:** Brainstorm on how Ancillary Services can be tracked when the Tag becomes the schedule.
- **Action Item:** Customers should develop a white paper on what sort of election period options they will want in the future.
- **Action Item:** Customers who are interested in either self-supplying or becoming a qualified 3rd party supplier of Operating Reserves are encouraged to approach BPAT before 31 March 2003 to maximize implementation synergies.
- **Action Item:** Discussion with BPAT on how TBL's future systems will permit customers to self-supply or 3rd party supply Operating Reserves.

Allowing multiple Operating Reserve Suppliers for each TCH

- BPAT thought that it might be possible with the current RODs scheduling system to allow a TCH to change the 3rd party once a quarter provided the new 3rd party supplier met the 150 aMW requirement and the necessary accounts could be set-up.
- **Action Item:** Draft proposed changes to the current Operating Reserve Business Practice to reflect this new flexibility
- **Action Item:** Discuss with BPAT what the practical limits are for the new scheduling & billing systems on the number of 3rd party suppliers that a TCH could contract with in any given month

Allowing Generators to self-supply Supplemental Reserves

- Given that BPA current meets its supplemental reserve obligation with spinning reserves and the fact that the BPAT's rate structure was not designed to allow self-supply of only Supplemental Reserves, it is not clear how operating reserve services could be separated into spinning and supplemental components in the near future;
- **Action Item:** Draft a proposal on how thermal generators could supply the 3.5% non-spinning component of their Operating Reserve within 10 minutes and then acquire the 3.5% spinning component from BPA so that this issue can be considered for the next rate case.

Allowing interruptible energy exports from the BPAT control area

- Given the current scheduling & billing systems this option does not seem practical at this time;
- **Action Item:** Discuss with BPAT whether the new Scheduling and Billing Systems will track interruptible schedules and if it will be possible to curtail interruptible exports mid-hour in the future.

Conclusions

- Details on how to self-supply or 3rd party supply under the current Business Practice should be enhanced
- Interest in changing 3rd party OR suppliers every three months should be gauged
- Need proposals describing desired flexibility in future
- Need to brainstorm on how to track Ancillary Services when E-tags rule
- Need to discuss with TBL system architects how OR flexibility can be built into the new systems