

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, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on Queue Management, Conditional Firm and Study Process**

Avangrid Renewables, LLC, Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”) hereby comment on queue management, conditional firm (“CF”) and study process in the BPA Transmission Business Model (“TBM”) and 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 Queue Management:

1. Please identify any implementation issues you’d like us to consider or develop scenarios for?
2. Please provide any suggestions on the proposed timeline, particularly if there is anything else we should consider?

A summary response to questions posed is as follows:

As requested by BPA transmission customers, BPA should prepare and present to stakeholders a timeline and flow diagram showing the sequence of alternatives available and decisions for the transmission customer if it requests Long-Term Firm (“LTF”). Such a timeline and flow diagram should be developed for the products and processes that BPA intends to propose and reviewed with stakeholders for their input before BPA arrives at final decisions on such products and processes.

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<sup>1</sup> See also the August 8, 2017 Comments of Puget Sound Energy, Inc. on BPA CF, Queue Management, and SOA Alternatives (“August 8 Comments”), which appear at the following link: <https://www.bpa.gov/transmission/CustomerInvolvement/TransmissionBusinessModel/Documents/Puget-CF-Queue-Management-SOA-Alternatives.pdf> . These December 8, 2017 comments are in addition to--and do not replace or supersede--the August 8 Comments.

See also the comments below, including the options or steps outlined in section 4 that should be included in the timeline and flow diagram.

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 Study Process:

1. As BPA develops an updated study process, what are the areas that will be of most interest or importance to change?
2. As BPA develops an updated study process, what are the areas that will be of most interest or importance to remain the same?
3. What are your key business needs that you need the updated study process to effectively address?

A summary response to questions posed is as follows:

- (i) A key business need that the BPA study process should address is the provision of timely, accurate responses to transmission service requests (“TSRs”).
- (ii) As discussed below, BPA should prepare a timeline/flow diagram showing the sequence of alternatives and decisions available to the transmission customer following its submittal of a TSR for Long Term Firm (“LTF”). This timeline/flow diagram should help identify areas of the study process that should change and areas that should remain the same. It is premature to identify such areas at this time, before the sequence of alternatives and decisions available to the transmission customer following its submittal of a TSR for LTF are further developed.

## **2. Conditional Firm (“CF”)**

### **a. General**

In any implementation of CF, BPA should protect LTF service from any potential impacts of CF (and, in doing so, BPA should take into account any potential effects of Calibrated Model Assumptions). Also, in any implementation of CF, BPA should ensure that the CF product options available to the customer include not only CF based on system conditions but also CF based on number of hours, because CF based on system conditions may be impracticable for a customer. Further, the offer of the CF products need not and should not preclude the offer of short-term (*e.g.*, hourly) firm service that is available (after giving CF priority to short-term ATC, in order to firm up the CF to that extent).

### **b. Interim CF for South of Allston (“SOA”) Flowgate**

The July 26, 2017 BPA Conditional Firm presentation states at page 3 that “Conditional Firm Service for SOA flowgate will serve as interim product until BPA develops and implements an alternative study methodology for increasing firm capacity on the SOA flowgate.” The

duration of this interim CF should be specified so that customers have some assurance of what the duration of this product would be. The transition of this interim CF to firm service at the end of the interim service period should be described. The customer taking this interim CF should not have to use a new queue position for the firm service but rather should have a queue position based on the transmission service request (“TSR”) that gave rise to this interim CF.

**3. BPA Should Provide a Timeline/Flow Diagram of Customer Alternatives and Decisions Following Submittal of a Transmission Service Request (“TSR”)**

As discussed in the July 26, 2017 workshops, BPA should prepare a timeline/flow diagram showing the sequence of alternatives and decisions and available to the transmission customer following its submittal of a TSR for Long Term Firm (“LTF”). Such a timeline/flow diagram is important in understanding the various PFGA proposals in context and how they interact and affect each other. Accordingly the timeline/flow diagram should be developed soon and discussed/reviewed with stakeholders before PFGA proposals are adopted. In the October 27, 2017 workshop, BPA confirmed that it will provide such a timeline/flow diagram.

The timeline/flow diagram should include the situation in which the full ATC to meet the customer’s TSR is not available. Such a timeline/flow diagram should also help clarify the relationship between the availability of CF and other transmission products and clarify queue management, such as the effect of various customer decisions on the queue position accorded unfilled requests for LTF.

**4. BPA Should (i) Seek to Maximize Usage of Its Transmission System by Offering a Variety of Products (Such as Long Term Firm, Conditional Firm and Hourly Firm) and (ii) Not Remove TSRs from the Queue to the Extent Not Fully Satisfied Or Withdrawn From the Queue**

BPA’s queue represents requests for transmission by BPA customers and those requests should be satisfied to the maximum extent practicable. BPA should seek to maximize usage of its transmission system by offering customers a variety of products, including Long Term Firm, Conditional Firm and Short Term Firm including Hourly Firm products.

In response to a request for LTF, BPA should offer LTF to the extent available and offer to study system upgrades that will be necessary to provide the balance and also offer to study CF for the balance. If the full amount of the requested LTF is not available, the customer should have options that include the following:

- (1) Take the LTF that is offered and not pursue its request for the balance,
- (2) Take the LTF that is offered and pursue a study for the balance (maintaining the customer’s original queue position), which study may include, at the request of the customer, Bridge CF and Reassessment CF,
- (3) Reject the LTF that is offered and pursue a study for the entire amount of the requested LTF (maintaining the customer’s original queue position), or
- (4) Withdraw its request for LTF.

It is our understanding that BPA was proposing that the customer would lose its queue position for the balance of the LTF if the customer does not take CF for the balance. However, this proposal should not be adopted because a customer should not lose its queue position for the amount of LTF that it has requested if it does not take CF. For example, it may well be impracticable under the circumstances for a particular customer to take and use CF.

## **5. BPA Has Not Demonstrated That the Remainder Policy Should Be Eliminated**

At the October 27, 2017 workshop, BPA indicated that it will “eventually” eliminate the remainder policy. However, BPA has not demonstrated its remainder policy should be eliminated.<sup>2</sup> BPA should explain what specific concerns are raised by the remainder policy and work with its stakeholders to address any such concerns. In any event, BPA’s queue is an indication of transmission service that is desired on BPA’s system, and removing TSRs to the extent not fully satisfied or withdrawn from the queue may well distort and understate the interest in transmission and the need for upgrades on BPA’s system.

## **6. BPA Should Clarify Contemplated Revisions to the Rollover Policy for Redirects**

The Initiatives Roadmap posted on the PFGA website includes the following with respect to rollover of redirects in the “Revise Rollover Policy”:

For customers who have Redirects > 1 year, but < than five (5) years, customer must submit a conformance TSR >= five (5) years

No renewal request, rollover rights return to parent

Redirects < 1 year, customer must submit a renewal request on same day their redirect is confirmed for rollover

If customer does not submit a conformance TSR, BPA will terminate redirect, and the rollover rights return to parent

This language is abbreviated and unclear. BPA should clarify for example the availability and process for rollovers of redirects with various terms--(a) less than one year, (b) one year, (c) more than one year but less than five years, and (d) five years or more. BPA should also clarify what a “renewal request” and a “conformance TSR” are in the context of rollover of redirects. Also, BPA should explain why a “renewal request” must be submitted on *same* day the redirect is confirmed for rollover.

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<sup>2</sup> A general desire to clear the queue does not demonstrate that BPA’s remainder policy should be eliminated. BPA’s queue is an indication of transmission service that is desired on BPA’s system, and removing TSRs to the extent not satisfied does not mean that the transmission service is no longer desired.

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.