



September 14, 2020

RE: Comments TC-22, BP-22 and EIM Phase III Transmission Losses

General

PNGC appreciates all the open dialogue from BPA on this and other TC/BP-22 topics. These comments are absent of discussion on EIM losses, and solely speaking towards Bonneville transmissions loss return issues. Bonneville has presented about 6 issues in the recent customer dialogue sessions. We will discuss those specifically, but first provide a few general statements.

PNGC believes Bonneville Transmission (BPAT) Customers should be able to provide loss returns based on the most competitive and efficient supplier. Unless BPAT can demonstrate a large unique issue preventing such action, BPAT should align the transmission loss return program with how similar regional entities manage their loss return programs as best as possible. If making changes from how things are done today, BPA needs to stay cost conscious when deciding to make changes. Does BPA have the necessary software, hardware, and staff to implement their recommendations without adding costs to existing customers? How costly would any changes be for customers to implement also needs to be considered. Lastly, PNGC views our comments to be in sync with each other; they should not be taken as standalone per issue opinions. For example how BPAT decides to handle capacity charges within energy transmission loss returns from BPAP will impact our views on FFI.

Issues

1. Allow in-kind returns in TC/BP22.
 - PNGC supports retaining in-kind returns as a means of meeting our OATT requirement. Unless BPAT is making a much bigger overhaul on transmission loss return elements disallowing in-kind returns harms customers' ability to effectively and efficiently return losses to Bonneville transmission. The agency has not provided a compelling case for why these should be suspended, and how that would benefit customers.
2. Update the loss factor.
 - We support an update to the Network Loss Factor. This update is needed to better reflect current systems operations and more accurately compensate BPA. We also encourage BPA to provide this system data to customers and update it on a more regular basis.
3. Adopt an updated Annual loss factor.
 - PNGC thinks an annual update as the most seamless and efficient choice.
 - PNGC does not have issue if BPA supports adopting a seasonal or even monthly loss factor.
 - From the data presented to date PNGC supports 2 season over 4 season periods.
 - Also fine with monthly factors, as long as it doesn't cause administrative complexity, thus added costs.
4. BPA Should NOT include a cost of capacity when providing energy loss returns.

- We urge BPA to follow the OATT regarding return of transmission losses from customer to transmission provider.
 - 28.5 Real Power Losses
 - No other provider of loss returns, in the region, includes a cost of capacity within their loss return obligations. We urge BPA to keep in mind regional stability, and alignment moving forward.
 - BPAP has failed to demonstrate why capacity value is applicable within an energy only product used to return transmission losses.
 - BPAP has further failed at demonstrating how, if capacity value is included, that additional value will flow back to preference customers of the FCRPS.
 - If BPAT continues down the path of including a capacity price in loss returns PNGC hopes to hear more detail around the proposed pricing methodology, capacity requirements, and an equitable assignment of costs discussion.
 - Capacity requirement should be based on actual capacity provided not on the amount of losses scheduled. Data example provided by BPA, Dec 2016, would demonstrate they need to recover a max of 173 MW because that is the capacity the system provided.
5. BPA should develop a Financial for Inaccuracy (FFI) charge.
- PNGC finds many of the issues presented in this forum deal with errors in transmission loss returns. PNGC supports developing an FFI charge. This should address many of the concerns around holding out capacity on the system and ensure Power Services is kept whole for any losses not returned accurately causing deltas on the system.
6. PNGC is agnostic to BPA implementing concurrent losses in TC/BP-22.
- BPA needs to demonstrate the operational ability, including any additional costs needed, to implement concurrent loss returns for TC/BP-22.
 - If BPA does decide to implement concurrent returns, they need to offer a market Index or EIM nodal pricing structure that aligns with industry standard pricing for transmission loss returns.
 - BPA has not sufficiently explained the system requirements for concurrent loss returns, especially considering the potential for EIM system changes.