

TC-20 Settlement Agreement: Intertie Studies

January 28, 2020

Background

- Context: On November 12, 2019, staff from BPA's Transmission Integrated Planning (TIP) program initiated customer engagement on BPA's obligation to study requests for intertie transmission service, consistent with the TC-20 Settlement Agreement
 - Reminder of TC-20 Settlement Agreement language:
 - “No later than January 1, 2020, BPA will begin a stakeholder process to review business practices related to studies of transmission service requests (“TSRs”), with the goal to example and develop a consistent and repeatable approach to studying requests for long-term firm PTP transmission service on the southern intertie and network. BPA and Transmission Customers may identify the relevant business practices at the beginning of such process.”
- BPA held a public comment period on this topic, ending December 13, 2019
 - Two parties submitted comments:
 - Powerex
 - Lon Peters
- Following is a summary of comments received, and BPA responses

Feedback Summary – Intertie Studies

Commenting Party	Feedback	BPA Response
<p style="text-align: center;">Powerex</p>	<p>The Southern Intertie is significantly different than BPA’s network. Substantial additional complexities exist, including coordination needs with joint and adjacent owners and operators.</p>	<p>BPA agrees that substantial additional complexities exist as compared to requests on BPA’s network, for which BPA has more direct control over studying.</p>
	<p>As a result of the expense and time that would be required to upgrade the Southern Intertie, there is a lack of interest among owners, operators, and other stakeholders to pursue costly studies for expansion of the Southern Intertie.</p>	<p>BPA’s primary interest is in maintaining a process that aligns with its tariff and it can implement on an ongoing basis. BPA does not represent other intertie owners or operators, but these parties’ input and coordination would be important.</p>
	<p>Implementation of the <i>pro forma</i> OATT on the interties would cause customers considerable uncertainty. Customers would have to submit TSRs repeatedly, resulting in inefficiencies and unnecessary burdens for customers and BPA.</p>	<p>BPA agrees that Customers would have to submit TSRs repeatedly where extensive and cost prohibitive upgrades are not desired, which may result in inefficiencies and burden. As a result, BPA believes that a revision to its tariff may be warranted.</p>

Feedback Summary – Intertie Studies (cont.)

Commenting Party	Feedback	BPA Response
<p>Powerex</p>	<p>BPA's current practices – placing intertie requests in STUDY if capacity is not available and keeping those requests in the queue until capacity becomes available - recognizes the complexities of the Southern Intertie.</p> <p>Additionally, Should a customer wish to initiate a study process, BPA would undertake a process to do an individual or cluster study for the Southern Intertie.</p>	<p>BPA's current practice was developed in response to complexities in studying intertie facilities. If a customer meets the requirements for proceeding with a study, BPA would commit to completing a study.</p> <p>Based on the OATT, transmission service requests can either be provided service on the existing system, or offered a study to develop a plan of service that the customer can either proceed forward with or the request is placed in final status and receives no further consideration.</p>
	<p>BPA has identified no adverse consequences to customers or BPA from the current practice. The practice has proven to be nondiscriminatory and maintains first-come-first-served principles.</p>	<p>Current practice does maintain first-come-first-served principle.</p>
	<p>Section 21 of BPA tariff affords some discretion to delay upgrades when upgrades must be coordinated with third-party transmission providers.</p>	<p>While BPA's tariff allows coordination of upgrades, BPA does not agree that Section 21 allows the TP to avoid offering a system impact study agreement and taking commensurate action where BPA lacks capacity. As a result, BPA believes that a revision to its tariff may be warranted to establish how BPA will offer to study requests for intertie transmission service.</p>

Feedback Summary – Intertie Studies (cont.)

Commenting Party	Feedback	BPA Response
<p>Powerex</p>	<p>The proposal presented during BPA stakeholder meeting could raise several difficulties for BPA and its customers. BPA would remove customers who are unwilling to embark on a multi-decade effort and fund upgrades to the Southern Intertie from the queue</p>	<p>That is the <i>pro forma</i> process for requests that cannot be met on the existing transmission system and where Customers do not proceed with a system impact or cluster study.</p>
	<p>BPA’s proposal raises numerous new complexities and uncertainties, including questions concerning timing and when the identified study agreements with other transmission providers must be executed before BPA would take action to remove that customer’s TSR(s) from the queue.</p>	<p>If BPA proceeds with implementation of the OATT language regarding intertie service, BPA would develop and vet business practice language to address these uncertainties in the business process. BPA cannot address uncertainties related to other impacted parties’ actions.</p>
	<p>If BPA believes its tariff must be modified to address complexities for studying intertie requests, Powerex urges BPA to propose revisions to the tariff for discussion and comment.</p>	<p>Based on the comments received, BPA believes that a revision to its tariff may be warranted to address the complexities with studying request for intertie transmission service.</p>
<p>Lon Peters</p>	<p>What is BPA’s position on offering Conditional Firm and/or Planning Redispatch service in response to TSRs in the Intertie queue? Have these options been considered?</p>	<p>BPA would study its ability to offer Conditional Firm on its interties if requested through an executed System Impact Study agreement. Similarly, BPA would be obligated to evaluate options for Planning Redispatch if requested through an executed System Impact Study agreement. However, BPA is currently in the very early stages of determining how it could study for Planning Redispatch on the interties and network and Conditional Firm on the interties, and does not yet have a defined study process for these services.</p>

Next Steps

- Consistent with the BPA 2018-2023 Strategic Plan and Transmission Business Model, BPA plans to propose a tariff that is consistent with the FERC *pro forma* tariff to the extent possible. BPA will consider differences from the FERC *pro forma* tariff if the difference is necessary to:
 1. Implement BPA's statutory and legal obligations, authorities, or responsibilities;
 2. Maintain the reliable and efficient operation of the federal system;
 3. Prevent significant harm or provide significant benefit to BPA's mission or the region, including BPA's customers and stakeholders; or
 4. Align with industry best practice when the FERC *pro forma* tariff is lagging behind industry best practice, including instances of BPA setting the industry best practice.
- Based on comments received, BPA believes that seeking a deviation from *pro forma* may provide significant benefit to BPA and its customers
- Therefore, BPA proposes to identify alternatives to its current tariff language relating to the studying of requests for intertie service for the TC-22 proceeding
 - We expect to bring alternatives for stakeholder review at the March TC/BP/EIM customer workshop