



Department of Energy

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Bonneville Power Administration
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TRANSMISSION SERVICES

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In reply refer to: TO-DITT-2

To: Customers and interested parties

The Bonneville Power Administration is upgrading its Automatic Generation Control software to maintain reliable operations of the Federal Columbia River Power System generation. Bonneville estimates that these critical upgrades will take at least two years to implement. During this time, Bonneville has issued a moratorium on implementing new customer service requests that require alterations to the AGC.

Bonneville is currently operating on an outdated AGC platform that is close to end of life and is no longer being supported. If the upgrades are not completed in the next two years, the reliability of the BPA AGC system will be at risk, endangering the reliability of the grid. Bonneville also risks non-compliance with North American Electric Reliability Corporation reliability standards.

AGC upgrades have been delayed for four years due to the agency priorities of Grid Modernization and integration into the Western Energy Imbalance Market. As workload shifted to address the AGC upgrades, Bonneville recognized that AGC engineers would need to be fully deployed for an extended period of time with the upgrade process. Bonneville stopped accepting new AGC development work and paused work on in-flight projects where AGC requirements were under development and programming had begun.

Due to the complexity of the AGC programming, combined with Bonneville software customizations, it was recognized that it was not possible to expedite the upgrade project by hiring additional personnel, as new hires typically take three years to demonstrate proficiency.

On May 2, Bonneville issued a Tech Forum notice announcing a moratorium on implementing customer service requests requiring alterations to BPA's AGC system. This moratorium will remain in place throughout the AGC software upgrade process.

Projects that are not affected by the moratorium include:

- New generator interconnections
- New interchange points
- Balancing Authority moves

Projects that Bonneville may be able to implement on a case-by-case basis:

- New dynamic schedules

The types of customer service requests impacted by the moratorium include:

- New requests for self-supply of contingency reserves
- Utilization of non-federal resources for regulating and balancing reserves
- Adding new parties as Bonneville EIM Participating Resources

The projects listed above require significant alterations to AGC code and algorithms, taking staff time away from the AGC upgrades and ultimately delaying the upgrade time. BPA has committed to working with customers interested in becoming participating resources in the WEIM throughout the moratorium so that customers can become participating resources as soon as the AGC upgrade is complete. To ensure BPA is able to execute on this, requests to be a BPA EIM participating resource at the end of the AGC upgrade timeline must be submitted by March 1, 2025.

Market Power

While the moratorium on incorporating non-Federal Participating Resources is unfortunate, it is temporary and necessary to ensure reliable operation of the transmission system. At the public meeting, some customers accused Bonneville of exercising market power or going as far as suggesting market manipulation. Bonneville disagrees that the moratorium implicates market manipulation or market power. Bonneville has no intention to limit competition in the WEIM. However, to respond to customer concerns, Bonneville has informed the CAISO Department of Market Monitoring of the moratorium.

Next Steps

Bonneville is committed to providing updates every six months as the AGC upgrade continues. Bonneville will continue to work with customers interested in becoming an WEIM Participating Resource so that customers are able to become WEIM Participating Resources when the AGC upgrade is complete.

Sincerely,



Ricky Bustamante
VP, Transmission System Operations