

External Transmission Provider Reliability Derates Causing IDS for CAISO Intertie Awards

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Problem statement: Action taken to preserve system reliability in one BAA results in IDS penalties levied against the SC complying with the reliability directives.

Shell Energy has identified instances where non-CAISO external transmission provider (TP) reliability limits or derates result in IDS penalties when the SC takes prudent action to comply with a new scheduling limitation to relieve overloading of transmission. At this time, Shell Energy has observed this issue with BPAT transmission, on two paths: JohnDay-COB (NWACI); and BigEddy-NOB (PDCI) transmission. This issue may affect other TPs, not just limited to BPAT.

BPAT, per their Open Access Transmission Tariff¹, charges customers a penalty for “failure to comply” (FTC)² with reliability limits imposed on both NWACI and PDCI paths³. When BPAT issues a reliability limit to NWACI and/or PDCI (within the realtime scheduling window (before T-20 to flow)), transmission customers are required, per their tariff to adjust e-tags to reduce transmission usage to be in compliance with the new reliability line limit’s impact on that SC’s contractual share of NWACI and/or PDCI.

Customers who fail to reduce e-tags to reduce transmission usage to less than the SC’s updated “share” of the affect path (per the reliability limit or derate) are charged a Unauthorized Increase Charge (UIC) penalty by BPA of \$1000 per MW for transmission FTC. This charge is multiplied times the number of MWs an SC is overscheduled.

Shell Energy’s operating procedure is to promptly reduce the total e-tags utilizing the NWACI or PDCI to be at, or under the new scheduling limit to preserve transmission reliability, immediately following a reliability limit by a TP. While this action is prudent to reduce transmission load to preserve system reliability; taking swift action also insulates BPAT transmission customers from onerous penalties. However, depending on the timeline, swift corrective action exposes Shell Energy to IDS penalties. These penalties can span multiple hours like July 9th, where the reliability limit changed hourly as BPAT was trying to determine a prudent limit to both NWACI and PDCI while accounting for the Bootleg fires’ impact.

CAISO’s Intertie Deviation Settlements were not designed to distinguish for these events—when an SC reduces e-tags down to comply with BPAT’s new line limits, this process generates IDS penalties.

¹ BPA OATT, Page 83, Section F: Unauthorized Increase Charge:
<https://www.bpa.gov/Finance/RateInformation/RatesInfoTransmission/FY20-21/2020%20Transmission%20Rate%20Schedules%20and%20GRSPs.pdf>

² Business Practices Manual, UIC Charge:
<https://www.bpa.gov/transmission/Doing%20Business/bp/tbp/Unauthorized-Increase-Charge-BP.pdf>

³ Business Practices Manual, Section K: Reliability Limits and Outages:
<https://www.bpa.gov/transmission/Doing%20Business/bp/tbp/Scheduling-Transmission-Service-BP.pdf>

(This is not a problem when the updated line limit is published before the T-75 SIBR cutoff; however, BPAT often updates line limitations after the top of the hour, even as late as T-30 to flow and SCs must heed the new reliability limits.) Unfortunately, this issue is a prime example of a of a SEAM issue between CAISO and the rest of the WECC. This seam issue results in poor outcomes for affected SCs—that is, an SC's to adherence to reliability limits in one BAA is penalized by CAISO IDS.

Potential solution: Exempting IDS when an external TP issues a reliability limit or derate

A solution would be to exempt IDS from occurring when BPAT (or any other external transmission providers) updates path limits which results in reduced scheduling rights. BPAT makes it clear when updated line limits for NWACI and PDCI are issued. Emails are sent via the JOTS (Joint Owned Transmission System) mailing list, historical line limits are recorded, and BPA publishes the CDE (customer data entry) interface tool for reference. These could easily be recorded by CAISO to catalogue which hours are affected and to exempt IDS for affected schedules during that hour(s). A more nuanced solution would require CAISO recording *when* BPA's updated line limits were published and only exempting the first affected hour from IDS if the limits were published by BPAT after T-75.

Shell Energy advised the CAISO of this issue on 14 July 2021 in CIDI ticket number 00240357. We wanted to provide the CAISO the opportunity to identify a solution; however, Shell Energy may submit this issue for resolution via a PRR request. This should be resolved promptly.

Thank you,



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