



Western  
Area Power  
Administration

# WEIL: A Discussion on Markets

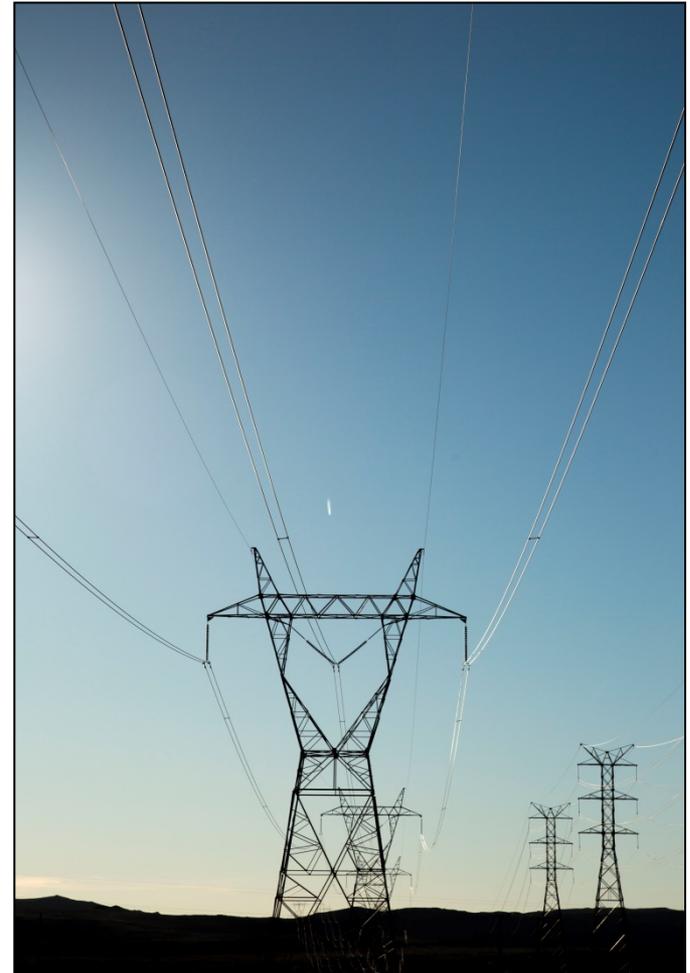
September 29-30

Mark A. Gabriel  
*Administrator and CEO*



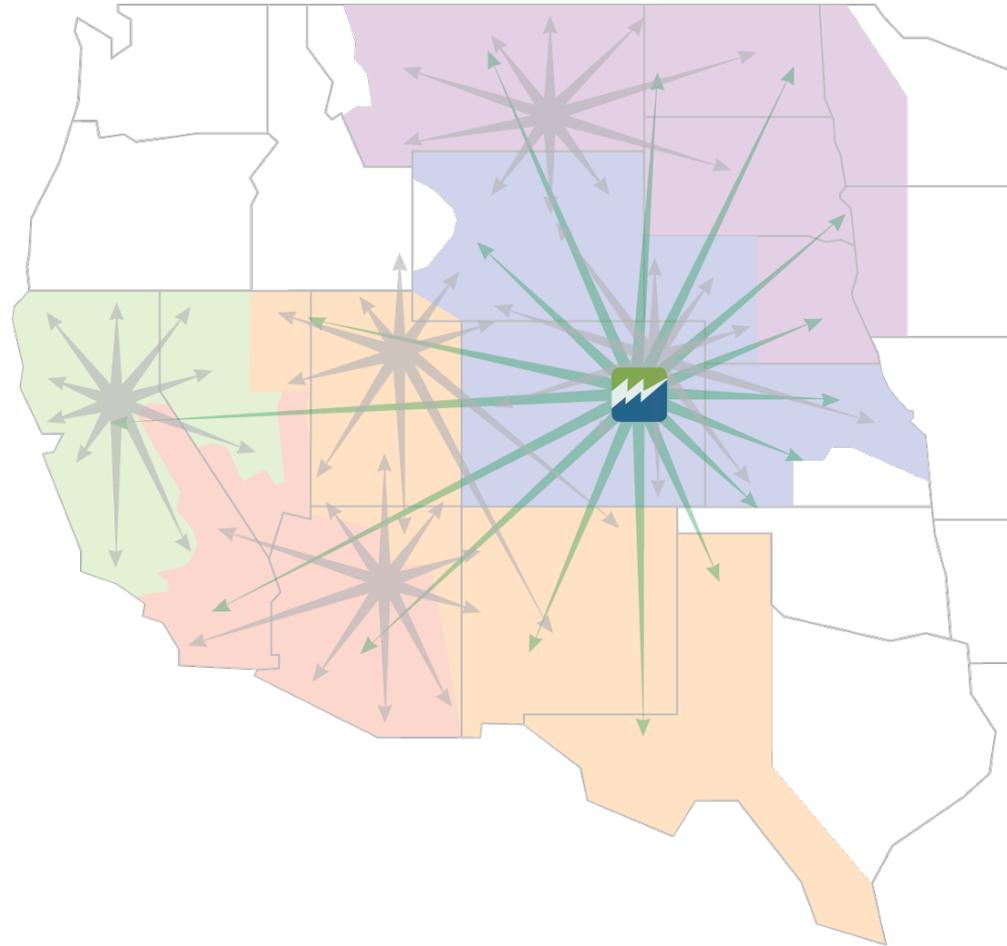
# WAPA's Interest

- WAPA's significant transmission system
  - More than 17,000 circuit miles
  - 15 states
  - Among top 10 in the country
- Expanding geographic scope of markets
- Expanding number of participants
- Increasingly limited trading partners



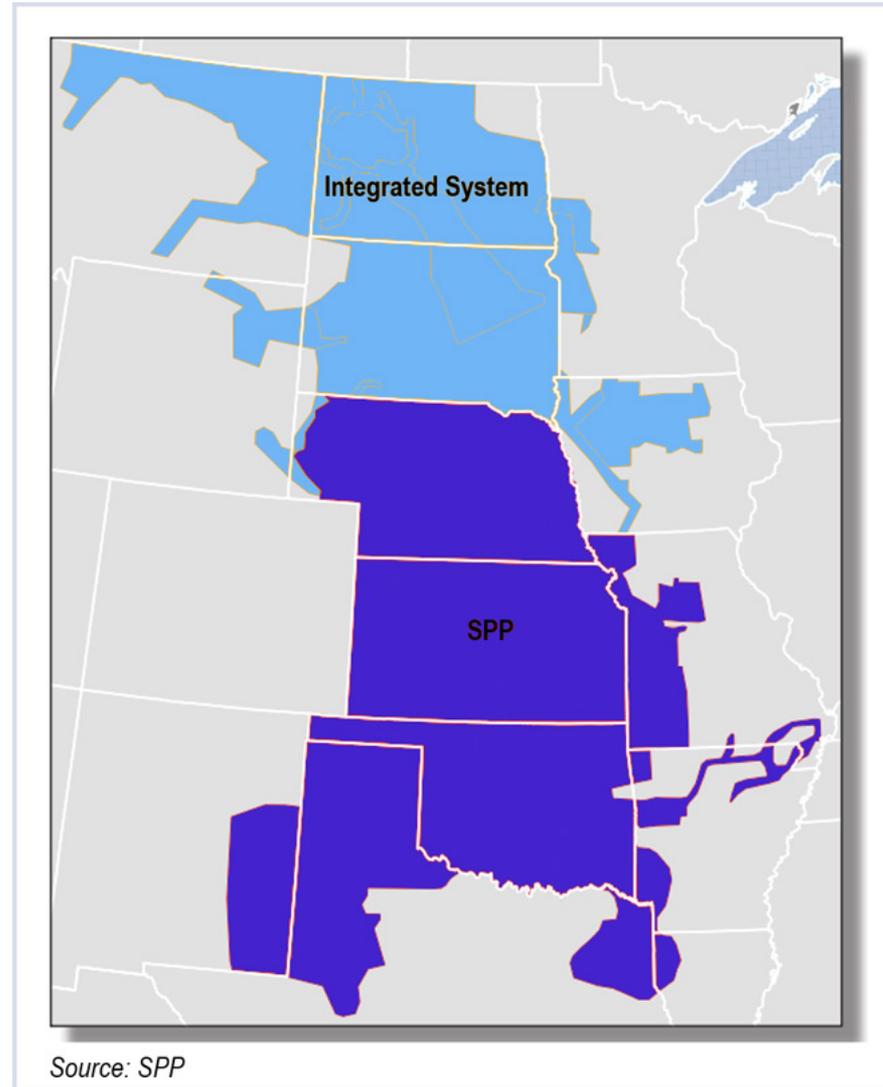
# WAPA's Concerns

- Statutory requirements
- Each region has unique legislation and needs that must be addressed on case-by-case basis
- Cost



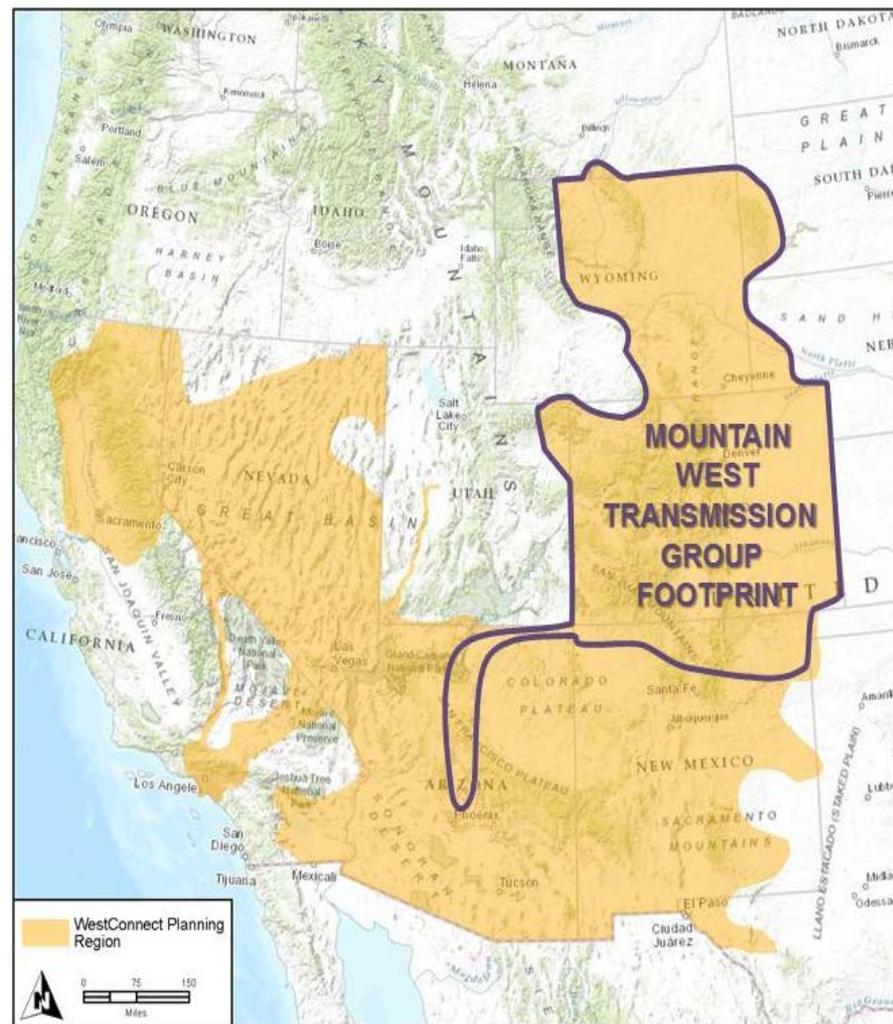
# Joining Southwest Power Pool

- Joined SPP October 1, 2015
- SPP provides greater flexibility  
Creates more options for buying and selling
- Reduces constraints in delivering power
- Helps keep costs low for customers
- Alternate Operations Study \$11.5 M net benefits predicted initial year savings/cost avoidance
- Savings estimated to be greater than the AOS



# MWTG

- Goal – Create a single multi-company transmission tariff and explore “Day 2” market alternatives
- MWTG TSPs include: two IOUs, two municipals; two REA G&Ts; two Federal PMA projects
- MWTG members are a sub-set of the WestConnect planning region members and are members of the Colorado Coordinated Planning Group (CCPG)
- Currently includes seven parties with nine transmission tariffs



# Balancing Authority of Northern California

Slide from BANC's presentation at WAPA's June 30 Markets Meeting

## Evaluation Status

- Several rounds of benefit and cost analyses are complete
  - Sensitivity runs being initiated (hydro year, price volatility, RPS levels)
- Benefits – gross benefits for all 4 participants & WAPA-SNR
- Costs
  - Implementation costs – in range of prior EIM entities
  - Ongoing costs – high compared to prior EIM entities due to BANC not being one vertically integrated entity
- Still evaluating results to determine if/what scenarios would provide net benefits
- BANC initial decision-making planned for late August
- WAPA-SNR not BANC member and will have separate decision-making process
- If BANC proceeds, most likely looking at 2019 Go Live



**BALANCING AUTHORITY OF NORTHERN CALIFORNIA**

A JOINT POWERS AUTHORITY BETWEEN

Modesto Irrigation District | City of Redding | City of Roseville | Sacramento Municipal Utility District | City of Shasta Lake | Trinity Public Utility District

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# Exploring EIM Alternatives

- DSW exploring and analyzing existing markets and EIM alternatives
- Participation in EIM or alternative must provide value for DSW customers
- Ultimate Objectives: Determine any customer benefits of EIM or potential alternatives
  - Weigh opportunities for market participation
  - Evaluate operational benefits, including renewable integration
  - Provide stakeholders and customers with thorough analysis of all options



# Key Take Away

*Each region has unique legislation and needs that must be addressed on case-by-case basis.*

*Customer engagement is critical.*



# Contact

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