



BANC Evaluation of EIM Participation

WAPA Markets Discussion

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General Manager

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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

6001 S Street MS D109 Sacramento CA 95852-1830

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Who & What is BANC

- JPA providing BAA services to its members and through contracts to two non-members
 - Members: MID; City of Redding, City of Roseville, SMUD, City of Shasta Lake, TPUD
 - Non-members
 - WAPA-SNR
 - TANC – COTP
- Formed from SMUD Control Area
 - SMUD CA – 2002
 - BANC Operational – May 2011



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Where is BANC?



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Why EIM Participation

- BANC values its market structure and its members have varying levels of involvement with CAISO
 - Some members do transact with CAISO market
 - Full participation comes at high cost – driven by TAC
 - Members views vary on EIM
- However, given the evolution of the Western Grid, a majority believe we need to evaluate EIM:
 - Is there net value to our customer-owners?
 - Will it help manage VERs?
 - Will it help support CA energy policy goals?



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Evaluation Process

- Initiated effort with 3rd party consultants early 2016
 - Benefits Analysis – E3
 - Costs Analysis – GridSME
- Entities participating in evaluation
 - 4 BANC members (2 have no resources to bid in to market)
 - WAPA-SNR
 - Any marginal benefits
 - Transmission access
 - Somewhat unique – 1 BA with 5 separate utilities
- Outreach
 - Two training sessions with CAISO
 - Lessons-learned session with Pacificorp



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Learning to Date

- Complicated IT/data management project
- Accuracy of Network Model, Outage Management System & VER forecast critical
- Increased FTE's
 - BAA Grid operations
 - Settlements
- Energy trading roles will change, but not necessarily increase
- Consistent BAA rules for e-tagging
- Costs for prior entities aren't total cost for footprint



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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



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Topic

- Item
 - Sub-item
- Item
 - Sub-item



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