

**TRANSMISSION BUSINESS LINE (TBL)
BUSINESS PRACTICES TECHNICAL FORUM**

DESCRIPTION OF OPERATING RESERVES ISSUES

TBL/SETTLEMENT ISSUES

- 150 MW floor on self-supply

In order to self-supply Operating Reserves (OR) the Transmission customer must have deliveries from resources in the BPAT control area that equal or exceed 150 aMW. This results in an average operating reserve requirement of at least 8 aMW. BPAT is convinced that the average requirement must not be less than 8 MW to be assured that the self-provider's resources properly responds to a dispatch order.

- One supplier per transmission customer

BPAT requires that a Transmission customer supply its total Operating Reserve Requirement from one supplier. As an automated signal is sent to the supplier's control center, it is not practical to change the communications and software needed to implement regular changes in suppliers. It is also more difficult to observe the response of multiple suppliers.

- Allowing generators to self-supply

BPAT interprets this to mean that a generator operator can arrange for the OR Requirement for all the schedules from its generation in the control area, even when it is not the Transmission Contract Holder (TCH). The present BPAT Rate Schedule requires the TCH to arrange for its OR Requirement.

- Rules for arranging for interruptible exports

Some customers are interested in transferring the OR Requirement for generation in the BPA control area to their control area to avoid the charge. An interruptible schedule (when the resource has a contingency the schedule is interrupted) would do this. BPAT would have to develop rules for implementation and systems for an automated approach.

ISSUES IDENTIFIED AT BP FORUM 12/11/2002

- Ability to choose split between spinning and supplemental reserve

Some customers would like the option to supply only supplemental reserves. Supplemental reserves are non-spinning but can be loaded in 10 minutes. Normally BPAT calls on spinning reserves first to meet contingencies. This would require additional automation and tracking.

- In hour schedule changes for those that self-supply

This appears to be a Scheduling issue.

- Selling firm power over NF transmission requires Op Reserves

This is a seams issue on the treatment of non-firm transmission. It is being debated in WECC committees and other forums. We propose not to discuss it in this forum.

- For L-shaped schedules/charges capture rules in Business Practices

The customer are concerned about being double charged for OR when power is scheduled to a sink which has schedules out, as a hub. The customers would like to have the rules for determining which schedules are charged for reserves in the Business Practice.