



Your Community Energy Partner

March 7, 2018

Submitted via email to: techforum@bpa.gov

Michelle Manary
Bonneville Power Administration
905 NE 11th Ave
Portland, OR 97232

**Re: Comments of Public Utility District No. 1 of Snohomish County on
BPA's Queue Management / Rollover Rights Proposal**

The Public Utility District No. 1 of Snohomish County (Snohomish) appreciates the opportunity to provide comments on the topics presented at the February 21 meeting regarding Queue Management and Rollover Rights. Snohomish also has feedback on the proposed tariff change structure, specifically how the Bonneville Power Administration (BPA) plans to address tariff changes that are pro forma.

Rollover Rights

Snohomish understands that BPA's current practice related to rollover rights is to grant rollover rights to *requests* that are five years or more in duration, even if the request is counteroffered for a shorter duration. BPA also allows a "follow-on" request, which extends the partial offer.

The pro forma approach is to only grant rollover rights for granted reservations that have a five-year or more contractual term. If a TSR is in the queue, and it is no longer eligible for an offer of at least five years, rollover capacity would be released and offered to the next eligible reservation in the queue. At the February 21 meeting, BPA also presented a customer suggestion that would base rollover rights upon study participation. Snohomish supports this customer suggestion.

Snohomish generally supports the concept of improving queue processing. However, in this case, Snohomish believes that if BPA adheres strictly to the pro forma methodology, there is a risk that customers only being made partial offers could lose queue priority due to procedural rules or due to study timing. If a customer is willing to participate in a study process and demonstrates an ongoing commitment to that process, they should have options available to them to maintain rollover rights and queue position.

For this reason, BPA should adopt the customer suggested methodology allowing for a conformed TSR to be issued, allowing customers to participate in a study process while maintaining their eligibility for rollover, as well as keeping their spot in the queue. This also has

the advantage of only keeping customers willing to pay the ongoing costs of the study while other customers not willing to participate could either accept the partial offer, or decline service.

When assessing whether a deviation from the pro forma approach is justified, FERC looks at whether the deviation is consistent with or superior to the pro forma.¹ We believe that the customer proposal meets this standard for the reasons discussed above. In addition, we also believe that the customer proposal meets the FERC standard for granting waivers. FERC generally uses three criteria for granting waivers²:

- Is the scope limited?
- Are there undesirable consequences?
- Are the resultant benefits to customers evident?

Snohomish believes that the customer proposal is limited in scope to this particular subset of requests, and that there are no immediately identifiable negative consequences. Further, the benefit is immediately apparent as it allows customers to maintain queue priority for the portions of their reservations that must be studied. The customer is not unduly penalized based on the amounts and durations available, especially when they are willing to commit and pay the costs of a potential study. Customers who are unwilling to participate in a study are treated in a pro forma fashion. Snohomish believes that meeting the waiver criteria solidifies the idea that the customer proposal is consistent with or superior to the pro forma approach.

Tariff Change Process

When inquiring how this issue would be addressed in the Tariff Change Process this fall, Snohomish learned that if BPA staff chooses to change its current practice to a pro forma approach, this decision would not be memorialized or discussed in the Tariff Change Process or the Record of Decision.

This is concerning for Snohomish. As BPA moves to a new tariff structure, Snohomish believes that the process must include a robust record of all changes from current practice, even if the new methodology conforms to the pro forma tariff.

For example, regarding rollover rights, there is a non-pro forma customer suggestion regarding study participation granting potential eligibility. If BPA staff decides to adopt a strictly pro forma approach, it is Snohomish's understanding that the customer suggestion would not be a formal part of the record, nor would rollover rights be explicitly discussed as an "issue" in the formal tariff change process.

¹ *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, FERC Stats. & Regs. ¶ 31,036, 31,770 (1996).

²

Pub. Serv. Co. of New Mexico, Power Network New Mexico, LLC, & New Mexico Renewable Energy Transmission Auth., 140 FERC ¶ 61,230, P 60 (2012).

While pre-tariff change workshops are useful, any issues discussed should be reflected in the formal process, with opportunity for customers to comment on the record if they agree or disagree with the BPA staff recommendation. Having a record that is fully developed and robust is in the best interest of all parties, and Snohomish encourages a full dialogue on proposed changes.

Conclusion

Snohomish appreciates the opportunity to provide feedback and direction to BPA. As BPA continues these workshops, Snohomish looks forward to continued discussion around BPA's tariff change process and related issues. If you have any questions about these comments, please do not hesitate to contact me.

Sincerely,



Ian Hunter
Transmission Policy Analyst
(425) 783-8309
irhunter@snopud.com