

**BP-24 Rate Case & TC-24 Tariff Proceeding Workshops
Summary of Written Comments Received and BPA Staff's Responses**

Last Updated: July 25, 2022

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I. Comments Received in Response to the April 27, 2022 BP/TC-24 Workshop

Row #	Stakeholder	Comment	BPA Response
1	Powerex	Tariff Attachment C: Long-Term ATC - Powerex has a slight preference for Alternative B regarding the frequency of the commercial powerflow studies. Powerex also prefers Alternative B from a transparency perspective so that customers and stakeholders have the most up to date information, data, input, and outputs.	Thank you for your feedback.
2	Powerex	Workshops - Is there a deadline for topics to be considered under BP-24 or TC-24, or can customers raise topics anytime during the pre-rate case workshop process?	In order for BPA to have adequate time to consider a topic, BPA prefers to have any new topics submitted for consideration no later than the comment period after the May customer workshop. This would allow BPA time to analyze any proposals from customers and develop content for possible future workshops and allow time for collaboration with customers. That being said, customers can raise a new topic at any time during the customer workshops, but BPA may not be able to fully analyze complex topics later than mid-June.
3	NIPPC	Workshops - It is critical that customers have the opportunity to educate BPA staff on their perspectives of the issue before BPA staff begins to develop solutions. NIPPC suggests that BPA's standard practice allow for customers to submit comments after each Phase of the Customer Engagement Process. While customers might be able to use the "customer-led" workshops to educate staff, NIPPC is concerned that the proposed timeline to request a customer led workshop is too short for customers to develop and present formal positions – especially on complex topics.	BPA appreciates NIPPC's feedback on the workshop process. We have worked to design the workshops to allow for ample time for customer feedback by starting customer engagement on more complex issues earlier and having discussions on complex issues at multiple customer workshops. BPA has also tried to make an efficient use of customers' time by covering multiple steps in the 6-step customer engagement process in one workshop if we have assessed an issue to be less complex or impactful to customers. As always, BPA is open to hear customer feedback if customers feel an issue needs more discussion and would appreciate any specific information that needs clarity or consideration. After each customer workshop, BPA holds a two-week comment period as well as an opportunity for a customer led workshop if a customer wishes to discuss an issue more in depth or present a proposal to BPA staff. Customers can present proposals on any rates or tariff topic at any customer-led workshop by requesting time on the agenda no later than one week after each customer workshop.

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4	NIPPC	<p>Request to include topic in the workshop schedule:</p> <p>1. Equitable allocation of costs of capacity for balancing reserves in proportion to allocation of benefits (including EIM revenues).</p> <p>NIPPC suggests that the status quo fails to represent an equitable allocation of costs between Federal and non-Federal users of the system. BPA's customers who benefit from EIM transactions should contribute to the cost of the capacity that BPA relies on to demonstrate that it can participate in that market.</p>	<p>This topic is being addressed at the May 25th BP/TC-24 Workshop. In that workshop, we will address this exact concern stated by NIPPC and provide a preliminary staff response. With regard to whether the status quo equitably allocates the costs of the Federal transmission system between Federal and non-Federal power utilizing such system, this is a legal argument that was discussed during the BP-22 rate proceedings – see BP-22 rebuttal testimony: BP-22-E-BPA-40, Section 3, Pages 4-9 for more information.</p>
5	NIPPC	<p>Request to include topic in the workshop schedule:</p> <p>2. OCBR when BPA is participating in EIM.</p> <p>NIPPC requests a workshop to consider whether, to what extent, or in what specific circumstances OCBR remains appropriate now that BPA has joined the EIM and has access to balancing reserve capacity across a significantly larger geographic footprint.</p> <p>NIPPC asks BPA to collect specific data for review in these workshops to determine how the EIM impacts OCBR. At the very least, BPA should collect and retain data regarding its EIM transactions (quantity, price and duration) during the hours in which it triggers OCBR.</p>	<p>To be clear, Operational Controls for Balancing Reserves (OCBR) is an operational tool and not within the scope of either the BP-24 or TC-24 proceedings.</p> <p>Notwithstanding that delineation, as discussed during the BP-22 workshops and in October 2021 at the Balancing Reserves Capacity business practice customer review, BPA has adapted the OCBR tool for periods in which BPA is participating in the EIM. OCBR will be used in and out of the EIM. The adaptations made to OCBR for periods in the EIM utilize the EIM to help serve the imbalance on BPA's system by pausing reserve deployment to allow time for the EIM to act. These primary actions taken in the EIM for OCBR have little to no impact to non-controlling generation in the BPA BAA, VER and non-VER alike. BPA has identified conditions in the EIM that can severely restrict BPA's participation in the EIM, where the traditional OCBR actions are still needed to address extreme imbalance on the system (limitation of VER generation to schedules or curtailment of under-generating resources in the BPA BA). BPA has experienced and continues to see OCBR as a necessary operational tool for reliability of operating the BPA balancing authority, both in and out of the EIM.</p> <p>BPA will re-present the OCBR changes for EIM, given at the October 2021 Balancing Reserves Capacity business practice customer review, at a BP/TC-24 workshop for the general education of the BPA customers. Once BPA has gained sufficient experience in the EIM, BPA can present in the proper forum on OCBR and the interactions seen with the EIM. The proper forum may be a different customer forum than the BP/TC-24 workshops.</p>

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6	NIPPC	<p>Request to include topic in the workshop schedule:</p> <p>3. OMP and Impact of EIM</p> <p>NIPPC suggests that BPA's successful entry into the Western Energy Imbalance Market represent sufficiently changed conditions to revisit whether this protocol remains necessary. NIPPC suggests that one of the underlying justifications for the policy — that BPA does not have an adequate market to sell its surplus generation under the defined conditions — no longer applies now that BPA has formally joined the EIM. At the very least, NIPPC believes that BPA should revise Section 1 of Attachment P to specify the actions it will take as part of the EIM prior to implementing OMP.</p>	<p>As stated in the Administrator's Record of Decision on Energy Imbalance Market Policy (Phase II ROD), Bonneville does not believe the EIM provides a market solution that achieves the objectives of the Oversupply Management Protocol as effectively as OMP. The EIM is a real-time market, and Bonneville determines the need for displacement far in advance of the EIM market run. In addition, Bonneville still needs OMP in case of disconnection from the EIM. <i>Phase II ROD</i> at 138. There are no additional actions to take prior to OMP as part of the EIM, as the EIM is a real-time market. Bonneville will still take the actions listed in Section 1 of Attachment P if it determines they will reduce or avoid the need for displacement. If displacement is necessary, Bonneville will then implement OMP as specified in Attachment P and the Oversupply Management Protocol Business Practice. However, Bonneville is open to reevaluating the use of OMP if participation in the EIM materially changes the need to use it. <i>Id.</i> at 139.</p>
7	NIPPC	<p>Request to include topic in the workshop schedule:</p> <p>4. Revise BPA's Attachment K to incorporate best local transmission planning processes as identified in the Department of Energy's comments to the FERC ANOPR on Transmission Planning.</p> <p>NIPPC encourages BPA to consider the specific reforms proposed by the National Laboratories to identify those it can implement on a voluntary basis in advance of a formal rule.</p> <p>NIPPC suggests that BPA's existing transmission planning processes — focused on conservative load growth assumptions and the transmission service request queue — are inadequate to identify the scope of the transmission needs facing the region. NIPPC does not suggest that BPA's voluntary adoption of the National Laboratories' recommended reforms should result —</p>	<p>Bonneville is evaluating the reforms proposed by the Commission in its recent Notice of Proposed Rulemaking: <i>Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection</i> (Docket No. RM21-17-000). At this stage of the Commission's rulemaking, Bonneville welcomes the perspectives of its customers, including NIPPC's perspective on best practices it believes should be considered. In the event the Commission adopts a final rule amending its local and regional planning requirements, Bonneville will evaluate those reforms in a manner that is consistent with the process required by Bonneville's OATT and the commitments made under the NorthernGrid planning agreement.</p>

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		without more — in an actionable construction plan. Rather NIPPC suggests that by adopting these reforms BPA would more effectively identify future transmission needs for the region's consideration than the existing processes do. NIPPC encourages BPA staff to review the DOE comments and identify which of the best practices BPA can adopt and implement prior to the release of a formal rule on this topic.	
8	NIPPC	Unauthorized Increase/Failure to Comply Charges - NIPPC believes that BPA should review these charges with customers to determine whether they are higher than necessary to achieve their stated purpose. Part of this exercise should be to compare similar charges set forth in the tariffs of other transmission providers in the region as well as considering whether these charges remain appropriate now that BPA has joined the EIM.	BPA Staff will include an overview of the Transmission Unauthorized Increase and Failure to Comply charges at a future workshop.
9	NIPPC	Conditional Firm - NIPPC has been working with its members to develop a proposal for a revised conditional firm product which better meets the needs of developers of new generation resources. NIPPC may formally request that BPA consider that proposal during the course of these workshops.	BPA looks forward to NIPPC's proposal. As a reminder, the Customer-Led workshops are an available forum to present the proposal to BPA and customers. Please send your request to present no later than one week after the BPA hosted customer workshop so BPA is able to coordinate and have the appropriate SMEs at your presentation.

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II. Comments Received in Response to the May 25, 2022 BP/TC-24 Workshop [UPDATED]

Row #	Stakeholder	Comment	BPA Response
10	AWEC	BPA's alternative approach makes progress in the right direction. BPA's alternative approach more closely aligns with the lower range of level of benefits anticipated in the 2019 EIM ROD and is closer to the level of benefits recommended in AWEC's BP-22 rate case testimony. However, AWEC maintains that additional analysis around the likelihood and magnitude of over- and under-estimation relative to this level is warranted, which will enable BPA and stakeholders to determine if a higher level of assumed EIM benefits is appropriate.	In our May 25th workshop, we identified several factors that could contribute to over- and underestimation of EIM benefits (see workshop presentation, slide 21). As we explained in the workshop, we do not have sufficient information or experience operating in the EIM to more rigorously evaluate these factors at this time. We welcome specific suggestions, including any potential estimation improvements that may be incorporated prior to formulating our Initial Proposal expectations. We also intend to continue to monitor EIM operations and incorporate any lessons learned throughout the BP-24 rate case, if appropriate.
11	Commenting Parties: Avista, Idaho Power, MSR, Northwestern, PGE, Puget	BPA should abandon its higher of methodology because it overstates the revenue requirement and instead determine revenue requirement based on forecasted cash requirements, including amortization of federal investment. If BPA sticks with the higher of methodology, revenue requirement in subsequent rate periods must be reduced to account for MRNR and avoid statutorily prohibited overstatement of revenue requirement.	BPA disagrees that it is statutorily obligated to abandon its methodology for calculating the revenue requirement, and BPA does not intend to propose modifications. The methodology will be within the scope of the rate case process, which provides more appropriate structure than a technical pre-rate case workshop.
12	NIPPC	EIM Impact on Balancing Service Costs: Agrees with substance of staff's response to previous NIPPC suggestion that a portion of the capacity costs associated with non-regulating balancing reserves should be allocated to BPA Power. However, continues to raise the question of whether all customers who benefit from a product or service should contribute to its costs and suggests BPA Power as a beneficiary of that capacity should contribute to its costs. Interested in learning if any transmission has been donated to support EIM Imports to BPA, noting that BPA Power has not made any commitment to its Ancillary Services Customers to	BPA staff will address NIPPC's comments at the July BP/TC-24 Workshop.

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		<p>donate any specific quantity of transmission to support EIM Imports.</p> <p>Hopes that BPA schedules this topic for further discussion in a future workshop, recognizing the nuances regarding how benefits and costs flow through the new EIM paradigm are complex.</p>	
13	NIPPC	<p>Segmentation:</p> <p>Seeks more information on how BPA proposes to allocate revenue financing [based on the Financial Plan Refresh proposal] among the specific segmented rates.</p>	BPA will include information on how revenue financing is segmented during the discussion on revenue requirement at the August BP/TC-24 Workshop.
14	NIPPC	<p>Operational Controls for Balancing Service (OCBR)</p> <p>Recognizes the value of OCBR and does not propose to eliminate it. Suggests that it is appropriate to consider the impact of EIM within BPA's methodology for calculating the amount of capacity that BPA will include in amount of capacity that BPA will supply for balancing reserves.</p> <p>Hopes to explore whether BPA's participation in the EIM allows BPA to reduce the quantity of reserves needed to maintain the 99.7% standard (as compared to a 99.7% calculation if BPA's calculation does not consider the EIM). NIPPC suggests that if the EIM is available as a source of balancing reserves during some of the extreme events when BPA's supply of balancing reserves is stressed (and OCBR deployment is not required), then BPA could maintain the same quality of service (99.5%) with a smaller quantity of balancing reserves.</p> <p>Asks BPA to identify the specific data categories necessary to consider this issue in future rate cases.</p>	Thank you for your feedback. Staff will re-present the OCBR changes for EIM at the July BP/TC-24 Workshop. We've noted NIPPC's suggested changes and may consider them once BPA has gained sufficient experience in the EIM. After that time, BPA can present in the proper forum on OCBR and the interactions seen with the EIM.

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15	NIPPC	<p>Oversupply Management Protocol:</p> <p>The EIM gives BPA additional tools to manage oversupply conditions and these new tools should be added to the list in Attachment P of the Tariff. Suggest using a public workshop to discuss these changes and to identify other potential actions BPA should add, acknowledging discussion or changes may take place outside of the tariff revision process.</p>	<p>[UPDATED] See the BPA staff response below on page 8 and 9.</p>
16	Powerex	<p>Powerex generally supports the review of Attachment C and agrees in principle that outdated information should be corrected and aligned with pro-forma if it is appropriate for BPA and its customers. Powerex awaits further information on this topic before providing additional feedback, specifically a redline of Attachment C and associated ATCID, before determining if the approach described in Option #2 is appropriate. Powerex also suggests that the Attachment C redlines be provided earlier than the August 2022 workshop in order for customers to evaluate the proposed changes.</p>	<p>Thank you for your feedback. BPA staff will present draft Attachment C language showing the proposed Short-Term ATC changes at the July BP/TC-24 Workshop.</p>

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[NEW] The following is BPA staff's response to comments on the topic of Oversupply Management Protocol submitted by NIPPC following the June 29th BP/TC-24 Workshop. See comment on row 15.

Section 1 of Attachment P is not intended to be an exclusive list of actions that BPA would take in order to reduce or avoid displacement under Attachment P. When BPA filed Section 1 of Attachment P for approval, BPA informed the Federal Energy Regulatory Commission (Commission) that "the listing of actions is not intended to limit Bonneville from taking other actions that may be developed or become available to reduce or eliminate displacement." *BPA's Request for Approval of Revised Oversupply Management Protocol*, Docket No. EL11-44-006, pp.17-18 (March 1, 2013). In approving Attachment P, the Commission acknowledged that Section 1 contained a "non-exhaustive list of alternative actions," and that "committing, without qualification, to specific alternative actions may be counterproductive as it may result in Bonneville violating the protocol or taking actions that may increase costs without yielding any commensurate benefit." *Iberdrola Renewables, Inc. v. Bonneville Power Admin.*, 149 FERC ¶ 61,044, P59 (2014). BPA makes every effort to find additional actions to reduce the need for displacement, and requiring a filing with the Commission prior to implementing new actions is not efficient or necessary. Displacement under Attachment P is a last resort, and BPA will take all actions available to reduce or avoid the need to do so.

As for NIPPC's specific proposals, as stated in response to NIPPC's previous comments, Bonneville does not expect the EIM to reduce or eliminate displacement under OMP, as the EIM is a real-time imbalance market and there are no guarantees that Federal generation will be dispatched in the market. However, to the extent BPA finds that EIM actions will help to reduce or avoid displacement while it gains experience in the EIM, BPA will take those actions, regardless of whether those actions are specified in Section 1 of Attachment P, and can revisit revisions at that time. The following are specific evaluations of NIPPC's proposals:

- Purchasing and donating transmission to the EIM

Purchasing and donating transmission to the EIM does not ensure Federal generation will be dispatched. The BPA balancing authority area (BAA) has adopted the Interchange Rights Holder model for donating transmission to the CAISO energy imbalance market. Any customer owning (or acquiring) Bonneville transmission is capable of donating unused transmission to the energy imbalance market for use in real time energy imbalance dispatches. All transmission customers must make donations to the CAISO energy imbalance market no later than T-77 for each hour. However, transmission donations are not bi-directional. Transmission customers donating transmission to the EIM must indicate the direction of flow (i.e., an import or export) for each donation through the identification of the appropriate Point of Delivery and Point of receipt for each donation. Thus, if a potential EIM dispatch does not utilize the donated path, a dispatch will not occur.

As a BPA transmission customer, Power Services does donate unused surplus Point-to-Point transmission inventory. Power Services prioritizes the use of its transmission portfolio to support and facilitate trading floor surplus marketing activity ahead of any transmission donations to the energy imbalance market.

- Designating additional generating capacity for EIM dispatch

Because there is no assurance Federal generation will be dispatched in the market, designating additional generating capacity will not necessarily impact the need for displacement, and may detract from bilateral marketing activities. Every hour BPA considers how to meet the various

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constraints on the FCRPS. During potential oversupply conditions, the required generation needed to operate the FCRPS consistent with procedures to manage excessive TDG limits sets our operational plan. Generally, to ensure there is load for this generation to serve, transactions with delivered energy through the bilateral market and other organized markets work best. The EIM requires bids that represent only a generator's ability to increase or decrease output around a base plan. The generation capability in the bid range must be independent from planned energy deliveries, and may or may not result in energy dispatches.

In some hydraulic conditions, increasing the generation capacity bid in the EIM dispatch range is useful in setting up the system to withstand small periods of potential OMP. If the EIM regularly dispatches the FCRPS, it may move water and create potential short-term storage. BPA will continue to look at this potential as it gains more experience in the EIM. However, once OMP is imminent, the EIM is less helpful as it requires reserving capacity for EIM use before the completion of bilateral marketing.

- Submitting energy bids of \$0.00 into the EIM

BPA's participation in the Energy Imbalance Market (EIM) is complementary to its participation in other markets. Attachment P of the OATT requires BPA to take marketing actions to exhaust the market depth of free power, including submitting energy bids of \$0 in the EIM and other markets. As a result, revisions to Attachment P are not necessary.

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III. Comments Received in Response to the June 29, 2022 BP/TC-24 Workshop **[NEW]**

Row #	Stakeholder	Comment	BPA Response
17	AWEC	<p>Tier 2 Rates - Methodology</p> <p>AWEC generally supports BPA's proposed methodology for setting BP-24 Tier 2 Rates.</p>	Thank you for your support.
18	AWEC	<p>Tier 2 Rates - Carbon Cost Adder</p> <p>AWEC finds BPA's potential proposal for a carbon cost adder to be interesting, and could ensure that benefits of the Federal Columbia River Power System are accurately reflected in sales, which would have an offsetting effect in BPA's Tier 1 rates. However, whether such a proposal would be supportable is unknown at this time. Additional information regarding the carbon cost adder is necessary before AWEC can take a final position on the issue. It is unclear whether such information can or will be provided during the BP-24 pre rate case proceeding so that stakeholders have adequate time to review a detailed proposal, provide comments, and further discuss outstanding concerns with the Agency, so that such an adder may be included in BP-24 rates. Notably, during the June 29th workshop, several stakeholders raised questions and concerns regarding the potential adder, addressing the lack of detail and potential implications with other matters such as Provider of Choice and other monetization opportunities for carbon benefits. AWEC requests that BPA respond to this customer feedback and develop a more concrete proposal prior to inclusion in BP-24 so that stakeholders may have something more focused to respond to.</p>	Thank you. We will provide more information on the Tier 2 rates carbon cost adder at the August BP/TC-24 Workshop.

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19	AWEC	<p>Tier 2 Rates - WRAP</p> <p>AWEC continues to be interested in further understanding BPA's proposal for WRAP credits and charges as they relate to Above-RHWM load, and will provide more detailed comments once certain aspects of the WRAP program treatment for unspecified resource amounts serving Above-RHWM are better understood through the WRAP workstream. Additionally, AWEC requests BPA clarify whether there is a WRAP charge to the Tier 2 cost pool absent a purchase tied to a specific resource.</p>	<p>We are not anticipating a WRAP charge for Above-RHWM Load service, including Tier 2, at this time. However, if in the WRAP discussions we decide to move forward with a charge concept instead of a credit concept for Above-RHWM Load service, then we would need to be sure Tier 2 is included in that conversation. We believe that regardless of who is serving Above-RHWM Load that Resource Adequacy should be accounted for, and, as a result, any credit or charge would apply to BPA power sold at Tier 2 rates in the same manner that it is applied to a non-federal resource serving Above-RHWM Load.</p>
20	<p>Joint Commenters: Avangrid, Avista, NorthWestern Energy, PacifiCorp, PGE, PSE</p>	<p>UD and DSI Loss Factors</p> <p>BPA has not provided adequate information regarding the current flows or loss factors on the UD and DSI Segments and has not demonstrated that (i) the losses that should be collected on the UD and DSI Segments are insignificant or (ii) the collection of losses on the UD and DSI segments should be eliminated.</p> <p>BPA should provide additional requested information regarding losses on the UD and DSI Segments to assist BPA customers in adequately assessing the impact of the BPA staff recommendation.</p> <p>(i) Information regarding the flows (e.g., kWh delivered) on the UD segment for each of the three most recent years for which information is available.</p> <p>(ii) Information regarding the flows (e.g., kWh delivered) on the DSI segment for each of the three most recent years for which information is available. Please provide such information separately for each DSI and also provide the loss factor for each such DSI as specified in its Service Agreement, so that the loss assessment may be calculated.</p> <p>(iii) The amount of losses collected on the UD segment for each of the three most recent years for which information is available.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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		<p>(iv) The amount of losses collected on the DSI segment for each of the three most recent years for which information is available.</p> <p>(v) Any other information that BPA believes would support elimination of collection of losses on the UD segment or DSI segment.</p>	
21	<p>Joint Commenters: Avangrid, Avista, NorthWestern Energy, PacifiCorp, PGE, PSE</p>	<p>Transmission Unauthorized Increase Charge (UIC)</p> <p>BPA should align its Unauthorized Increase Charge ("UIC") with longstanding Federal Energy Regulatory Commission ("FERC") policy and charge two times the applicable Point-to-Point service rate.</p> <p>BPA has not explained why the UIC rate established by FERC in 2007, which appears to be industry standard, is not adequate to discourage unreserved use on its transmission system or why a rate that is more than 100 times FERC's policy is appropriate.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>
22	<p>NIPPC</p>	<p>Transmission Unauthorized Increase Charge (UIC)</p> <p>BPA's charge for unauthorized use of transmission (UIC) is over 100 times greater than the penalty that FERC determined would be just and reasonable.</p> <p>BPA does provide a mechanism through which customers may request a waiver of the UIC penalty. In practice, however, such waivers have proven nearly impossible to secure.</p> <p>NIPPC suggests that BPA adopt a revised Unauthorized Increase Charge to conform with FERC's guidance. The charge would be two times the applicable tariff rate. BPA could also define a process to levy an enhanced penalty charge that would apply to customers who intentionally or recklessly schedule in excess of their transmission reservations.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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23	NIPPC	<p>Transmission Failure to Comply (FTC) Charge</p> <p>NIPPC questions whether an index rate continues to be appropriate now that BPA has joined the EIM. NIPPC suggests that BPA adopt a new failure to comply charge of 150 percent of the highest hourly average Load Aggregation Point (LAP) price for BPA as determined by the Market Operation (MO) under Section 29.11(b)(3)(C) of the MO Tariff for the month in which the unauthorized increase occurs– to mirror the language in BPA’s proposed UAI charge.</p> <p>NIPPC notes that it is not clear whether the UAI charge proposed for BP-24 retains the minimum charge of 150 mills/kwh for customers who exceed their energy demand for power from the Federal system. If so, NIPPC suggests that 150 mills/kwh is also a reasonable floor for both the UIC and FTC charges that BPA imposes on transmission customers.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>
24	NIPPC	<p>Generator Interconnection</p> <p>1) NIPPC recommends that BPA staff review RM22-14, the FERC Notice of Proposed Rule Making (NOPR) regarding Generator Interconnection reforms, and conform their proposals in TC-24 to adopt proposals in the draft LGIA proposed by the Commission where those proposals make sense for BPA and its customers. Certainly, NIPPC does not support BPA crafting new language from scratch to include in its LGIA and LGIP where BPA’s proposed language differs from FERC’s proposal on the same subject.</p> <p>2) NIPPC recommends that BPA begin to consider how it will incorporate the reforms set out in the final rule as closely as possible to the timeline FERC establishes in its final rule...and encourages BPA to consider how it can use the TC-24 process to adopt as much of the signaled reforms as possible in this tariff revision cycle – especially where the reforms make sense for BPA and the region. BPA can then use subsequent tariff revision cycles to conform its tariff where the final rules deviate from the current proposals.</p>	<p>Bonneville appreciates NIPPC’s interest in the Commission’s proposed reforms under the Improvements to Generator Interconnection Procedures and Agreements Notice of Proposed Rulemaking RM22-14-000 (“NOPR”).</p> <p>Bonneville is also tracking the NOPR and it understands NIPPC’s concerns with regard to the timing of a final rule by the Commission and the timing of Bonneville’s Terms and Conditions Tariff Proceedings. However, to propose changes now, before the Commission issues its final rule, would be premature. Upon the Commission’s issuance of a final rule, Bonneville will evaluate whether and to what extent it will propose to adopt the reforms therein.</p> <p>Bonneville’s TC-24 proposal is limited to minor revisions to Appendix 1 of the LGIP, which are not part of the NOPR.</p>

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		<p>3) Alternatively, NIPPC asks BPA to begin planning now to pursue tariff revisions on the compliance timeline set forth in any final rules in RM21-17 and RM-14 instead of simply planning to defer compliance to the next "regularly scheduled" tariff revision process. Committing to move on the same timeline to implement any final rules in RM21-17 and RM22-14, would ensure regional consistency in the transmission planning and interconnection processes.</p>	
25	NRU	<p>Tier 2 Rates - Carbon Cost Adder</p> <p>As NRU understands the proposal, the addition of a carbon cost would not reflect any actual cost, rather it would reflect lost market opportunity. For this primary reason, NRU opposes the proposal.</p> <p>To the extent that BPA experiences an increased cost associated with carbon regulation, NRU would anticipate that cost would be appropriate to include in rates. At this time, however, NRU has questions regarding the appropriate approach to represent those costs in rates. As the Washington cap-and-invest program matures and takes effect, the appropriate approach will likely be easier to understand.</p>	<p>Thank you. We will provide more information on the Tier 2 rates carbon cost adder at the August BP/TC-24 Workshop.</p>
26	NRU	<p>Tier 2 Rates - WRAP</p> <p>NRU understands the intent of BPA's proposal is to align the treatment of specified, physical resources to meet utilities' above Rate Period High Water Mark Load from a resource adequacy perspective, whether through BPA-marketed power sold at Tier 2 rates or through non-federal resources procured by preference utilities. NRU has a generally positive reaction to the proposal and looks forward to further discussions on this issue.</p>	<p>Thank you. We definitely agree. If we move forward with a WRAP credit for Above-RHWM Load service, then we will need to have further discussions.</p>

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27	NRU	<p>Tier 2 Rates - Vintage Rates</p> <p>Regarding the proposal to offer a vintage Tier 2 product, NRU believes the product may provide benefits to preference customers, assuming enough customers indicate interest and the customers have the ability to respond in the timeline developed by BPA. Additionally, NRU requests a sample scenario to understand how the fuel mix and reported renewable energy credit allocation associated with this option would work.</p>	<p>Due to limited interest from customers we are not developing a BP-24 Tier 2 vintage rate. However, below is some information about how fuel mix and RECs may relate to power sold at a Tier 2 vintage rate.</p> <p>Any power sold at a Tier 2 rate, including vintage, would be attributed with BPA's single system fuel mix. Any power purchase to support the Tier 2 vintage rate would be included in BPA's fuel mix and in the asset controlling supplier (ACS) emissions factor calculations.</p> <p>If RECs were associated with a vintage rate purchase, then those RECs would be allocated to the customers that purchased power at that Tier 2 vintage rate. The allocation method of the RECs would be codified in the statement of intent signed by the parties.</p>
28	NRU	<p>Monthly Loss Factors on the Network</p> <p>It is unclear whether the granularity achieved with a monthly loss factor would justify the additional administration of the proposal. NRU requests a review of any increased costs compared to the assumed benefits of the proposal.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>
29	NRU	<p>Utility Delivery Loss Factor</p> <p>Supports eliminating the Utility Delivery Charge and views the proposal to eliminate the loss factor applied to the Utility Delivery segment in the same light. Therefore, NRU supports the concept. NRU requests a sample scenario to ensure understanding of the impact to customers' rates.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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30	NRU	<p>Power UAI Charge</p> <p>NRU would like more information regarding BPA's proposal to update the basis for determining the unauthorized increase (UAI) energy charge to understand the impact it would have on the UAI charge.</p>	<p>BPA will provide more information on its UAI energy rate proposal at the August BP/TC-24 Workshop, including proposed redlines of the General Rate Schedule Provision language.</p>
31	PNGC	<p>Tier 2 Rates - Carbon Cost Adder</p> <p>PNGC strongly believes preference customers have the legislative right to "at cost" power from BPA. It is concerning and deviates from the obligation BPA has to preference customers when market premiums for certain attributes are added to the price of power BPA provides to preference customers.</p> <p>A carbon price premium should not be added to the BPA Tier 2 rate. Carbon premiums are added value BPA should receive from market sales that benefit preference customers in setting the price for preference power. Setting aside BPA's timing of this proposal and the wholesale power market high prices, there is no formal carbon market in the NW. It is not acceptable for BPA to use bilateral trading premiums from their trading floor for secondary surplus sales to set any pricing for Carbon on Tier 2 products to preference customers. There is no fully functioning market clearing house supported (ICE or similar) carbon price, that does not rely on anecdotal BPA trading floor data, to even represent such a "carbon market" to support a request like this from BPA.</p> <p>PNGC requests BPA to provide data on what percentage of all BPA surplus inventory sold (including day ahead and real time surplus sales) can secure the carbon premium. Furthermore, what transacting point these deliveries occur at. If BPA provides the actual data, PNGC suspects that only a portion of BPA surplus sales capture any carbon premium.</p>	<p>Thank you. We will provide more information on the Tier 2 rates carbon cost adder at the August BP/TC-24 Workshop.</p>

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32	PPC	<p>Eastern Intertie Update Process</p> <p>While the decision for rates in future periods should not be predetermined, PPC can appreciate that Colstrip parties are interested in some indication on future rate treatment of the Eastern Intertie segment. PPC is not aware of any changes in circumstances which would justify changing the rate treatment for the Eastern Intertie as a separate segment on BPA's system. PPC has argued repeatedly, and BPA has agreed, that the Eastern Intertie segment was developed as a generation tie line, radial to BPA's system, and as such that line should be treated as a separate segment of BPA's system.</p> <p>PPC would be interested in better understanding the distinct benefits to BPA from retaining the Eastern Intertie facilities and what additional considerations these "benefits" have for the future of these facilities.</p>	<p>In the BP-24, BPA is not planning to propose any changes to the rate treatment for the service on the Eastern Intertie. Currently BPA has 16MW subscription on the Eastern Intertie. In addition, BPA has 32MW confirmed to start at the end of this fiscal year. BPA continues to see additional requests over the Eastern Intertie in study status.</p> <p>BPA's Eastern Intertie facilities will likely be a critical link in the development of additional renewable resources located in Montana to markets outside of Montana. As a regional business partner, BPA believes it is important that BPA retain ownership of these facilities in an effort to support the development of these resources.</p>
33	PPC	<p>Generator Interconnection Process</p> <p>PPC appreciates the efforts that BPA is making to update its generator interconnection process to incorporate new technologies and to comply with FERC Order 845....BPA should also be looking for other potential improvements to help address this request backlog. We would like feedback from BPA on the proper forum to have this more expansive discussion, including whether there is the potential to adopt metrics of "readiness" which have been used by other service providers to better manage the influx of requests in the queue.</p>	<p>Bonneville appreciates PPC's concerns regarding Bonneville's interconnection queue management. On June 16, 2022, the Commission proposed significant reforms under the Improvements to Generator Interconnection Procedures and Agreements Notice of Proposed Rulemaking RM22-14-000 (NOPR"), including "readiness" requirements to enter and proceed through the interconnection queue.</p> <p>Bonneville is evaluating and tracking the NOPR, but is not prepared to discuss the NOPR or potential adoption of such reforms during the upcoming TC-24 pre-proceeding workshops. Bonneville believes it would be premature to propose "readiness" requirements based on the reforms proposed in the NOPR.</p> <p>After the Commission issues its final rule, and Bonneville has had an opportunity to evaluate it, Bonneville plans to engage its customers in future workshop discussions.</p>

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34	PPC	<p>Long-Term ATC</p> <p>PPC appreciated the update on BPA's process to improve how it grants long-term ATC in between annual cluster studies. The approach sounds reasonable. The use of assumptions closer to those used in annual cluster studies should better align the two study methodologies and create greater potential for customers to receive transmission service between annual cluster studies. PPC requests that BPA continue to work with customers after this change goes into effect to address any unintended or unforeseen consequences resulting from this change.</p>	<p>Thank you for your feedback.</p> <p>If the LT ATC proposal is adopted in the TC-24 ROD, BPA would plan to collect stakeholder feedback on the first several bi-monthly Commercial Powerflow Study reports to facilitate our efforts to implement a process which meets customer needs, as well as to provide a study report with sufficient transparency. BPA acknowledges this process is likely to evolve as necessary.</p>
35	PSE	<p>Eastern Intertie Update Process</p> <p>The Eastern Intertie facilities and the CTS facilities interconnect at Townsend. There is currently no substation, metering or switching at Townsend. Under this configuration, it appears that the Eastern Intertie and the CTS facilities that interconnect with the Eastern Intertie must be located in the same BAA. This configuration will affect which party or parties perform what activities in connection with the interconnected operation of the Eastern Intertie and the CTS. The post-MIA agreement among BPA and the CTS owners should take into account and be consistent with the layout of the Eastern Intertie facilities and the CTS facilities that interconnect with the Eastern Intertie.</p> <p>Any arrangements regarding replacement of the services provided under the MIA must be consistent with the provision provided in Section 2 of the MIA for BPA to offer to extend services provided under the MIA.</p>	<p>Consistent with section 2 of the MIA and with its tariff, BPA will offer transmission service under its tariff to all customers (including the CTS parties) once the MIA terminates. In regard to the operational configuration of the Eastern Intertie facilities, BPA is open to discussions with the CTS parties. BPA does not have any intention of changing how it operates the Eastern Intertie after the MIA terminates.</p>

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36	PSE	<p>Eastern Intertie Update Process</p> <p>Post-MIA BP and TC proceedings must take into account and be consistent with the (i) layout of the Eastern Intertie facilities and the CTS facilities that interconnect with the Eastern Intertie, and (ii) agreements as discussed above among BPA and the CTS owners with respect to the Eastern Intertie facilities and the CTS facilities.</p>	<p>BPA agrees all parties should continue to collaborate on an agreement of Generation Integration to reflect the integration and operation concerns.</p>
37	Renewable Northwest	<p>Long-Term ATC</p> <p>RNW supports BPA's proposal to replace the long-term ATC calculation with bi-monthly commercial powerflow studies. In addition to our survey responses, RNW offers this additional comment: The CTIM is a close enough proxy to the "What If" analysis to be sufficient moving forward. RNW cautions that BPA may need to provide some training support to customers who are new to BPA's system. BPA should consider ways to make the underlying ATC and conditional firm data used in CTIM transparent to the user.</p>	<p>Thank you for your feedback.</p> <p>BPA will explore provision of additional staff support for stakeholder use of the CTIM.</p> <p>The CTIM will use the most recent Commercial Powerflow Study output to inform its results. BPA expects the Commercial Powerflow Study reports will provide sufficient transparency of the extent to which flow-based constraints are loaded.</p> <p>If the LT ATC proposal is adopted in the TC-24 ROD, BPA would plan to collect stakeholder feedback on the first several bi-monthly Commercial Powerflow Study reports to facilitate implementing a process to meet customer needs, and provide a study report with sufficient transparency. BPA acknowledges this process is likely to evolve as necessary.</p>
38	Renewable Northwest	<p>Eastern Intertie Process Update</p> <p>RNW agrees with BPA that the Eastern Intertie will continue to provide benefits to the region beyond the 2027 termination date of the Montana Intertie Agreement. BPA should roll the Intertie rate into network service when it addresses rate treatment in BP-26. RNW also urges BPA to consider benefits of additional upgrades that can maximize capacity on its system to support Montana imports and exports.</p>	<p>Thank you for your comment. BPA is taking no position nor making a proposal regarding the rate treatment of transmission service over the Eastern Intertie for the BP-26 rate period.</p>

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39	Renewable Northwest	<p>EIM Benefits</p> <p>As BPA starts collecting more data on EIM participation, RNW encourages BPA to analyze the impact that EIM participation on inputs to renewable resource integration services and rates (such as VERBS), as well as any potential impacts to transmission customers. BPA should also continue to evaluate broadly the impacts of EIM participation on various rates and services, such as the examples raised by NIPPC in the June 8 workshop for Operational Control for Balancing Services and using the EIM to mitigate the need for OMP displacement.</p>	<p>BPA appreciates RNW's comment regarding the impact of BPA's participation in the EIM on inputs to ACS services and rates as well as other impacts to transmission customers. BPA staff believe that our response to NIPPC's concerns during the "Customer concerns regarding EIM and Generation Inputs" topic at the July BP/TC-24 Workshop will serve to address this requested analysis. RNW is encouraged to ask follow-up questions during the workshop or submit additional comments if further details are desired.</p>
40	Seattle City Light	<p>Long-Term ATC</p> <p>City Light supports BPA's proposal to stop calculating and posting LT ATC values and overall approach to the large number of TSRs BPA is currently receiving.</p> <p>Regarding the example bi-monthly commercial powerflow study report provided, City Light believes the detail granularity of this report is not sufficient for a third party to objectively ascertain whether the binary outcome of a TSR being granted or not granted is valid. City Light believes BPA should plan on having greater resources available to assess TSRs more rapidly and provide a high level of transparency. This would provide greater value to customers.</p> <p>City Light additionally suggests that BPA retain both CTIM and providing "What if" analysis for customers. To limit the administrative burden on BPA, City Light suggest limiting the number of "What if" desires an entity can request to once every bi-monthly study period.</p>	<p>Thank you for your feedback.</p> <p>At this time, BPA staff are exploring addition of data pertaining to generation levels modeled, import/export levels modeled, and maximum constraint loading. BPA appreciates any input and suggestions for information to be included in the Commercial Powerflow Study to increase transparency.</p> <p>If the LT ATC proposal is adopted in the TC-24 ROD, BPA would plan to collect stakeholder feedback on the first several bi-monthly Commercial Powerflow Study reports to facilitate our efforts to implement a process which meets customer needs, as well as to provide a study report with sufficient transparency. BPA acknowledges this process is likely to evolve as necessary.</p> <p>Current "What If" analyses are based upon ATC values and PTDF-based impact assessments of TSRs. Because both LT ATC and PTDF-based impacts will be retired under this proposal, BPA would not continue to provide this service if the proposal were adopted in the TC-24 ROD. However, BPA would explore the feasibility to provide BPA staff assessment of the likelihood of a TSR being granted, perhaps based upon subject matter expert review of the CTIM results.</p>

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41	Shell	<p>Power UAI Charges</p> <p>1) Shell Energy suggests the Demand UAI (“D-UAI”) rate is overly punitive and is applied in an overly broad manner. The D-UAI rate should be set to the applicable power price cap per FERC order 831.</p> <p>2) Additionally, BPA’s TCMS offering to eligible customers does not adequately insulate against exposure to a D-UAI during certain conditions. Supply interruptions such as E-Tag curtailments caused by generator trips are not covered by TCMS. Instead, we understand TCMS to only insulate against D-UAI when a schedule curtailment occurs due to a BPA transmission related factor. That is, TCMS does not cover instances where a non-federal generator trips or a non-BPA transmission provider curtails an E-Tag.</p> <p>3) We suggest BPA consider offering a more comprehensive curtailment management product or enhancing the existing TCMS scope.</p>	<p>Thank you. We will provide responses to these comments at the August BP/TC-24 Workshop.</p>
42	Shell	<p>Transmission Unauthorized Increase Charge (UIC)</p> <p>BPA’s UIC charge for unreserved transmission is, without question, overly punitive. FERC order 890-A found “unreserved use penalties up to two times the transmission provider’s applicable point-to-point service rate are just and reasonable.”... Shell Energy requests BPA consider aligning UIC penalties with guidance in FERC order 890-A, with exceptions.</p> <p>The current UIC waiver process relies upon undefined terms, (e.g., exercising reasonable care) and is often unlikely to result in mitigation of a UIC penalty. In practice, UICs are often due to inadvertent errors, data latency, or general scheduling timing problems. Supports retaining the current UIC penalties when caused by reckless, intentional behavior or occurring regularly, such as more than 5 occurrences per month, per customer. In the vast majority of cases, simply charging twice the tariff rate is reasonable—especially when the unreserved usage causes no harm to the system and BPA has adequate ATC on the path.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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		<p>Suggests BPA should earmark funds collected from transmission UIC penalties and allocate these monies to fund a preemptive notification system when a customer experiences unreserved use.</p> <p>BPA should endeavor to apply non-preferential treatment with respect to unreserved penalties to both power and transmission customers. A directional decrease/increase of UAI penalties to power customers should correspond with a directional decrease/increase of UIC penalties to transmission customers.</p>	
43	Shell	<p>Transmission Failure to Comply (FTC) Charge</p> <p>It is unclear this penalty is still required due to the re-optimization of resources provided with BPA's entry in the WEIM. BPA should transition from the index-based FTC charge towards an EIM price. We suggest if FTC is still determined to be required by both staff and customers, the penalty should be based upon 150% of the applicable generator's RT price node (Gnode).</p>	BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.
44	Shell	<p>Monthly Loss Factors on the Network</p> <p>Does not support adoption of a monthly loss factor; instead, the seasonal loss return factors should be retained for TC-24. The TC-22 ROD only directed a staff analysis and proposal for consideration in TC-24 and adopting a monthly loss factor was not a foregone conclusion for TC-24.</p> <p>Suggests a monthly loss factor for network losses would complicate loss return schedules unnecessarily and expose transmission customers to penalties for loss return scheduling errors when the factors change every 30 days. Both approaches result in a 12-month (Jan – Dec) average of 2.05% for network loss factors. It is not clear to us what advantage, if any, monthly losses provide in the long run.</p>	BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.

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45	Snohomish	<p>Tier 2 Rates - Carbon Cost Adder</p> <p>Supports BPA's proposal to examine the Tier 2 rate and consider inclusion of a pricing adder to account for the low-carbon attributes of the federal system. This adder would bring the pricing of Tier 2 in line with what market participants might pay in bilateral transactions for equivalent energy with similar carbon attributes.</p> <p>Encourages BPA to monitor the bilateral northwest market and work with customers to establish a reasonable price adder that reflects the value of BPA's carbon-free attributes.</p> <p>Requests that the issue of a Tier 2 carbon adder be considered within the broader context of carbon policy choices in the BP-24 Rate Case.</p>	<p>Thank you. We will provide more information on the Tier 2 rates carbon cost adder at the August BP/TC-24 Workshop.</p>
46	Snohomish	<p>Tier 2 Rates - WRAP</p> <p>More information is needed on the basis and structure of the credit. Specifically, any WRAP credit is expected to refer to capacity characteristics of non-federal resources and it is unclear how this may apply to Tier 2 energy allocations or energy-based rates.</p>	<p>Our intent is to incent customers to use physical resources to serve Above-RHWM Load and to share that information with BPA in the WRAP forward showing time horizon. The credit established may be a capacity-based value but then allocated to customers using applicable Above-RHWM Loads. And we agree, if we move forward and develop a WRAP credit for Above-RHWM Load, then we will need to share more information and be sure that Tier 2 is part of the WRAP conversation as well.</p>
47	Snohomish	<p>Power UAI Charge</p> <p>Snohomish is concerned the Demand UAI rate is overly punitive and suggests it be set to the applicable power price cap per FERC Order 831.</p>	<p>Thank you. We will provide responses to these comments at the August BP/TC-24 Workshop.</p>
48	Snohomish	<p>Transmission Unauthorized Increase Charge (UIC)</p> <p>BPA's UIC charge for unreserved transmission appears overly punitive and out of alignment with FERC's rebuttable presumption that "unreserved use penalties up to two times the transmission provider's applicable point-to-point service rate are just and reasonable" unless the</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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		<p>"transmission provider believes additional penalties are necessary to prevent pervasive unauthorized use." BPA's UIC rate is significantly higher than it would be under FERC's 200 percent cap absent a showing of pervasive unauthorized use. Snohomish requests BPA consider aligning UIC penalties with guidance in FERC order 890-A</p>	
49	Snohomish	<p>Transmission Failure to Comply (FTC) Charge</p> <p>Regarding the FTC charge, it is unclear this penalty is still required due to the re-optimization of resources provided with BPA's entry in the WEIM. BPA should transition from the index-based FTC charge towards an EIM price.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>
50	Snohomish	<p>Monthly Loss Factors on the Network</p> <p>Snohomish does not support adoption of a monthly loss factor; instead, an annual loss return factor appears appropriate for TC-24. We respectfully suggest a monthly loss factor for network losses would complicate loss return schedules unnecessarily, particularly in light of BPA's planned implementation of concurrent loss returns in BP-24 which will add additional scheduling complexity during the operational time frame. Frequently changing loss factors increase the risk of loss return scheduling errors which could expose transmission customers to penalties.</p> <p>Snohomish's position during BP-22 workshops supporting a two-season loss factor was based on the large discrepancy in the monthly loss factors presented by BPA between the summer months and the rest of the year. As BPA noted during the June 29th workshop, the update data shows significant flattening of loss factors. An updated annual loss factor appears both administratively practical and within a close range of the monthly variances presented during the workshop. Snohomish requests that BPA present analysis on the impact of using an updated annual loss factor relative to BPA's proposal to use monthly loss factors.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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51	TransAlta	<p>Transmission Unauthorized Increase Charge (UIC)</p> <p>TEMUS has always believed that the UIC penalty rate is excessively punitive and much higher than is necessary to do its job.</p> <p>TEMUS is particularly concerned because UIC can be unintentional and caused by simple mathematical errors. TEMUS has also observed that more often, technical reasons are the cause, like when e-Tag validation fails to identify overscheduling. This failure can occur when transmission service requests are being submitted, approved, and tagged quickly. BPA identified this as an issue back in 2010. It still presents a validation challenge for customers and OASIS/tagging systems alike, and it can contribute to unintentional UIC.</p> <p>The UIC penalty should be dramatically reduced, such as aligned with the just and reasonable industry standards that were found, and BPA should maintain existing methods for customers to seek UIC relief under appropriate circumstances via waivers or reductions.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>
52	TransAlta	<p>Monthly Loss Factors on the Network</p> <p>During BP/TC-22, TEMUS was a proponent of adopting a two-season loss factor structure for two reasons. It is not burdensome for customers who calculate all-in costs (to ensure their transactions are economic) and it differentiated June, July, and August, which varied sufficiently from the annual average (from BPA's perspective, "granularity" and "accuracy" were improved). It appears from the BP/TC-24 analysis that monthly differentiation is not uniform nor is it significant. TEMUS believes the variance between months and seasons does not warrant the trouble of requiring monthly loss factors. We suggest that BPA and its customers reconsider adopting an annual loss factor.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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53	Avista	<p>Eastern Intertie Process Update</p> <p>Under the provisions of Section 2 of the Montana Intertie Agreement BPA must “offer to each Company to extend the services provided hereunder...” In the June 29th Workshop presentation BPA has indicated that it “will be offering OATT service to the CTS parties” and will “continue to coordinate with the CTS parties as adjacent transmission owners.” These statements, while perhaps providing a very preliminary framework for a path forward, should be clarified to affirm BPA’s intent to establish a contractual relationship with its interconnected transmission owner/operators (the CTS parties) that fully and completely addresses terms and conditions for interconnected transmission system ownership, operation, renewal and replacement and the extension of all applicable services, beyond basic transmission service offered under BPA’s OATT, that are currently being provided by the parties to the Montana Intertie Agreement.</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>
54	Avista	<p>Eastern Intertie Process Update</p> <p>It is fully recognized and acknowledged that final transmission rate development and determinations to be effective October 1, 2027 will be decided in BP-26/TC-26. However, in the context of BPA meeting its obligation under the Montana Intertie Agreement to offer to extend the services provided under that agreement, neither the CTS parties (nor BPA’s broader group of transmission customers who may have an opportunity to attain capacity on the Eastern Intertie as of October 1, 2027) will be able to make any assessment as to the economic viability of services to be provided over the Eastern Intertie at the point in time they must consider BPA’s offer to extend service, unless the underlying cost structure of the Eastern Intertie facilities effective October 1, 2027 is established two years prior. It is recognized that segmentation issues can be addressed in each rate case and that the issue of whether or not to include the Eastern Intertie facilities in BPA’s network segment may be an issue for determination in any subsequent rate case. But to provide the CTS parties, and any other BPA transmission customer who may have</p>	<p>BPA staff is reviewing this comment and will provide a response by the August BP/TC-24 Workshop.</p>

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		<p>the opportunity to acquire capacity on the Eastern Intertie as of October 1, 2027, the ability to properly assess the expected underlying cost structure of Eastern Intertie capacity at the time they must decide to reserve and contract for such capacity, the initial determination of whether the Eastern Intertie facilities are to be included or not included in BPA's network segment facilities must be made in BP-24/TC-24.</p> <p>The Eastern Intertie continues to provide benefits to the Pacific Northwest through its access to renewable resources in the State of Montana. In BPA's determination of whether to choose an OATT approach or divestiture alternative for the Eastern Intertie beyond the expiration of the Montana Intertie Agreement, BPA has asserted the value proposition of the Eastern Intertie's access to such resources as a basis for declining the divestiture alternative. As all Pacific Northwest stakeholders assess the post-Montana Intertie Agreement era, an initial determination as to the underlying cost structure of the Eastern Intertie facilities must be available to the region by October 1, 2025, when parties will be assessing whether to acquire long-term firm transmission service on the Eastern Intertie facilities. Alternatively, the CTS parties and any other transmission customer that may be offered capacity on the Eastern Intertie as of October 1, 2025 (two years prior to Montana Intertie Agreement expiration) may be provided an extended period of time to consider such offer, until such time as an initial determination of Eastern Intertie segmentation is decided in BP-26/TC-26. Avista respectfully asserts that leaving such long-term reservation determinations on the Eastern Intertie for such an extended period would be less workable than making an initial determination on the Eastern Intertie facilities in BP-24/TC-24.</p>	