

December 8, 2017

Via Email (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 Transmission Business Model Version 3.0 and General Matters

Avangrid Renewables, LLC, Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”) hereby comment on BPA’s Transmission Business Model Version 3.0 (“TBM 3.0”) and general matters in the BPA Transmission Business Model and Pro Forma/Industry Standard Gap Analysis (“PFGA”) processes.

1. TBM 3.0--Consistency of BPA OATT with *Pro Forma* OATT

The TBM 3.0 states at page 29 that BPA is committed to offering transmission service under its tariff based on FERC’s *pro forma* tariff. In this regard, BPA’s OATT should to the extent possible be consistent with FERC’s *pro forma* OATT (or provisions that FERC has determined are superior to FERC’s *pro forma* OATT).

A BPA OATT that is consistent with FERC’s *pro forma* OATT should facilitate regional consistency and transmission of power across multiple transmission systems that include BPA’s transmission system. This benefit should be recognized in the next version of the Transmission Business Model.

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 ancillary services:

1. Do customers agree with moving terms and conditions of ancillary services out of the rates process?
2. Please comment on the adoption of generation imbalance language in the tariff.

The provisions of BPA’s OATT regarding ancillary services (including Generator Imbalance) should be consistent with FERC’s *pro forma* OATT.

2. TBM 3.0--Value-Based Price Profiles

The TBM 3.0 at page 17 (and the BPA October 27, 2017 TBM presentation materials) refer to “Value-Based Price Profiles.” At the October 27, 2017 workshop, BPA indicated that this phrase was intended to capture the concept that rates should be aligned with correct cost attributes. BPA’s transmission rates should and must be consistent with BPA’s statutory transmission rate standards and based on (correctly allocated) costs, and should not be based on any perception of value in excess of cost (*i.e.*, market-based rates). This is particularly important in light of the fact that BPA is a non-jurisdictional transmission provider with much of the high-voltage transmission in the region. In short, any BPA transmission rate differentiation should be based on cost differences and not on any perceived difference in value in excess of cost.

3. TBM 3.0--“Examples of Success”

a. General

TBM 3.0 lists a number of actions as “Examples of Success.” However, in some instances, it is either incorrect or premature to consider the action listed as a “success.” For example, elimination or revision of a policy may not be a success, depending on what if anything takes the policy’s place. The success of an action may depend on the specific implementation actions to be taken.

b. Elimination of Hourly Firm

The TBM 3.0 at page 16 in the section on Providing Standardized Options states that “Eliminate Hourly Firm” is one of the “Examples of Success.” However, Commenting Parties do not agree that elimination of BPA Hourly Firm would be a “success.” While Commenting Parties and many other stakeholders support elimination of unlimited hourly firm, BPA should continue to offer hourly firm within ATC. Particularly in light of the feedback provided in workshops and comments, “Eliminate Unlimited Hourly Firm” should be listed as the example of success rather than eliminating hourly firm entirely. Elimination of such a widely used product would only be a success if it is replaced with an appropriate hourly firm product that facilitates use of short-term ATC. See the Comments of Avangrid Renewables, LLC, Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on BPA Hourly Firm, dated December 8, 2017.

c. Elimination of Long-Term Available Transmission Capability (“LT ATC”) Posting

The TBM 3.0 at page 18 states that one of the “Examples of Success” is to “Replace Long-Term Available Transfer Capability (ATC) posting with more accurate system availability information.” Similarly, the TBM 3.0 at page 20 states that one of the “Examples of Success” is to “Replace posting of LT ATC with the ability to identify and communicate areas where there is available capacity and the time and cost for interconnections is lower, on average. ”

These TBM 3.0 statements oversimplify the issues and do not fully address the concerns of BPA transmission customers regarding the elimination of posting of BPA LT ATC. See the Comments of Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on ATC, dated December 8, 2017.

d. Elimination of BPA Remainder Policy and Implementation of Long-Term South of Alston (“SOA”) Solution

The TBM 3.0 at page 20 states that “Examples of Success” include “Eliminate the remainder policy” and “Implement long-term South of Allston solution.”

These TBM 3.0 statements oversimplify the issues and do not address concerns of BPA transmission customers regarding these issues. Further, BPA’s elimination of the remainder policy should not be viewed as a success. See the 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, dated December 8, 2017.

4. Response to BPA General Process 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 process:

1. Should BPA plan meetings based on availability of proposals or would customers prefer a predictable cadence such as meeting monthly or quarterly? Or should BPA consider a mix of both?
2. What format do customers prefer for the upcoming workshops? Do customers prefer meetings at the Rates Hearing Room or WebEx-based conference calls? Other alternatives?

Commenting Parties provide the following responses to the questions posed:

- (i) Meetings should be held when there is material available to discuss. It is helpful if BPA has placeholder dates for meetings that can be firmed as BPA determines material will be available.
- (ii) Meeting dates should be firmed up at least 3 weeks in advance to allow travel scheduling and reduced scheduling conflicts.
- (iii) Meeting materials should be posted at least 2 weeks in advance. This will be particularly important as BPA moves into the more detailed implementation work and time is needed for customers to consider and review the materials and provide input.
- (iv) Each meeting should provide customers the option of attending in Rates Hearing room or calling into the meeting (with WebEx).

* * *

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.