

August 8, 2017

**Via Email ([techforum@bpa.gov](mailto:techforum@bpa.gov))**

U.S. Department of Energy  
Bonneville Power Administration  
Transmission Services

**Re: Comments of Puget Sound Energy, Inc. on BPA CF, Queue Management, and SOA Alternatives**

Puget Sound Energy, Inc. hereby comments on BPA's Tariff Engagement, following up on the July 26, 2017, BPA Transmission Business Model Workshops on BPA Conditional Firm ("CF"), Queue Management, and South of Allston ("SOA") Alternatives.

The July 26th workshops were divided into four "topics": Conditional Firm, Queue Management, Alternatives for SOA Service, Tariff Engagement. However, as emerged during the discussions on July 26, the first three of the topics overlapped, and it does not seem practicable to segregate these topics and comment on them individually. Accordingly, the comments below will unavoidably touch on all of these topics. It should also be noted that the comments below are intended to supplement the discussions at the July 26 workshops, are summary in nature because of the limited time available for comments due on August 8, and do not substitute for the comments that are due to be submitted at the end of the workshops.

The July 26 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 TSR that gave rise to this CF. Also, BPA should ensure that the interim CF product includes 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 interim CF product need not and should not preclude the offer of shorter term firm service that is available (after giving CF priority to short-term firm capacity in the queue, in order to firm up the CF to that extent).

The relationship between the availability of CF and other transmission products should be clarified. For example, as discussed in the July 26 workshops, BPA should prepare a timeline/flow diagram showing the sequence of decisions and alternatives available to the transmission customer if it requests Long Term Firm ("LTF") but the full requested amount is not available.

BPA's objective should be to maximize usage of the transmission system through offers of products, including Long Term Firm, Conditional Firm and Short Term Firm including Hourly Firm products. BPA's queue represents requests for transmission by BPA customers and those requests should be satisfied to the maximum extent practicable. This will require a combination of transmission products including Long Term Firm, Conditional Firm and Hourly Firm. 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 is 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.

In any event, BPA's queue is an indication of transmission service that is desired on BPA's system, and removing TSRs that are 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.

With regard to the menu of BPA's transmission products, it should be noted that the BPA hourly firm product plays an important role in the Northwest. This is particularly true because the Northwest has a very liquid power market, with hourly variations. For example, the availability of the BPA hourly firm product helps prevent over-procurement of BPA transmission on a daily or longer basis. BPA's proposal to transition away from unlimited hourly firm raises some serious issues that we look forward to discussing in the upcoming workshop on this topic.

The July 26 BPA Queue Management presentation states at page 7 as follows: "Require customers to identify source/sink information when submitting a short-term TSR". With respect to short-term TSRs, this would be an impractical and apparently unnecessary requirement and would fail to recognize that Real-Time traders during their purchase/sell dealing typically do not know the actual source and sink. As widely recognized in discussions in the July 26th workshops, requiring source/sink information for short-term TSRs is burdensome and should not be needed for system monitoring--in other words, E-Tags rather than TSRs in the queue should provide information to monitor BPA's system.

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Puget Sound Energy, Inc. appreciates 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.