

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of) DOCKET UE-151273
)
) COMMENTS OF BOISE WHITE
Investigation of Pacific Power and Light) PAPER, L.L.C.
Company's Participation in the Energy)
Imbalance Market.)
_____)

I. INTRODUCTION

1 Pursuant to the Washington Utilities and Transportation Commission's ("WUTC" or the "Commission") notice of opportunity to file written comments in this docket,^{1/} Boise White Paper, L.L.C. ("Boise") submits the following comments regarding Pacific Power and Light Company's ("Pacific Power" or the "Company") participation in the California Independent System Operator's ("CAISO") Energy Imbalance Market ("EIM").

II. COMMENTS

A. Benefits to Pacific Power and Its Washington Ratepayers from Participation in the EIM.

2 The Commission seeks "information concerning the estimated benefits to Pacific Power and its Washington ratepayers from participation in the EIM, as well as any actual benefits calculated since the EIM began in November 2014."^{2/} Such EIM benefits information, including actual benefits calculations, is now available for Commission review. This is important to note because the Commission had found that

^{1/} WUTC Notice of Opportunity to File Written Comments and Notice of Workshop (July 10, 2015) ("Notices").

^{2/} Id. at 1-2.

Boise estimates of EIM costs and benefits in the Company's 2014 general rate case, while "insightful," were nonetheless "too uncertain" when based primarily on pre-operational EIM reporting data.^{3/} Conversely, the Company now "has more actual data and operational experience [t]o determine costs [and benefits] that the Commission can consider to be known and measurable for purposes of setting rates."^{4/}

3 For example, on April 1, 2015, the Company filed its 2016 Transition Adjustment Mechanism ("TAM") with the Public Utility Commission of Oregon ("OPUC").^{5/} The TAM is an annual filing that updates the Company's projected net power costs for the following year in Oregon. In its filing, Pacific Power included EIM benefits for 2016 of \$9.4 million on a total-Company basis.^{6/} Pacific Power "based its forecast of EIM benefits on *actual results* from December 2014 and January 2015 because this was the most recent, representative *actual data* available at the time NPC was prepared."^{7/} In short, the Company no longer maintains—as last testified before this Commission—that "it is impossible at this point to accurately project the amount of offsetting benefits in the rate period."^{8/}

4 As more "actual results" and "actual data" become available, including further updates expected in the Company's early August 2015 TAM rebuttal filing, Boise believes that the Company will be able to better reflect the "seasonality" of EIM benefits, since the actual data corresponding to the initial winter months used in Pacific Power's TAM filing are not indicative of the level of inter-regional dispatch benefits expected

^{3/} WUTC v. Pacific Power, Dockets UE-140762 *et al.*, Order 08 ¶ 89 (Mar. 25, 2015).

^{4/} Id.

^{5/} See Re PacifiCorp, 2016 TAM, OPUC Docket UE 296.

^{6/} Id. at PAC/100, Dickman/9.

^{7/} Id. at PAC/100, Dickman/13:5-7 (emphasis added).

^{8/} Dockets UE-140762 *et al.*, Exh. No. GND-4T at 30:22-23.

over the course of an entire year.^{9/} Pacific Power's TAM filing could provide the Commission with a starting point for how to quantify the benefits of the Company's participation in the EIM. The Company's filing does not identify all of the benefits that it enjoys from EIM participation, however, and can be improved.

5 Of particular concern for Boise is determining how EIM transfers between balancing areas should be reflected in Commission's West Control Area ("WCA") inter-jurisdictional cost allocation methodology. The WCA methodology contains a mechanism called the "eastern control area sale" that captures the economics of hourly transactions between the eastern and western balancing authority areas. In line with this concept, Boise believes that sub-hourly transactions made between balancing authority areas in connection with the EIM should also be reflected under the WCA methodology.

6 There are likely other issues associated with the benefits of the Company's participation in the EIM that the Commission will need to address in this docket. Boise may raise additional issues and comment upon issues raised by other parties over the course of this proceeding.

B. Market Performance

7 Based upon recent EIM-related filings by and with the Federal Energy Regulatory Commission, this Commission has asked the Company to identify both root causes and potential remedies regarding "market infeasibility."^{10/} This is a new issue that Boise is also investigating and, as such, looks forward to the Company's comments and workshop presentation. Boise may have more definite ideas to share in a workshop setting, based upon the information supplied by the Company.

^{9/} See Re PacifiCorp, 2016 TAM, OPUC Docket UE 296, ICNU/100, Mullins/35-36.
^{10/} Notices at 2.

III. CONCLUSION

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In general, Boise is very supportive of the Commission's efforts to accurately assess the costs and benefits associated with Pacific Power's participation in the EIM. Boise appreciates the opportunity to provide these comments and plans to participate in the upcoming workshop.

Dated this 21st day of July, 2015.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Jesse E. Cowell

Jesse E. Cowell

333 S.W. Taylor, Suite 400

Portland, Oregon 97204

(503) 241-7242 phone

(503) 241-8160 facsimile

jec@dvclaw.com

Of Attorneys for Boise White Paper, L.L.C.