

JOINT COMMENTS OF THE PUBLIC POWER NT CUSTOMER GROUP REGARDING BPA TRANSMISSION BUSINESS PRACTICES

These comments are submitted to the Bonneville Power Administration (“BPA”) on behalf of the Eugene Water and Electric Board, Northwest Requirements Utilities, PNGC Power, and the Western Public Agencies Group (collectively, the “NT Customer Group”) regarding proposed changes to BPA’s Redispatch and Curtailment Procedures Transmission Business Practice (the “R&C Business Practice”).

BPA proposes to amend subsections 4 and 5 of section D (Curtailment Procedures) to its R&C Business Practice as follows (proposed amendments in red, current text in black):

4. BPA Transmission Services will **implement the following four-step process for Curtailments on managed 1:1 paths:**

Step 1 - TSRs receive reliability limits on the path pro rata by NERC Curtailment priority until the sum of TSR rights equal the path’s Operating Limit.

Step 2 - E-Tags are reduced to the reliability limit of their enabling TSRs.

Step 3 - Any sum of e-Tag over cut is redistributed back to e-Tags pro rata by NERC Curtailment priority until the sum of e-Tags equals the path’s Operating Limit.

Step 4 - Implement e-Tag Curtailments based on the outcome of Step 1 through Step 3.

5. **For Curtailments on managed flow-based paths (and when managing flows on NWACI and Satsop), BPA Transmission Services will curtail schedules pro rata according to NERC Curtailment priority.**

Based on BPA’s representations during the May 9, 2022 workshop, our understanding of BPA’s proposed changes is that it would perform pro rata curtailments on managed 1:1 paths based on enabling TSRs, i.e., on reservations, rather than the actual scheduled load during a curtailment event. If correct, and as further explained below, BPA’s adoption of the proposed change would violate its tariff, be inconsistent with relevant and persuasive FERC precedent, and unduly discriminate against BPA’s NT transmission customers for exercising their rights under the tariff.

The current curtailment provisions of BPA’s Tariff, i.e., sections 13.6 and 14.7 for point-to-point (“PTP”) service and section 33 for network (“NT”) service, are nearly identical to the curtailment provisions of the FERC pro forma tariff.¹ For example, Section 13.6 of both tariffs requires that

¹ See, [comparison of BPA Tariff and FERC pro forma tariff](#), §§ 13.6, 14.7, and 33 (August 2018).

long-term firm PTP service is to be curtailed on a pro rata basis with other Firm Transmission Service, which other Firm Transmission Service includes firm NT service. See, also, North American Electric Reliability Council, 88 FERC P 61046 at 61123 (1999) (stating that “the pro forma tariff requires that the network/native load and PTP transmission uses on a constraint be reduced on a comparable basis, i.e., pro rata during the same period of time”).

Furthermore, Section 33 of both tariffs makes clear that curtailments of NT customers is to be based on “scheduled deliveries.” See, BPA and pro forma Tariffs at §33.4 (“If a transmission constraint . . . cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail *scheduled deliveries*, the Parties shall curtail *such schedules* . . .” (italics added)) and §33.5 (“[A]ny Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Network Load. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider’s schedules under similar circumstances”).

BPA’s proposed changes to the R&C Business Practice are in violation of the above provisions of its tariff due to BPA’s unilateral decision to base pro rata curtailments on managed 1:1 paths on TSRs rather than on actual schedules. In Order 890, and again in Order 890A, FERC reviewed a similar proposal to modify the curtailment provisions in the pro forma tariff to allow pro rata curtailments based on reserved capacity rather than actual schedules. Order 890 at ¶¶1623, 1629; Order 890A at ¶¶ 973-977. Both times, FERC rejected the proposal on reliability grounds and reaffirmed the use of actual scheduled capacity in the determination of pro rata curtailments. *Id.* While FERC precedent is not binding on BPA, it is persuasive authority, and that is particularly true where, as in this instance, the relevant curtailment provisions of BPA’s tariff are nearly identical to the curtailment provisions in the FERC pro forma tariff.

BPA’s proposed changes would unduly impact and discriminate against NT customers that take BPA transmission service over managed 1:1 paths. This is indisputable in that, under BPA’s tariff, NT customers have the right to operate and schedule their Network Resources located within BPA’s control area so that the output of such resources is equal to their Network Load, plus losses, irrespective of the underlying TSR. BPA Tariff § 30.4. This contrasts with PTP customers, who can only schedule transmission up to the amount of their PTP reservation. By basing curtailments for NT customers on TSRs rather than actual schedules, BPA would render that portion of an NT customer’s firm schedule exceeding its initial TSR less firm than that portion of the NT schedule at or below the amount of the original TSR and less firm than any firm PTP schedule on the same path. In addition, it would ensure that the portion of an NT customer’s schedule above its TSR would always be curtailed first before BPA deploys pro rata curtailments as required by its tariff. Such an outcome would violate BPA’s tariff, be inconsistent with FERC pro forma tariff and relevant FERC precedent, and is demonstrated by the following simple example confirmed by BPA staff during the Business Practice workshop:

Scenario: Managed 1:1 Path with (1) an NT customer with a scheduled amount of 120 MW and an underlying TSR of 100 MW; and (2) a PTP customer with a scheduled amount of 100 MW and an underlying TSR of 100 MW. BPA reduces the operating limit for the line to 180 MW and initiates curtailments.

Pro rata curtailments based on submitted schedules in accordance with BPA's tariff and the FERC pro forma:

NT customer curtailed by 21 MW to 99 MW
PTP customer curtailed by 19 MW to 81 MW

Pro rata curtailments based on TSRs in accordance with proposed changes to BPA's R&C Business Practice:

NT customer first curtailed by 20 MW to its TSR of 100 MW²

Then the NT customer and PTP customer are both curtailed pro rata by 10 MW each to 90 MW

Total curtailment for NT customer of 30 MW
Total curtailment for PTP customer of 10 MW

As demonstrated in the above scenario, the pro rata curtailments based on TSRs in accordance with the proposed changes to BPA's R&C Business Practice have the effect of curtailing NT customers by 9 MW more than is appropriate per the BPA's tariff and FERC pro forma. For the above reasons, BPA should not adopt its proposed changes to the R&C Business Practice, but instead retain the current Business Practice.

Finally, during the May 9th stakeholder meeting BPA staff stated repeatedly that the proposed amendment to the R&C Business Practice was necessary only in that it would provide clarity and transparency to customers, and that the amendment would result in no change to how curtailments are implemented on 1:1 paths today. For the reasons detailed above, this is especially concerning not only due to the apparent lack of transparency in the current business practice, but because BPA chose to implement a curtailment procedure that unduly discriminates against NT customers in violation of its own tariff. As a result, in the interest of clarity and transparency, the NT Customer Group respectfully requests that BPA engage in a review of those Transmission Business Practices that relate to the NT product to confirm that operating procedures are consistent with both the relevant Business Practice and the BPA tariff, and that BPA share the results of this review with its transmission customers as soon as is practicable.

² It is unclear whether this initial curtailment would be eligible for NT redispatch as is required under BPA's tariff for curtailments of firm NT service. We respectfully ask BPA to clarify whether it would be if BPA adopts its proposed changes to the business practice.