



# Ancillary Service (Schedule 10)

# 1. What is the *pro forma*?

- FERC elected to not adopt a standardized Schedule 10 for generator regulation services. Instead they will consider individual proposals brought by transmission providers.
- In the April TC-20 workshop, BPA provided draft language for Schedule 10 Generator Imbalance Service, with the level of service defined in the BPA business practice.

# What are the alternatives we considered for defining Generator Imbalance service?

- Add Schedule 10 for Generator Imbalance service to the tariff and include the level of service for Generator Imbalance in the rates process.
- Add Schedule 10 for Generator Imbalance service, which includes the level of service to the tariff.
- Add schedule 10 for Generator Imbalance service to the tariff, with the level of service defined in the BPA business practices.

# 2. What did we hear?

(as summarized in the June 26, 2018 Workshop)

## Schedule 10:

Generally, the Commenting Parties do not support moving the level of service for Generator Imbalance into a separate business practice. Some of the comments BPA received are listed below:

- BPA should follow the industry standard by including “those practices that affect rates and service significantly, that are realistically susceptible of specification, and that are not so generally understood in any contractual arrangement as to render recitation superfluous” into the BPA Tariff.
- FERC, and the courts, have often expressed concern when transmission providers use business practices, or other informal documentation to “significantly affect...rates, terms or conditions”.
- Provisions that “significantly affect rates, terms, and conditions” of service must be included in the tariff, while items better classified as implementation details may be included only in the business practices.

# 3. What are we proposing?

- We have heard and have reviewed the customer comments, However, we are continuing to propose to define the terms and conditions of Generator Imbalance in Schedule 10 of the tariff and define the level of service in BPA's business practices.
- A proposed business practice has been shared with customers in the May, June, and July ACS forums.
- We are currently taking comments on the business practice language for the level of service for Generator Imbalance.

# 3. What are we proposing (cont.)?

## Schedule 10:

- BPA proposes to modify its Schedule 10 language to better capture Commission policy.
- New Schedule 10 language:

“The Transmission Provider must offer to provide this service to generation electrically located in the Transmission Provider’s Control Area to the extent it will not unreasonably impair reliability. The Transmission Provider will establish a long-term planning process in its Business Practices and utilize that planning process to forecast the capacity needed to provide this service. The Transmission Provider will offer to provide such service up to the forecast quantity from its resources or resources available to it.”

# Why we believe the Business Practice is the right approach?

- The terms and conditions of Generator Imbalance service should be included in Schedule 10 of the tariff.
- The level of service is an operational determination that is not properly within the scope of the rate case or tariff.
- While the level of service may have impacts on rates, it is an operational determination made to ensure reliability of the transmission system. The methodology will be defined in the business practice so customers know what to expect on how we will operate the system to provide the service.
- The pricing of Generator Imbalance service is a separate issue and should not be a driver of how BPA provides the service.

# Next Steps

## Schedule 9

- At the August workshop, BPA will provide an update and share the language that staff will propose for the TC-20 Initial Proposal.