

February 9, 2022

VIA email

Tech Forum
Bonneville Power Administration
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Re: Tacoma Power's comments regarding concurrent loss return

Tacoma Power again thanks BPA for conducting a public workshop series on concurrent loss returns. We appreciate the perspective of BPA staff in this process. In particular, we would like to acknowledge the active problem solving that BPA staff have undertaken to support this effort. However, Tacoma Power remains unpersuaded as to the merits and viability of concurrent loss return. At this juncture, we continue to see the technical challenges and undesirable tradeoffs inherent with concurrent loss return (examples include: remainder tracking; imbalance settlement; validating loss returns; and, potential for inconsistent application across different customers and uses of transmission) as not justifying the transition away from a delayed return framework. With this said, Tacoma Power offers the following responses to BPA's questions:

1. Current options for handling kW remainders

Tacoma Power does not have a strong preference for the handling of remainders. However, we can imagine that the introduction of rounding rules could create the possibility that certain customers may realize systematic benefits or costs based on the customer's energy schedules routinely falling on one side or another of a rounding rule. As a result, financial settlement of the entire remainder amount would seemingly provide the most consistent results for all customers.

2. BPA's financial settlement of loss return imbalance proposal

Tacoma Power is supportive of BPA using financial settlement of imbalances when it is applied consistently across all customers.

3. Current options for handling imbalance due to Dynamic and Pseudo-Tie scheduling

Tacoma Power believes that the treatment of losses should be consistent across all customers and customer uses of the transmission system. Accordingly, Tacoma Power strongly objects to Option 1 for the handling of losses with respect to pseudo-tie and dynamic schedules.

4. Current options for handling invalid loss returns

Tacoma Power recognizes the challenge and necessity of validating loss returns. However, it does not have a recommendation about how to undertake this activity. While we acknowledge desirability of creating financial incentives for entities to return appropriate amounts of energy, we fully anticipate that changing load, real-time market dispatches, and reliability curtailments can limit the ability of an entity to schedule losses accurately in advance. Entities struggling to return losses in these

circumstances should not be subject to financial penalties; rather, charges should be limited to only those that allow BPA to recover the cost of providing transmission service.

5. Current options for where loss obligations are posted

Ideally, BPA's posting of loss obligations will enable customers to create and modify loss return obligations by an automated process.

6. Additional things to consider concerning loss scheduling and timing

None at this time.

Thank you for your consideration.