

Formal Customer Meeting Questions

Internal: Questions-Names

Formal Customer Meeting – August 17, 2020

	Commenter	Questions/Comments	Response(s)
1.	Jim Schetler – BANC	Clarification – On the ongoing costs for EIM (annual). There is an updated budget that lowers WAPA’s share. The \$300k is for the 9 months for WAPA. It will be increased about 25% to account for the entire year. It’s probably in the \$400k range.	N/A
2.	David Trombly - UC Davis	If there are savings associated with implementation of EIM, where will these be accounted for? In the PRR?	EIM costs and benefits will go to the PRR. We anticipate the benefits will eventually outweigh the costs.
3.	Randy Howard - NCPA	Is WAPA or USBR planning to hire any additional staff to support the implementation? Or are the implementation costs just a shift from other activity? Will the current staff charge to EIM?	No additional staff will be needed. Activities will be absorbed as part of our current labor staff. We have separate labor codes and will provide EIM cost/benefit information at future customer meetings.
4.	Dave Olivares – Modesto Irrigation District	It’s my understanding that you stated that implementation and ongoing cost won’t be charged in the PRR until after the proceeding. Will we begin paying in October?	The costs will be in the FY21 PRR, beginning in October, and are included in the 5-year PRR forecast posted to WAPA’s website.
5.	Willie Manuel – Turlock Irrigation District (TID)	How often will WAPA monitor the cost and benefits to determine continued participation in the EIM? If the costs are greater than benefits when will WAPA stop participating in the EIM?	We are hoping for financial benefits to cover costs, but EIM also brings intangible benefits. It may be after the first or second year of participating that we would see a net benefit. We will monitor closely and share at our customer meetings.
6.	Regina - NCPA	Slide 14- Is the 3-year rolling average an ongoing rolling average for prospective costs?	Yes, this is a prospective 3-year rolling average.
7.	Willie Manuel - TID	You have mentioned conforming and non-conforming loads within WAPA’s footprint, where does TID fit into this flow chart? Right now, we have a BR percentage we currently pay, will this remain the same? The new Rate Schedules being proposed don’t directly apply to TID?	As a customer of WAPA Merchant, you will be indirectly affected by the Tier 2 allocation. You will pay some EIM charges and receive benefits based on your BR percentage. We will share information on EIM costs and benefits in future customer meetings.

Formal Customer Meeting Questions

8.	Regina Reiger - NCPA	<p>Referring to Slide 15, this represents the load in WAPA that represents the 8.6%? Of those customers there, can you identify what ones are conforming and non-conforming?</p> <p>The direct charges from ISO are for non-conforming, and BANC for conforming loads. Is there a process for tracking those costs?</p>	<p>All of these are conforming loads except LLNL and project use. LLNL and project use are considered non-conforming loads.</p> <p>The process for the allocation of Tier 1 is described in BP44 posted on OASIS.</p>
9.	Bill Hughes –	<p>I would like to point out that slide 40 states that charge code 4575 will be allocated on load ratio share. However, slide 47 states that it will be allocated based on simple division by 5.</p>	<p>CC4575 from BANC EIM Entity SC is allocated by load ratio as described on slide 40. CC4575 from WAPA's participating resource SC is allocated by number of resource IDs as described on slide 47.</p>
10.	Regina - NCPA	<p>Slide 39- changes at intertie after T-57; would Tracy Pump be different than its load? Do you have a sense of how often that would happen?</p> <p>On Slide 41, how are the first three costs allocated since there is no applicable Rate Schedule? If it is not a Rate Schedule is it pursuant to a Business Process?</p>	<p>Slide 39 does not apply to Tracy Pump. Only conforming load is submitted to ISO thru BANC EIM entity. Tracy Pump is not a generator, nor is it at an intertie. Tracy Pump is a non-conforming load modeled as a non-generator resource (NGR). Since Tracy Pump is the load, it will not be different than its load.</p> <p>The first three costs in the table are related to BANC admin charges. BANC admin charges are not to be under the EIM Rate Schedules because they are determined to be specific to WAPA's generation and load participation in EIM.</p>
11.	Willie Manuel - TID	<p>Did the simulations consider the limitations on hydro in terms of managing levels or did they not take that into account?</p>	<p>We tried to capture the limitations of hydro by applying the caps we mentioned. For the EIM dispatches, we used a cap of 50MWh per hour, a cap of 300MWh/day, and a cap of 600MWh/week. In the simulation, if the resource is continually receiving incremental (or decremental) dispatch during the day, we cap that to 300 MWh, then assumed that bidding is put on hold until the resource receives a decremental (or incremental) dispatch. At the end of the day, the resource can potentially be in a net positive or negative energy position. The 600 MWh cap for the week is applied similarly to the 300 MWh cap that is in place for the day.</p>

Formal Customer Meeting Questions

12.	Regina - NCPA	Slide 86, reference to 11 MW FRR, is that the surplus product or SBA requirement? Is there a specific charge related to that charge for the FRR for the SBA?	<p>The 11 MW is the SBA requirement.</p> <p><i>WAPA would provide its own FRR, so there would not be a charge from BANC. If WAPA needed to purchase FRR, it would be at market rates.</i></p> <p><i>WAPA would sell at market rates for the reserves and set a price for the energy like we do for spin.</i></p>
-----	---------------	--	--