



# **ColumbiaGrid Presentation of NWPP Participants' Market Assessment and Coordination Committee Initiative**

ColumbiaGrid Board of Directors' Meeting

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# NWPP Participants' MC Initiative

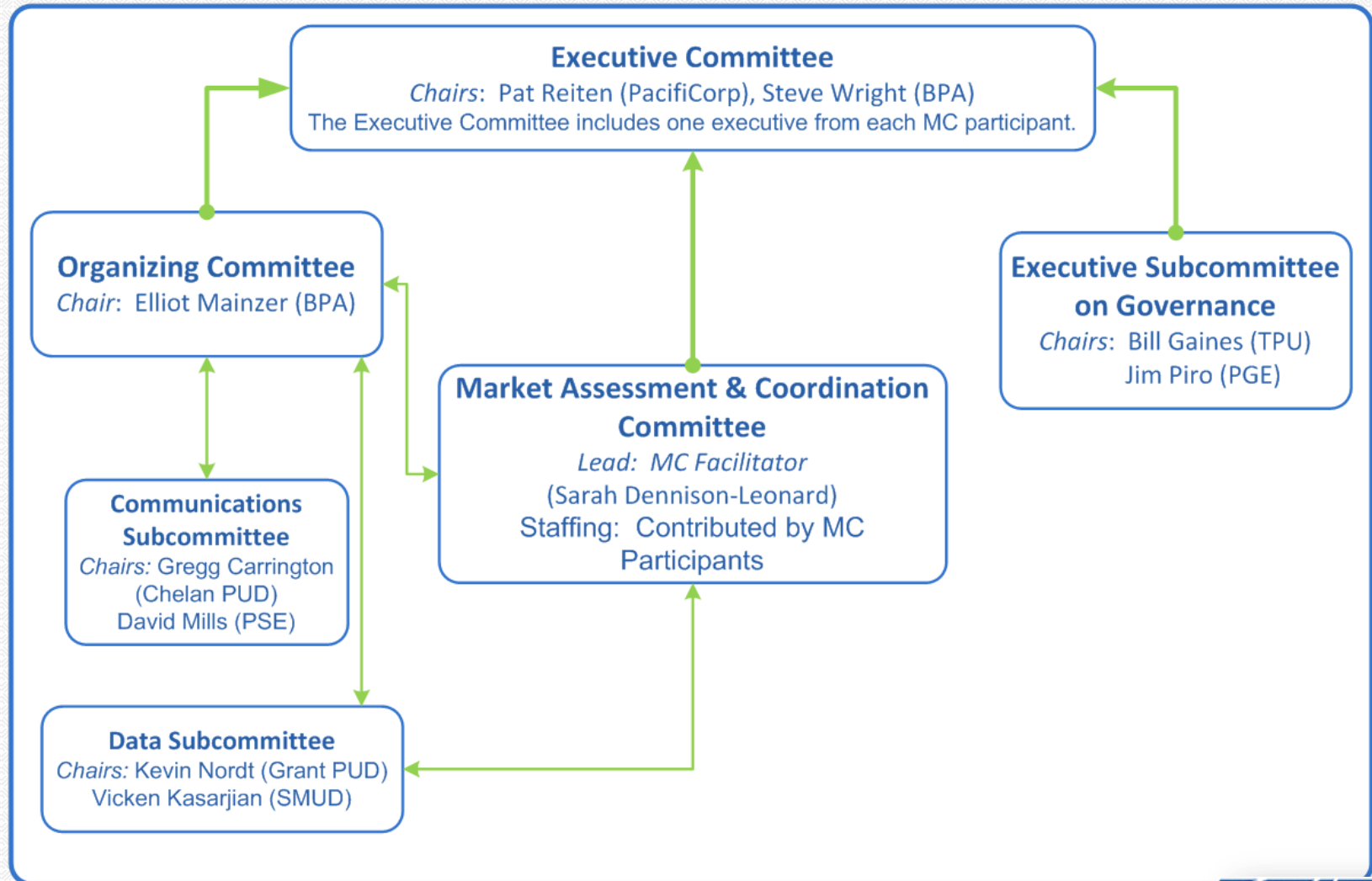
- 22 NWPP participants have agreed to fund and participate in the Market Assessment and Coordination Committee Initiative (MC Initiative).

# MC Directive

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- The MC is being asked to develop an array of alternatives to address recent challenges associated with operating the regional power system in a reliable and cost-effective manner.
- A broad range of operational and market alternatives will be evaluated during the remainder of 2012, with the goal of recommending the strategy that best meets the region's operational needs.
- The Market Assessment and Coordination Initiative (the “MC Initiative”) includes a subcommittee of senior executives charged with working through critical governance issues as the region explores these alternatives.

# NWPP Market Assessment and Coordination Initiative Organizational Structure



# MC Initiative Problem Statement

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- 1. NWPP Balancing Authorities and scheduling utilities need additional tools to respond to rapid changes in load resource balance (ramps) and the increasing demand for balancing capacity driven by the growth of variable energy resources;
- 2. Utilities within the NWPP footprint may be able to systematically share the diversity between their systems;

# Problem Statement (cont.)

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- 3. The region's increasingly constrained transmission system would benefit from new tools for congestion management and more efficient use of existing infrastructure;
- 4. The costs and compliance risks associated with operating a Balancing Authority are increasing; this has reinvigorated conversations on potential BA consolidation among interested parties;
- 5. Evolving operational measures must clearly address cost causation and cost allocation; and



# Problem Statement (cont.)

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- 6. NWPP members wish to recognize and, if possible, leverage existing platforms (such as automated sharing of contingency reserve) and innovative and valuable work from more recent initiatives within the NWPP footprint that deal with reliability, renewables integration, and transmission congestion management, including efforts by ColumbiaGrid, Northern Tier Transmission Group (and their joint initiative), and the Wind Integration Forum. At the same time, these efforts would benefit from greater focus, coordination, and commitment to implementation among a critical mass of utilities.

# Work Plan Objectives

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- 1. Identify an array of operational and market alternatives to be evaluated through the MC's analytical process, as well as principles, evaluation criteria, and a rigorous analytical framework to evaluate the alternatives.
- 2. Identify and obtain data needed to evaluate alternatives.
- 3. Conduct evaluations of selected operational and market alternatives – sharing results, obtaining feedback, and refining analyses as appropriate.
- 4. Develop proposed governance structure(s), as appropriate, through which selected operational and market alternatives would be implemented.