

SUBJECT: Questions and comments for BPA's transmission business model workshop

DATE: Monday, August 07, 2017 1:50 PM

PacifiCorp appreciates BPA's willingness to spend significant time and resources on a series of customer workshops to discuss the important issues related to its new transmission business model. PacifiCorp looks forward to additional detail on BPA's proposals, especially those related to conditional firm service, queue management reforms, and tariff section 9 modifications.

PacifiCorp plans to submit more comprehensive comments after completion of the workshop process, but in the meantime has put together the following preliminary questions that it hopes BPA can cover in future workshops. (On a related note, PacifiCorp hopes that BPA will indeed schedule more workshops and provide more information on all of these topics.)

Questions and comments for Queue Management

- Does BPA envision ultimately making queue management reforms through tariff modifications, business practices, or some combination of both?
- Why would the change in the Queue Management affect the SOURCE/SINK requirements for the short-term reservations? Why isn't e-Tag information sufficient?
- Is rebid on the capacity and term only a lower bid? For example, a partial offer with 100 MW and 3 years only allows rebid capacity less than 100 MW and rebid term less than 3 years?
- Can BPA provide more details in the proposal of new requirements related to redirect conformance TSR?
- Can BPA provide more details on what a customer's options will be if BPA issues a study stating that conditional firm could be provided to accommodate all or a portion of the request? For example, will there be an option to study upgrades the system necessary to secure full firm service, or firm service for the portion that cannot be immediately accommodated with conditional firm? BPA indicated that customers may need to make a new request with a new queue position for any portion that cannot be accommodated—is BPA willing to reconsider that approach? More information is needed on the full range of customer options, from taking only conditional firm and abandoning any remaining portion of the request, to agreeing to have additional upgrades studied so full firm service can be provided.

Questions and comments for Conditional Firm Service

- Does BPA envision ultimately making conditional firm service reforms through tariff modifications, business practices, or some combination of both?
- Will the 400 hours maximum per year be negotiable as the term and capacity?
- How does BPA view the future of conditional firm from an operational perspective? Will the customer see more curtailments than before?
- What factors will make BPA determine whether to offer firm vs conditional firm?

Tariff Section 9

- BPA indicated it would be willing to specify the FPA section 212 process in the new section 9 language, rather than the "public comment process." Is that still correct?
- BPA also offered to have further discussions on several issues related to the Hearing Officer's role, which will be different in many important respects to the role of a Hearing

- Officer in a traditional BPA rate case. Will BPA be developing a list of those issues and addressing them in future workshops?
- Does BPA plan to use a 212 process both to: (1) perform an initial update to its existing tariff; and (2) to make any changes to its new tariff?
 - Can BPA plan to provide in future workshops more detail on how customer rights under existing contracts could be affected throughout this process, both during interim periods of transition and after the initial update?

Thanks!

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