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Department of Energy
Bonneville Power Administration
Transmission Services
P.O. Box 64109
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Via Email: techforum@bpa.gov

Re: Comments of Puget Sound Energy, Inc. on Short-Term Competition Business Practice

Puget Sound Energy, Inc (“PSE”) would like to thank The Bonneville Power Administration (“BPA”) for the opportunity to comment on BPA’s Business Practice Posting Version 1 of Preemption of Short-Term Requests and Reservations. In November 2012 PSE commented that we did not believe it was in the best interest of BPA and the Regions to implement Competition in spring of 2013 due to possibly of introducing unintended and unnecessary risk to a relatively well-functioning transmission system and resale market. PSE still stands by those comments and still believes that it is not in the best interest of the Region to introduce competition to the market until all known and identified issues have been solved or NAESB has provided new Competition and Preemption Standards.

With regards to the currently posted Preemption Business Practice In reading and reviewing the new Business Practice (“BP”), PSE discovered some missing information that we believe is necessary to fully understand and adhere to Preemption. In addition PSE has identified larger, possibly overlooked issues that could cause unfair Defender selection, or lead to unnecessary market disruption if not addressed and corrected.

Small Issues:

On Page 5 of the posted BP in “Table B” there are times referenced in the “Must be Queued By” column that do not include a time zone. For the purposes of clarity as BPAT has customers in each Time Zone in North America the “PPT” time zone should be included following each time

referenced. Similarly, if there are any other times referenced in the BP the accompanying time zone should be referenced.

On Page 14 the fourth bullet point sentence underneath “Defender priority is established as follows:” is not finished, it currently reads “If the above parameters are equal, later queue time is”. Please complete and finish this sentence.

On Page 16 the BP states that “Matching requests....are given a new queue time of just prior to the Challenger”. On Page 11 in bullet point “h.” the business practices states “The matching request....with a new....Queue Time equal to that of the Challenger’s request.” Bullet point “h.” should match what is stated on Page 16 and read “a new Queue Time just prior to the Challenger”.

Larger Issues:

BPA recently updated the Timeframes for Firm PTP Challengers to be 2 Business Days prior to 1:00AM of the Challenger’s Preschedule Day. This change makes the Timeframe for a Firm Daily Challenger and a Firm Daily Defender the same. Because of this, and the latency that inherently exists in all software, in the case where a Request is Queued prior to 1:00am, but a Defender is not identified until after 1:00am, can BPA please explain if a Challenge will take place and which time will be used to identify when a Challenge will occur?

On Page 14 In “Flow Diagram No.1” It states “If the above parameters are equal, later queue time is subject to Preemption before earlier queue time”. This process will prove to be sufficient if queue times are unique; however with the implementation of Simultaneous Submission Windows (SSW) by BPAT all Transmission Service Requests (TSR’s) submitted within the SSW will receive the same queue time. Please explain how BPAT will determine the order of Defenders if multiple similar eligible reservations have the same queue time? What criteria will be used to break the tie? This has been determined to be a problem during NAESB discussions, but has not ever been discussed or explained during BPA customer meetings, nor in the out for comment BP. This appears to be a large issue that has up till this point been overlooked and could cause an incorrect Defender selection.

Additionally, on Page 14 In “Flow Diagram No.1” It states the “Defender must provide capacity to at least one constrained flowgate of path needed by the Challenger”. However, there is no mention of what level of capacity must be provided by the Challenger. During regional meetings with BPA, there was discussion of using a deminimus value for determining when a competition would be warranted. The BP appears silent on this matter. BPA should include information regarding at what level of capacity will a competition begin. It is PSE’s recommendation to use

the standard deminimus standard for awarding capacity during a normal Transmission Service Request, and be sure to include this new language in a revised Business Practice.

Finally, on Page 16 the BP states that "Matching requests....are given a new queue time of just prior to the Challenger". This is cause for concern, because if you successfully defend and are given a new queue time prior to the Challenge, it is possible that this will make your reservation more susceptible to Challengers in the future. While it is true that the increase in duration should reduce the chances of being identified as a defender, losing a potentially much earlier queue time could create just as much of an increase in being identified. BPA should take action to allow all successful Defenders to retain their original queue time.

Conclusion:

PSE would like to again thank BPA for the opportunity to comment on the proposed Business Practice, and we hope that BPA will review our suggestions and concerns and implement changes in both the pending Business Practice and Competition process.

PSE remains concerned that implementation of Competition could produce unintended consequences and market disruption due to premature implementation. PSE stands behind previous comments on Competition that the policy and technical issues associated with such a complicated market change require resolutions that are intentional and deliberate, and BPA should allow itself, the region, and OATi (the software vendor) the time to ensure that all of the details are right prior to implementation. PSE recommends that BPA continue to work with the region, at NAESB, and with OATi to develop solutions to the issues identified above and any other issues identified prior to the implementation of the PCM Implementation Protocol.

PSE appreciates BPA's consideration of the recommendations contained herein. If BPA is interested in discussing any of these suggestions further, please do not hesitate to contact me or my staff. By return e-mail, please confirm BPA's receipt of these comments.

Very truly yours,

Puget Sound Energy, Inc.

By 

Title _____

Theresa M. Burch
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