

COMMENTS OF THE WESTERN PUBLIC AGENCIES GROUP REGARDING CONCURRENT IN-KIND LOSS RETURNS

The utilities comprising the Western Public Agencies Group (WPAG) offer the following general comments in response to the Bonneville Power Administration's (BPA) Concurrent Loss Return Service Customer Workshop of January 26, 2022 (Workshop #2):

1. BPA is requiring customers to make a decision on the financial impact of the proposal without any information related to the loss rate. Customers are being presented with a proposal that discusses the nuances of the billing determinants associated with losses, but that is only one-half of the equation. Without clarity on how the loss rate is calculated, BPA customers will be unable to properly assess any proposal and weigh it against current practices.
2. BPA is accelerating this process, forcing customers to blindly accept an untested policy in a six-month window, and then taking fifteen months for system design. Customers would greatly benefit from having actual data from BPA based on a test year to be able to assess how the kW remainder options would affect them. In order for customers to make an informed recommendation on any of the options, WPAG requests that BPA provide hourly loss data to each customer for their calculations that is referenced in Slide #21: kW Remainers-Base Data. In addition, it is more important that BPA get its transition to concurrent returns right, for both BPA and its customers, rather than done quickly. For this reason, BPA should be prepared to adjust its timeline to ensure that it has sufficient time to (i) provide the data requested by customers and (ii) allow customers to fully evaluate the various concurrent loss return options using the data provided.
3. BPA continues to highlight Principle #3 (Ease of Implementation/Reduction of Complexity) for Concurrent Loss Return Service but fails to give credence to the same principle from a Customer Perspective. Throughout the Workshop #2 presentation, BPA highlights Principle 3 benefits from options but then acknowledges that these changes will result in additional complexity in scheduling/tagging, performing loss calculations, and potential timing issues for customers due to WECC and EIM timing requirements. WPAG believes that BPA should provide a balanced perspective on Principle #3 when proffering options.
4. Preservation of customer optionality in the in-kind settlement of loss returns should be added as a principle. Consistent with the feedback BPA has received over the years, preserving customer optionality in the in-kind settlement of loss returns should be added as a principle to this process. This includes ensuring that Slice-Block customers can utilize Slice RTP reductions for in-kind returns, which Slice-Block customers have repeatedly told BPA is a valued feature of the Slice-Block product.

5. Principle #4 (cost efficient implementation for BPA through minimization of custom changes to systems) should be adjusted to include cost efficient implementation for both BPA and its customers through minimization of custom changes to their respective systems. The transition to concurrent in-kind loss returns could potentially require significant changes to the systems of both BPA and its customers. A final option that seeks to achieve a cost-efficient implementation for BPA through minimization of custom changes to BPA's systems without seeking a similar outcome for customers would be fundamentally inequitable.
6. Strict application of BPA Principle #5 (losses returned the same hour as the schedule) is likely to unduly complicate the implementation of concurrent in-kind loss returns, reduce customer optionality, and undermine customer support. In many instances, such issues might be easily avoided if Principle #5 were applied with some flexibility but still within its spirit. For example, if outside of "the same hour as the schedule" – even as little as 10 minutes – were permitted.

Thank you for the opportunity to comment.