November 21, 2019

Via email:
techforum@bpa.gov

U.S. Department of Energy
Bonneville Power Administration
Transmission Services

**Re: Comments of PacifiCorp and Idaho Power Company Regarding BPA
             Curtailment Methodology for Dynamic Transfers**

PacifiCorp and Idaho Power Company ("Commenting Parties") submit the following comments on BPA's curtailment methodology for dynamic transfers, in response to BPA's November 7, 2019 email from Tech Forum ("Request for Comments") requesting such comments.

1.   Introduction

The Request for Comments included the following:

BPA seeks comments on its curtailment methodology for dynamic transfers. In September 2019, BPA revised its Dynamic Transfer Operating and Scheduling Requirements business practice to allow for dynamic transfers using non-firm transmission service. As a result, it was possible for non-firm dynamic transfers with an energy profile of zero to have priority over firm transmission schedules because reliability limits were not placed on dynamic schedules with a zero energy profile. To correct this, BPA modified its curtailment methodology and set the reliability limit on dynamic transfers to zero if the energy profile was zero, and notified stakeholders of this change through an Oct. 24, 2019 Tech Forum notice.

After the Oct. 24, 2019 Tech Forum notice, customers questioned why BPA was not basing curtailments on the dynamic transfer return signal, as contemplated in section D.5 of its Dynamic Transfer Operating and Scheduling Requirements business practice. Previously BPA only based Customer Supplied Generation Imbalance (CSGI) dynamic transfers on the dynamic transfer return signal, and its inclusion in Dynamic Transfer Operating and Scheduling Requirements business practice was inadvertent.

BPA discussed this issue at a Nov. 5, 2019 conference call. During this call, BPA stated that it intended to revise section D.5 of its Dynamic Transfer Operating and Scheduling Requirements business practice, and that it will seek customer comment on how it should curtail dynamic transfers. Specifically, BPA seeks comment on the following issues:

1. Whether BPA should base curtailments of dynamic transfers on the transmission profile, the energy profile, the dynamic transfer return signal, or some other method; and

2. How should BPA ensure that non-firm dynamic transfers are curtailed before firm dynamic transfers?

Depending on the method selected, BPA may also have to revise its Redispatch and Curtailment Procedures business practice and other business practices.

Through the dynamic transfer curtailment methodology revisions described above, Commenting Parties are concerned that BPA may have overcorrected for a problem that could be solved more efficiently and fairly, namely through a single universal pro-rata priority based curtailment method, as described further below. In response to BPA's Request for Comments, Commenting Parties offer the following broad comments, which focus primarily on principles or approaches that BPA should follow in curtailing dynamic transfers, in part because Commenting Parties do not at this time have a detailed understanding of the system and technical hurdles that BPA must overcome in developing an improved methodology for curtailing dynamic transfers that is non-discriminatory and consistent with BPA's OATT. To help customers better understand BPA's system challenges and offer more constructive feedback, Commenting Parties request that BPA hold an additional customer call or stakeholder workshop.

2.   Request for Clarification

Commenting Parties would like clarification on the method BPA uses for normal hour-ahead schedule curtailments to manage net schedules within defined path or flowgate TTC's. Specifically, for tags flowing in the same direction of the path or flowgate, which profile (Transmission profiles, Energy profiles, Reliability profiles or a combination) is used for each type of tag (Normal, Dynamic, Pseudo, Capacity, Loss) to determine the total schedule value? Similarly, for tags flowing in the opposite direction (counterschedule direction) of the path or flowgate, which profile (Transmission profiles, Energy profiles, Reliability profiles or a combination) is used for each type of tag (Normal, Dynamic, Pseudo, Capacity, Loss) to determine the total counterschedule value?

3.   BPA Should Curtail Dynamic Transfers on a Non-discriminatory Basis and Consistent with BPA's Tariff

BPA's curtailment methodology should be non-discriminatory and consistent with BPA's Tariff. BPA's Tariff[1] Section 13.6 includes the following:

> . . . .Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. . . . . If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. <u>All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be</u>

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[1] Available at https://www.bpa.gov/transmission/Doing%20Business/Tariff/Documents/bpa-oatt-TC-20-settlement-tariff-100119.pdf .

> subordinate to Firm Transmission Service. Long-Term Firm Point-To-Point
> Service subject to conditions described in Section 15.4 [Obligation to Provide
> Transmission Service that Requires Expansion or Modification of the
> Transmission System, Redispatch or Conditional Curtailment] shall be curtailed
> with secondary service in cases where the conditions apply, but otherwise will be
> curtailed on a pro rata basis with other Firm Transmission Service. . . . .

(Emphasis added.) In short, BPA should curtail non-firm transmission before firm transmission
and should curtail on a non-discriminatory basis; BPA's firm PTP dynamic transfers should be
curtailed along with other firm PTP and should not be subject to curtailment before other firm
PTP.

BPA's current methodology, however, improperly uses the dynamic transmission energy
profile in setting the reliability limit for the dynamic transmission. This can result in
discriminatory treatment of dynamic transmission. Moreover, such usage (at least in the manner
described by BPA in its Request for Comments) essentially incentivizes customers to submit
inflated energy bids to avoid curtailment, as opposed to submitting right-sized bids that would
make more efficient use of BPA's transmission system.

4. BPA Should Utilize a Single Universal Pro-Rata Priority-Based Curtailment Method that (i) Identifies Transmission Schedules as Firm or Non-Firm and (2) Allows for a Different Curtailment Priority for Firm and Non-Firm Transmission

To ensure non-discriminatory treatment across BPA's transmission product portfolio
consistent with BPA's Tariff, and also to more efficiently deploy system ATC, Commenting
Parties recommend that BPA utilize a standard method for tag type. For schedules flowing in the
same direction of the constraint, Commenting Parties recommend that BPA use the lesser of
Transmission Allocation or Reliability Limit for Dynamic e-Tags, Pseudo-tie e-Tags, and
Capacity e-Tags, and the energy profile for normal e-Tags and loss e-Tags. For schedules
flowing in the opposite direction of the constraint (counterschedule direction), Commenting
Parties recommend that BPA use the energy profile of normal e-Tags and loss e-Tags, and not
use dynamic, pseudo-tie or capacity e-Tags.

To that end, and in response to the question prompts in the Request for Comments,
Commenting Parties offer the following additional recommendations:

a. Commenting Parties propose that the method BPA uses to curtail schedules in real time
(within the operating hour) should be consistent with the method used to curtail net
schedules to the total TTC on paths as part of the hourly process as referenced in Section
2 above. Any method that treats tags differently based on type (Normal, Dynamic,
Pseudo, Capacity, Loss) will lead to higher priority customers being curtailed prior to
lower priority customers. Any method that keys off of a different metric than is used in
the hourly calculation (e.g. energy profile or dynamic signal instead of transmission
profile for dynamic type tags) will result in non-pro-rata transmission curtailments
occurring.

b. To facilitate schedule curtailments as described in Section 3(a) above, Commenting Parties suggest that BPA should determine a net path limit to curtail *to*, rather than a net amount to curtail *by*. Curtailing by a certain amount is inherently less accurate and often leads to little or no relief. For instance, curtailing a dynamic tag may result in no change if the dynamic schedule was not in use, or could result in a different parallel dynamic schedule repopulating minutes later and countering the affect. On the other hand, limiting the total capacity of all tags to a specific amount ensures that all schedules including dynamics will be limited to no more than that amount, and doing so using the standard hourly schedule curtailment methodology ensures equitability of curtailments.

c. As part of determining the amount to curtail to per Section 3(b) above, Commenting Parties suggest that BPA could consider incorporating the real time signals for all dynamic transfers across the flowgate to get an accurate frame of reference, if BPA has access to all dynamic transfers. Commenting Parties would *not* suggest that BPA curtail specific dynamic transfers, but rather by summing up the net of all real time dynamic transfers plus static transfers the BPA operator would have an accurate view of the total real time usage. That real time value would be the frame of reference for determining the new reduced limit to curtail to. As an example, if the net tagged schedules on a path are 1,000, but the real time usage is only 800, then curtailing from a net of 1,000 to 800 may have no impact. By recognizing that the real time usage is 800, the operator knows that to get 200 MW of relief the net needs to be limited to 600, and they can curtail directly to that amount using the standard curtailment methodology.

d. Commenting Parties believe that by identifying a new real time limit (or TTC), and implementing standard curtailment practices to achieve net tagged capacity within that limit, BPA should be able to quickly and effectively reduce net schedules to within the necessary limits in a fair and unbiased manner taking into account tag priorities and curtailing based on standard metrics.

5.   BPA Should Explore the Relationship between its Curtailment Methodology and the Coordinated Transmission Agreement

The relationship between BPA's curtailment methodology and the Coordinated Transmission Agreement is unclear, and BPA should explore this relationship with its customers.

6.   Request for Additional Stakeholder Engagement on Dynamic Transfer Curtailment Issues.

BPA's transmission plays a vital and central role in the region, and it is important that BPA curtailments of dynamic transfers are non-discriminatory and facilitate the efficient use of BPA's system. Commenting Parties intend for their comments and questions to aid the Agency in its review of, and potential revisions to, BPA's dynamic transfer curtailment methodology. It is clear, however, that these are technical and complicated issues ill-suited for resolution solely through written comments. Accordingly, Commenting Parties request that BPA host an additional workshop or customer call to discuss these and other comments received on this issue, so that customers can assist the Agency in arriving at a just and reasonable dynamic transfer curtailment methodology consistent with the Agency's Tariff.

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Nothing contained in these comments constitutes a waiver or relinquishment of any rights or remedies provided by applicable law or provided under BPA's Tariff or otherwise under contract. PacifiCorp and Idaho Power Company appreciate BPA's review of these comments and consideration of the recommendations contained herein. By return e-mail, please confirm BPA's receipt of these comments.