

NLSL Group Comments on the March 19th BP-26/TC-26 Workshop

The NLSL Group¹ is closely following BPA's BP-26/TC-26 stakeholder processes. One member of the NLSL Group has elected NR service for a new NLSL and other members with existing NLSLs are interested in improvements in the existing products and services offered by BPA. The NLSL Group is pleased that BPA plans to include New Large Single Loads as a topic to be discussed at part of this process and proposes that the following areas be discussed.

NR Service

As mentioned by BPA during the workshop, an NR service election has been made by a BPA customer to serve an NLSL. The NLSL Group agrees that quite a bit of education will be required to fully understand the intent and the proposed methodology of the NR Rate. BPA has stated that it plans to discuss NLSL issues at the July 30th and 31st workshops, but the NLSL Group believes that at least one follow-up workshop will be required to fully explore the intent and methodology of the proposed NR rate design and to respond to staff as well as customer questions.

Unauthorized Increase (UAI)

Most existing NLSL load is met with bilateral market purchases that are shaped to the actual metered NLSL loads using BPA's Energy Shaping Service (ESS). In order to avoid UAI penalties, customers significantly overschedule HLH energy deliveries and must either assume plant outage risk or place significant cost risk on suppliers through non-standard liquidated damages provisions that adversely affect market liquidity. The NLSL Group is interested in exploring alternative methods for avoiding UAI penalties that will more accurately reflect costs incurred by BPA, result in more accurate scheduling practices, and result in equitable outcomes when suppliers have unplanned contingencies.

Resource Support Services (RSS)

The NLSL Group would like to explore the NR Resource Flattening Service (NRFS), which has been included in BPA's General Rate Schedule Provisions as a way to use specified resources that could be shaped by the federal system in order to serve NLSL loads. After conversations with BPA, it is the NLSL Group's understanding that BPA may or may not choose to offer this product in the future. The NLSL Group would like this service option to be discussed as part of the NLSL topic.

Behind the Meter Generation and Consumer-Owned Resources

¹ The NLSL Group is comprised of BPA preference customers who serve or expect to serve retail members and customers that the Northwest Power Act categorizes as "New Large Single Loads" (NLSLs). Member utilities include: Umatilla Electric Cooperative, Northern Wasco County PUD, Grant PUD, PNGC Power, Klickitat PUD, Eugene Water and Electric Board, Harney Electric Cooperative, and Clatskanie PUD.

NLSLs generally have on-site generation and many are exploring modernizing this generating supply with resources that can be used for purposes other than back-up generation (for example, these generating resources could be dispatched to displace other generating resources or committed to provide reliability capacity). It is the NLSL Groups' understanding that a customer must pay NT service for the gross amount of load irrespective of whether there is on-site generation that is operationally netted against the gross NLSL load. As part of TC-26, the NLSL Group would like to discuss what would be necessary for the customer to demonstrate to BPA that the on-site generation is reducing the NLSL load thus justifying a reduction to the NT service billing determinant.

The NLSL Group appreciates the time effort taken by BPA to develop a plan for BP-26/TC-26 development and look forward to a collaborative process.

Submitted by Steve Kerns (Sandpiper Solutions, LLC), on behalf of the following:

- Umatilla Electric Cooperative
- Northern Wasco County PUD
- Grant PUD
- PNGC Power
- Eugene Water and Electric Board
- Klickitat PUD
- Harney Electric Cooperative
- Clatskanie PUD