BANC Evaluation of EIM Participation

WAPA Markets Discussion

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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
Where is BANC?
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?
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
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
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