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Submitted via email to techforum@bpa.gov

Initial Comments on Transmission Business Model, Pro Forma Gap Analysis, and Tariff Engagement Design Issues

Overview

The Public Power Council (PPC) appreciates this opportunity to comment on BPA's interrelated efforts to modernize the Transmission business model and better align the agency's Open Access Transmission Tariff with the FERC pro forma tariff and industry standards. The ability to serve load and move resources on firm, reliable, and affordable transmission is essential to public power and to the value that BPA provides to the Northwest region.

PPC is supportive of BPA's efforts to modernize its business model, seek efficiency, and be more responsive to customer needs. The process of the Pro Forma Gap Analysis has identified important issue areas that need to be addressed. We also recognize that there is a great deal of work to be done in almost all areas and that no final decisions have been made on how to move forward. Success will ultimately be dependent upon the details of the work to come.

Process Framework and Expectations

PPC strongly believes that providing value to customers must be the overall principle guiding all of BPA's efforts. The processes to modernize the Transmission business are no different. This means that proposed solutions should demonstrably solve issues and add value. In any given area this may mean a move towards a more "pro forma" outcome or it may be that BPA is uniquely situated and a more creative and non-standard practice is appropriate.

We also believe that the best way to find the solutions that provide value to customers is through a transparent and collaborative process. Public power utilities know their needs and systems better than anyone and similarly BPA staff has unique expertise regarding the capability of the federal transmission system. Creative and productive solutions will best be achieved through iterative engagement. Responsiveness to customer comments demonstrated in workshops to date has been encouraging in this regard.

PPC also supports the overall strategic emphasis on maximizing the use and value of existing transmission assets. This principle is important to successfully manage an aging system with significant access to capital and affordability constraints. However, we also recognize that incremental builds will be necessary in some instances. Non-wires solutions are desirable, but firm and reliable transmission service for BPA's core public power customers is the essential outcome.

Increased system awareness in both the planning and operational timeframes will be a crucial driver for both finding and evaluating efficient solutions for congestion and transfer capability issues. To that effect, PPC is encouraged to see connections being made from the Pro Forma Gap Analysis issues to the Commercial Operations Key Strategic Initiative project areas. PPC looks forward continued engagement on Commercial Operations project development and spending.

Tariff Design Process

As a threshold matter, PPC sees the Section 212 process as a reasonable procedural vehicle for adopting a new tariff. BPA has used this process successfully in the past and it includes practical procedural elements to develop a robust record for decision making. It also seems reasonable that the formal process would be conducted in parallel with the BP-20 rate case both for efficient use of resources and the ability to resolve issues that may cross over between tariff and rate domains.

Even with a decision on the procedural vehicle, many questions will need to be addressed ahead of a new proposal regarding the process and scope of issues. PPC strongly supports a robust and transparent workshop process ahead of a formal tariff proposal. To the extent issues can be identified and addressed ahead of the formal process it will be to the benefit of all parties. PPC looks forward to working closely with BPA and other stakeholders to ensure that the overall development of new tariff language meets customer needs and does not result in unintended consequences.