# April 11, 2011
# Basin Electric/Western Comments regarding
# Parallel Flow Visualization Efforts at NAESB

At this stage of the efforts by the NAESB WEQ BPS to develop a proposed prioritization of GTL flows in the PFV tool, Basin Electric and Western submit the following comments:

1. The often stated goal of the Parallel Flow Visualization (PFV) tool is to obtain more accurate and timely visualization of the magnitude and source of all flows affecting flowgates – to improve reliability. Once all the necessary data is being uploaded on a real-time basis and the tool is tested to ensure accuracy, it might provide this reliability improvement to RCs. The NERC ORS has requested a GTL impact calculation that is consistent for all EI RCs (a single "impact" calculation method). However, unless the single "impact" calculation for each BA's flows on the flowgates is done in the same manner; which is presently not the case; this may introduce further inequities that should be addressed by the BPS.

2. The Market sponsors of PFV have proposed significant changes to the current prioritization methodologies utilized in the existing IDC/TLR tools by Markets based on the Congestion Management Process (CMP). Further these parties suggest that a single "prioritization" method (i.e. every BA's impacts are prioritized the exact same way) is also required. The NERC ORS cannot mandate a single "prioritization" method that provides for inequitable treatment of parties' transmission usage. Further, implementation of the PFV tool does not require such significant changes, nor does it require a single "prioritization" method. It is also unclear whether a single "prioritization" method is even possible, given the differences between the TSP's operations, tariffs, transmission service offerings, methodologies to evaluate and grant such service, etc. The equity impacts of such far reaching proposals are yet unknown and could have significant unintended detrimental impacts to users of the transmission system.

3. The BPS is struggling to develop a single "prioritization" method because of equity implications of the significant changes above, as well as other significant pre-existing issues that have been raised (e.g. honoring other parties' flowgates). This process should continue but is going to take time to address appropriately (i.e. via standards changes at NAESB/NERC, or policy changes at FERC (i.e. pro-forma changes).

4. In order for the BPS to propose a "single prioritization method" for all TSPs, the BPS will have to set clear rules for the determination of Firm service versus Non-Firm service. (i.e. the longer term issue) Also, in order for the BPS to propose new tiered-Firm priorities, the BPS will have to set clear rules/standards for determination of the Firm priorities.

5. The BPS is not considering all viable options. NAESB was requested to establish a methodology to properly prioritize the GTL flows in the PFV tool, given the capability of the new PFV tool to calculate Firm and Non-Firm GTL. The BPS is currently considering only

two options for the prioritization, both of which presume that the Markets presently required to utilize CMP under their tariffs will abandon that approach. Other BPS members have raised fundamental concerns with these two options. Depending upon the outcome of the BPS discussions and option(s) test results, it is still possible that another option will need to be considered by BPS (and programmed in the PFV tool) that includes a Non-Firm GTL calculation for non-market BAs, proper treatment of intra-BA tags, and continues to prioritize the CMP Market's flows based upon the historical allocation approach. This alternate option would meet the PFV objectives as well as provide the necessary updates to TLR to allow all EI TP's to properly curtail Non-Firm service, as necessary, before Firm service (FERC NOI issues).

6. Given the potential equity impacts of any change to the prioritization methodology for TLR, it is critical that BPS (and all potentially impacted parties) review the test results for any proposed prioritization changes prior to any changes going into production.

7. The PFV tool (specifically the Interim Solution) has been characterized to FERC and NERC as providing TSPs the ability to address the issues outlined by FERC in its NOI on the subordinate treatment of Firm service to Non-Firm service. At the present this is not the case. The Interim Solution does not presently provide information for a TSP to properly identify the impacts of all Non-Firm service on its system, or to determine the appropriate curtailment responsibilities of such.

8. Elimination of the historic allocations and prioritizations under the CMP, without review and agreement, will likely create the same problem as one of these pre-existing issues being discussed (i.e. a TSP classifies its use as firm when it really shouldn't be, and doesn't review the impacts of that service on the neighbors' system). The elimination of historic allocations and prioritization under the CMP will likely shift unstudied "firm" impacts onto the neighboring systems of these Markets.

9. Unless the BPS members can reach a reasonable consensus, it is likely that a proposed BPS standard/tool will be challenged at length at FERC and further delayed. In the mean time, any potential benefits of the PFV tool will not be realized.

<u>Questions:</u>

1. Should BPS establish an alternate option – i.e. introduce the current prioritization methodologies outlined in the TSP's current tariffs into the PFV for production (on an interim basis until the larger complicated issues are resolved) to allow the PFV to be used once the necessary testing is complete? Would this provide RC's the reliability tool they are looking for and TSPs the interim tool to properly and equitably address the NOI issue raised by FERC?

2. Is the current BPS approach delaying the resolution of the FERC NOI issues? How are the NOI issues currently being addressed?

3. Is the requirement of “honoring your neighbors’ constraints” a policy issue that cannot be solely addressed at NAESB, and will necessarily need to be raised at FERC? Further, is this concern sufficiently addressed by the NERC MOD Standards?

4. Depending upon the prioritization method proposed, will the current implementation of the PFV flow impact calculation (Gen to total BA load vs. native and transfer impacts) result in an equitable single “impact” calculation?

5. Is it appropriate for BPS to design a tool and standard that pre-supposes the elimination of the CMP prior to this proposal being submitted to FERC (by the markets) and for all parties to raise their concerns in the FERC forum?

Respectfully Submitted,

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