

December 8, 2017

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

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

**Re: Comments of Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on ATC**

Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”) hereby comment on BPA available transmission capability (“ATC”) in the Transmission Business Model (“TBM”) and BPA Pro Forma/Industry Standard Gap Analysis (“PFGA”) processes.<sup>1</sup>

## **1. Summary Response to BPA Questions**

BPA has posted Questions For Transmission Business Model/Pro Forma Gap Analysis Comment Period Updated November 1, 2017 (“BPA November 1 Questions”), which include the following with respect to ATC:

1. As BPA develops ATC performance metrics and attempts to calibrate its assumptions to achieve a more “risk-based” commercial request evaluation process:
  - a. What types of data might you like to see to inform your feedback?
  - b. Do you have any suggestions on metrics we should consider?
2. Have you had any experience with other forms of congestion information, other than ATC, that provided insight into transmission congestion and/or availability?

A summary response to the questions posed is as follows:

- (i) It is not clear what is meant by “risk-based” commercial request evaluation process. Is this a reference to use of “calibrated model assumptions” that would increase the risk of curtailment in the absence of system contingencies?
- (ii) It is not clear at this time whether, and to what extent, BPA should move towards a more “risk-based” evaluation of ATC. BPA should explore with its stakeholders the implications of this approach.

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<sup>1</sup> See also the September 12, 2017 Comments of Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on ATC, NT Scope, and Study Process (“September 12 ATC Comments”), which appear at the following link:

<https://www.bpa.gov/transmission/CustomerInvolvement/TransmissionBusinessModel/Documents/Comments-on-BPA-ATC-NT-scope-study-process.pdf>. These December 8, 2017 comments are in addition to--and do not replace or supersede--the September 12 ATC Comments.

- (iii) BPA should explore with its stakeholders whether and to what extent use of calibrated model assumptions may affect long-term firm transmission service, including for example service under the conditional firm products.
- (iv) If BPA moves towards a more “risk-based” methodology for evaluation of ATC,<sup>2</sup> BPA should work with its customers in an open and transparent process in formulating any risk-based assumptions (including calibrated model assumptions) to be used for evaluation of ATC. Such a process should allow BPA to understand the types of metrics and data that various customers would like to see regarding a “risk-based” methodology and should help BPA customers to better understand any “risk-based” assumptions.
- (v) With regard to other forms of congestion information, operation under the Coordinated Transmission Agreement (“CTA”) between CAISO and BPA may well provide BPA with information regarding congestion and congestion relief on BPA’s system.

See also the comments below.

## **2. Provision of Long-Term Congestion Information**

At the August 29, 2017 workshop, BPA indicated that

- (i) BPA seeks to send the clearest possible signals about the congestion on its system (including the cost of addressing that congestion);
- (ii) BPA is concerned that long-term ATC (“LT ATC”) that it posts is not reliable because of a current “misalignment between ATC and Powerflows”<sup>3</sup>;
- (iii) BPA is considering whether “Heat map or proactive studies for ideal locations for new generation and loads”<sup>4</sup> would provide better information regarding congestion than LT ATC;

It is the understanding of the Commenting Parties from the October 27, 2017 workshop that BPA will not stop posting LT ATC unless and until there is an adequate replacement. This is appropriate, particularly in light of the reliance of BPA’s transmission customers on BPA’s posting of LT ATC.

BPA is the largest provider of transmission in the region. The Commenting Parties support BPA’s goal of providing enhanced and more reliable information regarding congestion on its system. BPA’s customers use information provided by LT ATC on BPA’s system for a number of purposes in addition to evaluating locations for new generation and loads--e.g., evaluating possible long-term redirects, possible long-term power purchase agreements, and long-term transmission commitments under existing obligations.

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<sup>2</sup> In implementing any “calibrated model assumptions,” BPA should recognize that (i) a BPA customer will likely have different risk tolerances for different services, and (ii) different BPA customers will likely have different risk tolerances.

<sup>3</sup> August 29, 2017 BPA ATC presentation, page 8.

<sup>4</sup> August 29, 2017 BPA ATC presentation, page 8.

BPA's goal of providing enhanced and more reliable information regarding congestion on its system can best be met by the following:

- (a) BPA should work to make its LT ATC calculations (and LT ATC calculation tools) more reliable, including automation of ATC powerflow inputs.
- (b) To the extent practicable, BPA should post LT ATC that is available for purchase. To the extent it is not practicable for BPA to reliably calculate and post LT ATC that is available for purchase, BPA should make available to customers BPA's best estimates of LT ATC.
- (c) BPA should supplement the above LT ATC information with tools in the form of (a) heat maps showing transmission congestion on BPA's system and (b) LT ATC calculation tools that provide customers with proactive study capabilities. Information from these tools should be as granular as practicable--e.g., seasonal and on-peak/off-peak. BPA should work with its customers on the design of such tools, to help ensure that they are practical and useful.

Information on congestion on BPA's system is particularly important in light of BPA's emphasis on increased use of its existing transmission facilities, because such information will facilitate such increased use.

Commenting Parties look forward to further discussion of ways in which BPA can provide enhanced and more reliable information regarding congestion on its system, in the context of other workshop topics that involve reliance on or use of ATC information.

### **3. Calibrated Model Assumptions**

At the August 29, 2017 workshop, BPA indicated that it is contemplating "Calibrated Model Assumptions" for use in calculating ATC, with the objective of providing more accurate and efficient ATC calculation. Under this approach, ATC would apparently be calculated using "risk informed assumptions" and determining "a certain amount of risk to be acceptable."<sup>4</sup>

BPA should explore with its stakeholders the implications of using calibrated model assumptions. If BPA uses calibrated model assumptions in calculating ATC, those assumptions should be transparent to customers, so they can understand the risks and benefits of BPA's making those assumptions. To this end, BPA should work with its customers in an open and transparent process in formulating any calibrated model assumptions to be used for evaluation of ATC. Any calibrated model assumptions should be incorporated into the ATC calculation tools that BPA makes available to customers.

Finally, BPA should ensure that its adoption of any calibrated model assumptions are consistent with system operating limits and do not adversely affect other balancing authorities and transmission providers.

### **4. Network Integration Transmission Service: ATC Resulting from Undesignation of Network Resources for Market Sales**

At the August 29, 2017 workshop, BPA indicated that (i) BPA would require undesignation of designated network resources being used to make firm market sales and “[a]ssure reliable ST ATC availability and reliable NT redispatch”<sup>7</sup> but (ii) BPA may not proceed with this requirement if ST ATC (“ST ATC”) freed-up by such undesignation cannot be reflected in short-term ATC.

Requiring undesignation of designated network resources being used to make firm market sales is appropriate and will free up ST ATC. (In the absence of such undesignation, the ATC used by the resource would be double-counted--for the NT service and for the point-to-point service used for the market sale.) Accordingly, BPA should work to ensure that ST ATC freed-up by such undesignation will be reflected in short-term ATC.

## **5. Network Integration Transmission Service: Encumbering ATC Based on Possible Designated Network Resources**

BPA should not encumber ATC on its system based on resources that may possibly be designated as designated network resources or based on unreasonable forecasts of designated network resources. For example, encumbering ATC based on the highest ATC that would be needed if one of a number of “possible resources” or the FCRPS were selected for designation as a network resource would result in unreasonable encumbrance of ATC.

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Commenting Parties 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.

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<sup>5</sup> August 29, 2017 BPA Study Process presentation, page 6.

<sup>6</sup> Available at

<https://www.bpa.gov/transmission/CustomerInvolvement/TransmissionBusinessModel/Documents/Puget-CF-Queue-Management-SOA-Alternatives.pdf>

<sup>7</sup> August 29, 2017 BPA Study Process presentation, page 6.