

March 2, 2020

Via Email ([techforum@bpa.gov](mailto:techforum@bpa.gov))

Bonneville Power Administration  
Transmission Services

Re: Hourly Firm Customer Comments

In accordance with the TC 20 Settlement Agreement and Bonneville Power Administration's (BPA) January 31, 2020 Request for Comments, Shell Energy North America (US), L.P. (Shell Energy) provides the following information concerning its experience since the July 1, 2019 elimination of the unlimited hourly firm transmission product.

In summary, Shell Energy's experience with the elimination of the unlimited hourly firm transmission product has not been positive. It is felt, BPA implemented this significant change, to a widely used transmission product, without sufficient consideration or modifications to its other business practices, in order to help alleviate the impact of this product elimination. This has left Shell Energy, at times, with no viable alternatives to schedule and tag electricity to its power customers resulting in less operational flexibility and increased costs.

For example, BPA:

- Has made little to no changes or modification to its Available Transfer Calculation (ATC) calculation. Lack of material improvements to this calculation has resulted in curtailment of transmission schedules and/or no transmission being available on certain paths even though hourly nonfirm transmission remains unlimited. This is confusing in that prior to July 1, 2019, under similar operating conditions, it seems this electricity was able to flow.

- Continues to require ancillary services to be scheduled on firm transmission.
- Continues to require loss returns on firm transmission.
- Continues to charge an unreasonable premium on financial loss returns making the return of losses on firm transmission the only viable alternative.
- Has made no improvements to its curtailment protocols resulting in the continued curtailments of an exorbitant number of tags to achieve the necessary remediation.
- Continuing to require the relinquishing of nonfirm transmission back to firm transmission to then redirect it to nonfirm transmission again.
- Eliminated a firm, flexible transmission product without any viable replacement product.

Shell Energy has modified its transmission reservations practices in that it continually seeks to redirect its long-term firm point to point transmission rights on a more forward basis (for example: annually, seasonally and monthly for paths that we anticipate using. This change in practice results in additional redirecting or purchasing of transmission as the time of delivery draws closer and generation and obligations are firming up. Prior to July 1, 2019 this was usually done on a daily basis to provide as much operational flexibility as possible.

Additionally, in times of anticipated tight transmission conditions, Shell Energy will utilize an additional (second) wheel, when possible, in order to assure the utilization of long-term firm transmission across an expected congested path. Anticipating tight transmissions conditions on BPA transmission system is at times very difficult.

Shell Energy appreciates this opportunity to provide comments and feed back concerning BPA's decision to eliminate the unlimited hourly firm transmission product. Shell Energy looks forward to further discussions and actions to provide for the efficient, reliable and economical delivery of electricity.

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