



Energizing Life in Our Communities

December 30, 2021

Comments of Public Utility No. 1 of Snohomish County regarding Bonneville Power Administration's December 8, 2021 Concurrent Loss Return Workshop

Submitted via email to techforum@bpa.gov

Public Utility District No. 1 of Snohomish County (Snohomish) appreciates Bonneville Power Administration (BPA) engaging with customers on the development of a new concurrent loss return service at the December 8, 2021 workshop. We understand that information on how concurrent loss returns will impact Slice customers such as Snohomish is forthcoming. In the comments below we provide responses to BPA's specific requests for feedback based on the information provided at this workshop, understanding some elements may not ultimately directly apply to Snohomish.

How the tagging policy proposal will impact your business procedures and/or systems

Snohomish currently utilizes the Slice Return option, meaning that we return losses through a reduction in our Slice Right to Power (RTP). Loss returns are calculated automatically in CDE based on an aggregate of our tagged transmission schedules. Snohomish returns the calculated loss amount 168 hours after flow by scheduling the loss amount as untagged energy from Slice during preschedule. This is a process that we have fully automated and works well for us.

As a general matter, we strongly encourage BPA to prioritize principle #3: keep loss return service as simple as possible and minimize administrative burden for BPA and customers. We anticipate that at a minimum any move to concurrent loss returns will require IT effort to modify our current automation and will introduce additional complexity to our real-time scheduling processes by converting a static loss return value to a dynamic value. To that end, we would appreciate confirmation from BPA that under a potential move to concurrent losses Slice customers will continue to (1) receive our loss return obligation through CDE, and (2) return

losses as untagged energy through a reduction to our Slice RTP. Changes from either (1) or (2) would entail additional IT development and/or additional operational effort for Snohomish real-time scheduling staff.

In the event that Slice customers would no longer be able to utilize the Slice Return option and would be required to switch to tagged losses, Snohomish would support Tagging Option #2 (Separate Aggregated Tag) based on the information provided to-date. This option appears to be the simplest to implement and most closely aligned with our current ability to source all returns from Slice. Tagging Option #1 (Same eTag) would require more substantial changes to our scheduling processes to automate the calculation of losses on each tag – we are currently checking with our scheduling software vendor to determine if this would be feasible for us.

Snohomish has some questions below about the anticipated impacts on scheduling and tagging deadlines for Slice Returns (if available) and for the Separate Aggregated Tag option. It would be helpful for BPA to provide customers with more information on these timing questions *ahead* of any policy decision. It is very difficult to provide full support for a policy decision to move to concurrent loss returns without more information on how it would actually work in practice.

- How much time does BPA expect to need to calculate and deliver loss obligation amounts to customers?
- How would schedules or tags that come in ahead of current deadlines but with insufficient time for BPA to calculate losses be treated? Would these additional steps have the effect of moving scheduling and/or tagging deadlines earlier for everything except loss returns?
- How would the additional time needed for loss return calculation interact with the T-57 deadline for EIM Base Schedule submission?

Finally, in the workshop, BPA noted that it conducted an “industry scan” of how other utilities implement concurrent in-kind loss return service. BPA stated that different TPs have implemented in different ways but provided no other information. It would be helpful for BPA to share the results of the industry scan so customers can better understand the different ways this has been done.

Input on Options for addressing how BPA should manage kW remainders:

In the workshop, BPA stated that it is unable to carry forward remaining kW to the following hour due to timing constraints. Without more information on the nature of these constraints, it is difficult to propose a specific option. Snohomish encourages BPA to prioritize simplicity when developing options to address this issue.

Input on options for addressing how BPA should manage loss return imbalance:

The current 168-hour loss return delay allows for incorporation of reliability adjustments and for customers or BPA to catch most errors in the loss return calculation well ahead of delivery of loss returns. A move to concurrent loss returns is highly likely to increase the circumstances under which loss return imbalance can occur. For example:

- Increased likelihood of calculation errors due to real-time time constraints
- Inability to incorporate late real-time reliability adjustments in loss return calculation
- Tags and schedules submitted or adjusted by customers ahead of current deadlines but with insufficient time for incorporation in BPA's loss return calculation.

Without more information on BPA's timing requirements for calculating loss returns or carrying forward remainders, it is difficult to propose specific options. Snohomish notes that BPA currently applies financial for inaccuracy (FFI) penalty charges if customer returns a different amount of power than its loss obligation. Snohomish recommends that customers should not be subjected to any FFI penalties if they return the loss obligation value provided by BPA, even if the loss obligation value is adjusted or determined to be inaccurate after-the-fact.

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Snohomish thanks BPA staff for hosting this informative workshop and looks forward to continued engagement on development of concurrent loss return service, particularly as it relates to Slice Returns. Please don't hesitate to reach out if you have any questions.