

**COMMENTS OF WPAG AND NRU  
ON BPA'S PROPOSED HOURLY FIRM MONITORING AND EVALUATION PLAN**

These comments are submitted on behalf of the Western Public Agencies Group and Northwest Requirements Utilities regarding BPA's proposed Hourly Firm Monitoring and Evaluation Plan ("M&E Plan").

We are appreciative of the collaborative efforts to date by and among the Bonneville Power Administration ("BPA") and other parties to the TC-20 Settlement Agreement (the "Settlement") in the development of M&E Plan. We submit these comments to explain our expectation as to when BPA may propose a change from the "status quo" established under the Settlement for the hourly firm product during the TC-22 proceeding.

As BPA and the other parties to the Settlement are well aware, Section 2.c of the Settlement provides in relevant part that:

[BPA] may propose a change from [the] *status quo* [established for the hourly firm product under the Settlement] during the TC-22 proceeding after:

- i. [BPA] identifies hourly firm service as (1) A demonstrable adverse reliability risk, (2) A more than de minimis adverse impact to firm transmission service, or (3) In conflict with the then applicable market rules; and
- ii. [BPA] engages in best efforts to come to a collaborative solution that mitigates the identified risks impacts of hourly firm service with customers.

In their comments of May 14, 2019, the Large PTP Customers appear to suggest that, in the evaluation of each of the three considerations identified under Section 2.c.i. of the Settlement, "there must be evidence that the hourly firm product causes an adverse impact to reliability or firm transmission service" before BPA could propose a change from the status quo in the TC-22 proceeding. In aid of this effort, the Large PTP Customers recommend that BPA develop "a statistical model to establish correlations between the independent variables (transmission products, for example) and increased risk on the system." While we appreciate this understanding of the Large PTP Customers regarding the requirements of Section 2.c.i., we do not share it.

We note that the considerations under Section 2.c.i. are independent of each other. This means that any one of them, on its own, can serve as a basis for BPA to recommend a change to the status quo, provided BPA meets its obligation under Section 2.c.ii. We cannot discern, however, whether the comments of the Large PTP Customers regarding the performance of a causation analysis is aimed at all three considerations identified in Section 2.c.i., or just one or some of them. To the extent such comments are intended to apply to the consideration under

Subsection 2.c.i.(2), i.e., a more than de minimis adverse impact to firm transmission service, we do not agree.

Section 2.c.i.(2) is indifferent as to what caused any particular curtailment or reliability event. Instead, its aim is to determine the impacts the hourly firm product has on other firm products after a curtailment is implemented. For this reason, we support the evaluation criteria BPA proposed under the draft M&E Plan for establishing a more than de minimis adverse impact to firm transmission service. Specifically, BPA should look at:

1. Curtailments – Were firm transmission schedules impacted by the curtailment and did hourly firm contribute
2. NT Redispatch – was this impacted by the curtailment and did hourly firm contribute
3. Firm TLR Avoidance events – did hourly firm contribute to this

We do not offer any suggestions at this time on what would be consider a more than de minimis impact, but we are interested in discussing with BPA and other Settlement parties whether other provisions in the Settlement may helpful in that regard. For instance, Section 2.k., NT Redispatch Cost Allocation, may serve as a useful starting point for establishing a de minimis threshold for hourly firm impacts on NT Redispatch costs.

Thank you for the opportunity to comment.