

# WAPA and MARKETS

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**W**elcome to the new *WAPA and markets* monthly newsletter intended to keep all customers up to date on market-related activities at WAPA. This year, we will be tracking the various activities and studies regarding energy imbalance management solutions in the West.

Every month, this newsletter will provide a brief update on each of the three efforts regarding energy imbalance management solutions: Sierra Nevada's journey to join the California Independent System Operator's Western Energy Imbalance Market, the creation and implementation of the Southwest Power Pool's Western Energy Imbalance Service and Desert Southwest's regional study with customers and neighboring utilities. We will endeavor to distribute a new newsletter each

month, recognizing that some months will have more information to provide than others.

WAPA is moving toward regional energy imbalance management solutions for many reasons. In some areas, WAPA needs to address the balancing authority constraints power system operators are experiencing trying to match supply and demand on an intra-hour basis. As the generation mix changes and bilateral trading partners join energy imbalance markets, managing the delicate balance of real-time supply and demand is becoming increasingly difficult within the BA areas.

The rules and regulations associated with operating the system have evolved over time, making it increasingly complex to optimize power delivery while maintaining reliability. Hydropower, reserved for preference power customers, is not a solution to meeting real-time energy imbalance needs. These moves also allow customers to leverage market constructs for their benefit if they choose to do so.

## SN CONTINUES REFINING MODELS WITH BANC

Working with the Balancing Authority of Northern California, SN and the other future members of the CAISO Western EIM in the BANC BA are refining the generation, load, and transmission models to determine what resources will be involved.

SN will begin informal customer outreach on rate principles in April, which will be followed by a formal rate process to establish how EIM costs and benefits will be allocated.

The software team responsible for identifying what technology changes will be required for the transition is ahead of schedule.

More information on SN's transition is available at the [SN energy imbalance market activities webpage](#).



## Why is WAPA moving to or exploring energy imbalance management alternatives?

- Ensure reliable delivery of our hydropower while adjusting to a changing energy mix
- Respond to customer feedback requesting WAPA to lead organized market discussions
- Address WAPA balancing authority constraints
- Facilitate integration of variable resources
- Enable participants who want to optimize their resources

## DSW SETTING TERMS FOR STUDY, GAP ANALYSIS

DSW is in the process of working with consultants to perform an analysis of the costs and benefits of various options and scenarios. Partnering with customers, DSW has committed to participate in the E3 study of the region's options for energy imbalance and has also started an internal gap analysis. Both studies are in early stages.

For the E3 study, participants continue to negotiate an appropriate zonal topology and study parameters. DSW continues to explore what resources will be included in the study.

WAPA awarded a contract to Utilicast to conduct a gap analysis for DSW to help WAPA understand what needs to be done to move toward one of the energy imbalance management solutions or maintain the current arrangement. This analysis will provide an estimate of the costs to implement the options.

Argonne National Laboratory, the same organization that was involved in the Mountain West Transmission Group study effort and is very familiar with WAPA's system, has also been enlisted to support both the E3 and the Utilicast analyses.

**DSW expects to hold another informational session on their activities in February. More information on DSW's effort is available on the [DSW energy imbalance market activities webpage](#).**



## WEIS PARTICIPANTS CONCUR ON NEW TARIFF

On Jan. 10, the Western Markets Executive Committee, which includes Rocky Mountain, Colorado River Storage Project Management Center and Upper Great Plains representatives, voted to move forward with the new WEIS tariff with SPP. With the committee's approval in hand, SPP will present the tariff to their board for approval and then submit it to the Federal Energy Regulatory Commission.

On Jan. 6, Rocky Mountain staff communicated to non-participating Western Area Colorado Missouri BA customers that their loads and resources were being registered in the WEIS as partial participating resources, which was required by SPP. Registering all loads and resources is essential for reliable modeling for the market. Non-participating entities will not offer their resources into WEIS. When imbalance occurs, WACM will process the WEIS settlements and pass through all applicable charges to non-participating entities. Once SPP completes the WEIS registration process, WAPA will share registration information with each non-participating entity.

RM and CRSP anticipate initiating a rate process to develop rate schedules for energy imbalance under the WEIS. They will also review its contract provisions with BA customers to ensure both market participants and non-participating entities can operate within the new WACM environment.

**More information on the WEIS effort is available on the [WEIS activities webpage](#).**



Finally, WAPA has started updating its Open Access Transmission Tariff to accommodate these changes, which will follow similar processes as the two recent updates in 2018 and 2019.

**More information on the previous efforts can be found at the [Open Access Same-Time Information System](#).**



**Thank you for reading the first *WAPA and Markets* newsletter. For more information, call your regional representative or visit the [energy imbalance activities webpage](#) on The Source.**



**Western Area  
Power Administration**