

HIATUS ON THE 10-MINUTE MARKET (Posted 9/19/00, Effective midnight 9/20/00)

Hiatus: The hiatus on the 10-minute market applies to spinning reserve, non-spinning reserve, 10-minute supplemental energy, and replacement energy if such services are being used for economic regulation instead of emergency purposes. If these services are requested by the CaISO the delivery should be made through the end of the hour of the request. BPAT (TBL) will continue to respond to emergency requests.

Background: The CaISO has been trying to establish a 10-minute market for within-hour services of supplemental energy, reserve services, and 10-minute regulation energy. On 6/29/00 FERC approved Amendment 29 to the CaISO tariff allowing the CaISO to go forward with changes to dispatching resources in the CaISO's real-time Imbalance Energy market. TBL as well as many other interconnected control areas (LADWP, WAPA, SRP, APS, PAC) and a host of marketers expressed concern about moving forward too fast with this change to a real-time market, indicating that automation was necessary to accommodate the new format. On 8/22/00 the CaISO indicated that the automation was in place and that they would implement the 10-minute market beginning 9/1/00. On 8/29/00 BPA requested a stay on the implementation of the 10-minute market as the automation was not in, nor agreed to, with all the Control Area Operators (BPA TBL being one). Some control areas expressed concern that the settlement process used by the CaISO still did not work accurately. TBL's reservations persisted that the automation was not going to be adequate because it focussed on scheduling coordinators and not adjacent control areas. Nevertheless, TBL said it would try to accommodate increases and decreases in the 10-minute market up to five schedule changes an hour. PGE and Puget also agreed to accommodate a very limited number of changes in the 10-minute market.

Current Conditions: During the last 18 days TBL has experienced the following difficulties:

1. Numerous frequency excursions due to mismatched schedules between TBL and the CaISO. It appears that all or most of these excursions were due to the implementation of the 10-minute market. These excursions demand attention due to potential effects on reliability.
2. System Pool errors occurring at an alarming rate (every day and most hours). These errors have been up to 1000 MW. It is up to the After-The-Fact staff to resolve the discrepancies. To date all days are still out of balance.
3. Frequent problems are occurring because TBL dispatchers and schedulers are not able to check and balance each hour before ramping into the hour (a NERC requirement). TBL dispatchers have a responsibility to monitor system conditions and anticipate potential problems, thus avoiding further trouble. The activity in the 10-minute market requires the dispatchers and schedulers to focus on marketing activities, changing their focus from reliability to marketing. This forces the dispatchers to respond to problems rather than prevent them. It has also made it impossible to process all transmission service requests, such that some requests cannot be accommodated.

4. At least one TBL customer has repeatedly tried to skip schedule across the BPA control area without notifying TBL of the transmission usage until after the fact. This is a violation of NERC reliability requirements, as well as WSCC Scheduling Procedures for all Entities Involved in Interchange Scheduling described in the Operations Committee Handbook. The action was attempted at a time when the customer wanted to sell into the 10-minute market.
5. The inability to check and balance the interchange activity on an hourly basis provides continuous uncertainty, resulting in overselling and underselling of transmission resources, and has led TBL to speculate whether adequate reserves are being maintained in the Western Region.

Therefore, the TBL has determined that the transmission system is not being operated reliably due to the constantly changing real-time environment. Since reliability is a primary TBL objective, some action must be taken. The TBL will therefore PLACE A HIATUS ON ACCEPTING ANY 10-MINUTE MARKET ACTIVITY ACROSS THE BPA TRANSMISSION SYSTEM AND CONTROL AREA UNLESS THE CUSTOMER REQUEST IS CONSISTENT WITH SEC. 7 AND 8 OF THE POSTED TRANSMISSION SCHEDULING PROVISIONS. THIS HIATUS WILL BE EFFECTIVE AT MIDNIGHT WEDNESDAY, 9/20/00. The TBL will continue to accommodate the hour-ahead market for hourly deliveries of reserve-services transmission. The TBL realizes that market participants would like continuation of this 10-minute market. However, the TBL first must be able to guarantee reliability. The TBL will be discussing this decision with customers in the near future.

As with all postings the TBL will accept comments on this issuance by fax to the TBL reservation desk @ 360-418-8207 or by E-mail at TBLresdesk@BPA .gov.