

SUBJECT: Powerex comments on BPA Queue Management/Rollover

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Powerex appreciates Bonneville's continued outreach on their Pro-forma Gap Analysis and Tariff Revision processes. Powerex reiterates that it will be important to comprehensively engage with customers on these important proposals to develop the appropriate solutions for Bonneville's transmission customers.

Powerex is providing the following comments in response to Bonneville's February 21st discussion on Rollover Options.

Rollover Options

Bonneville presents two proposals for consideration—one to limit rollover based solely on contract term, and another to provide customers with Transmission Service Requests (TSRs) actively participating in a study/build/upgrade process with an option to maintain their requested service duration which, if five years or longer, would result in being eligible for rollover (conformance).

In principle, Powerex generally supports tariff revisions consistent with the *pro forma* tariff. However, we do not believe these proposals are necessary or superior to Bonneville's current practice. Bonneville is unique in that it has numerous requests still pending in queue long after the requested start-dates, a situation not expressly contemplated for in the *pro forma* tariff. The current approach of permitting rollover rights when a customer had requested at least five-years of service, but receives a shorter term solely as a result of the extended time taken by Bonneville to offer the service, is reasonable. We do not consider this current practice to be a harmful deviation given the unique context presented. On the contrary, the current approach is superior to either proposed alternative because it respects the principles of fairness and transparency embedded in the *pro-forma* tariff while accommodating BPA's unique situation.

Applying the solution of limiting rollover based solely on contract term to Bonneville's current queue would produce unfair and potentially discriminatory results. For example, it would be highly unfair to a customer with queue priority to lose renewal rights despite having requested service for five years or more, only to have BPA turn around and grant renewal rights to customers who entered the queue later. This would, in fact, run counter to the *pro-forma* principles of non-discrimination, fairness, and transparency, and BPA could find itself in a position where there are significant challenges to their queue management processes.

While Powerex supports Bonneville retaining its status-quo queue management practices as the most fair among options in the near term, if Bonneville deems it must make changes, another solution might be to give a customer a choice when partial service (duration) is offered:

1. A service agreement for the partial term, which if less than five-years, provides no renewal rights; or
2. A service agreement with a start date of when Bonneville can offer the requested agreement duration, and a duration matching the original request if it can be provided, which would have renewal rights if it is at least five years in duration.

Powerex would also support allowing customers to conform TSRs, but, since this is not a *pro-forma* approach either, it should be a one-time clean-up of the queue to resolve customer expectations for renewal service on their original requests.

Finally, permitting customers to choose a minimum MW threshold for partial offers is a significant deviation from the *pro-forma* and *seems to run counter to what Bonneville is trying to accomplish with the Gap Analysis*. This proposal would reduce queue processing transparency as minimum thresholds are not a field on OASIS. It would also unnecessarily complicate how the queue is processed and has the potential to limit the volume Bonneville is able to sell.

Thank you for consideration of our comments and we look forward to further engagement on these important issues.

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