

TID Comments on Transmission Business Model/PFGA Customer Workshop Summary October 4, 2017

Thank you for the opportunity to comment on the PFGA Customer Workshops. Turlock Irrigation District (TID) is a long-term firm point-to-point transmission customer and also owns generation assets within the Bonneville Power Administration (BPA) Balancing Authority Area (BAA).

Due to scheduling limitations, TID was not able to have a representative at the workshops, although we had a representative call in for parts of the presentations. Nonetheless, we wish to provide some specific feedback on the subjects addressed in the Workshop Summary. TID will also provide input jointly with Sacramento Municipal Utility District (SMUD) and the Transmission Agency of Northern California (TANC).

TID agrees that the numerous questions listed in the summary need to be addressed before well-reasoned decisions can be made. TID would like to add some specific comments in this regard:

Ancillary Services

TID agrees that BPA should consider physical feasibility when imposing schedule changes on generation. For example, to require a plant to move at 10 MW/minute when it has the capability to move at 3 MW/minute is not reasonable.

BPA should also consider the flexibility afforded by the changing Western Electricity Coordinating Council (WECC) and North American Electric Reliability Corporation (NERC) Reliability Standards. BAL-001 no longer requires that a Balancing Authority (BA) maintain Area Control Error (ACE) at 0 on a minute-by-minute basis. The limits imposed are much more flexible and do not require immediate action by the BA. Such flexibility should be reflected in the rules set out for generators.

TID is concerned about the process that will be followed in making changes to the tariff and rates. BPA should demonstrate that its rates meet the applicable legal standards for just and reasonable rates and avoid undue discrimination. The result of changes should lead to an efficient operation of the electrical system. The rigor and transparency of a formal proceeding may be needed to afford all parties the opportunity for effective input and reasoned decision-making.

Real Power Losses

TID questions why BPA should need to charge any premium above the actual market price for energy. There also needs to be a mechanism to be sure the market index is not being manipulated and actually reflects the true value of energy. Any failure to do so would violate the Federal Energy Regulatory Commission's (FERC) anti-manipulation regulations.

TID agrees that the customers typically like to have options. It is imperative however, that in providing options that BPA does not require one set of customers to subsidize another set of customers by providing options. This would violate the long-standing legal principle of cost-causation.

Hourly Firm (HF)

TID looks forward to hearing of products that might provide an alternative to HF service, especially as it relates to the redirects of long-term transmission rights. If BPA makes such a fundamental change in the rights of long-term rights holders, such holders should perhaps be compensated and provided the option to change their agreements.

TID agrees that it is essential that BPA not offer HF service unless the transmission capacity is actually available. That may mean that BPA would have to improve its capability to determine available transmission. It may also mean that BPA may have to delay when the hourly service is made available for sale.

TID would echo the points listed under the Business/Market Impacts.

TID thanks BPA for the opportunity to provide input and looks forward to participating more in the process.