

Comments of the Sacramento Municipal Utility District,  
Transmission Agency of Northern California, and Turlock Irrigation District  
TC-20 Rate Case Workshops  
July 18, 2018

The Sacramento Municipal Utility District, Transmission Agency of Northern California, and Turlock Irrigation District (collectively, the Northern California Utilities or NCUs) appreciate the opportunity to provide the following comments on topics discussed at BPA's TC-20 workshop on June 26, 2018. Please refer to the NCUs' prior comments in this proceeding on related issues and legal standards.

Issues Proposed for Deferral to TC-22

At the TC-20 workshops on May 31 and June 26, 2018, BPA identified topics that the agency proposes deferring to the TC-22 proceeding, including the Study Process, Attachment K, and Attachment C (ATC Methodology). The NCUs have previously requested that BPA not defer revisions to these portions of the Tariff as they are pertinent to ensuring rates, terms, and conditions for both intra- and inter-regional transmission and interconnection services that are not unduly discriminatory. The NCUs appreciate BPA's clarification at the June 26 workshop that the entire proposed Tariff will be "within scope" of the TC-20 proceeding, including topics that BPA currently proposes being deferred to the TC-22 proceeding.

Study Process

On June 26, BPA noted that a decision had been made in April 2015 not to commit any effort in the future to studies of the Interties based on Transmission Service Requests (TSRs). Specifically,

*BPA staff last engaged customers on alternatives for conducting studies in response to intertie TSRs in April, 2015. There, BPA staff presented and requested customer feedback on multiple alternatives. In response, customers expressed opposition to using any BPA resources in conducting TSR-based studies for its interties. BPA suspended activities related to performing intertie studies following this feedback.*

At the June 26 workshop, BPA committed to providing documentation associated with the 2015 decision, given that the BPA web site does not provide ready access to those discussions. The NCUs look forward to better understanding the April 2015 decision, and determining whether the conditions at that time still exist today so as to ensure against any potential for undue discrimination between TSRs on Network and TSRs on the Interties. In aid of such understanding, the NCUs respectfully request answers to the following questions:

1. Did BPA actually conduct TSR-based Intertie studies prior to April 2015? If so, the NCUs request copies of requests for such studies, and/or URLs providing such information.
2. Were such studies on the Interties undertaken *only* pursuant to TSRs, or did BPA undertake any studies unrelated to TSRs?

3. Did TSR-based Network studies continue after April 2015? If so, were such Network studies undertaken *only* based on or related to TSRs?
4. Has BPA undertaken studies on the Network after April 2015 on its own initiative, i.e., unrelated to TSRs? If so, the NCUs request copies of such studies, and/or URLs providing such information.

Based on the June 26 workshop, the NCUs understand that BPA relies on a distinction between “studies associated with specific TSRs and requested by the TSR entity” and “studies undertaken unrelated to specific TSRs”. The NCUs seek to understand the basis for such a distinction, and the assurances afforded by the BPA Tariff that studies falling into the second category are truly unrelated to specific TSRs, but are driven by other policies or mandates.

### Hourly Firm

On June 26, BPA stated that the complete elimination of Hourly Firm (HF) service on the entire BPA transmission grid is an option currently under consideration. NCUs seek to understand if BPA has conducted any analysis on the repercussions of this change on the Western energy markets, including whether BPA has considered the impact elimination of the HF service would have on: (1) interconnected non-BPA physical Intertie capacity; (2) discussions currently underway regarding the expansion of sub-hourly scheduling on the West Coast; and (3) the integration of renewable energy resources up and down the West Coast, and east to Montana<sup>1</sup>. The NCUs recognize that HF service is not required by the *pro forma* Tariff. However, in circumstances where an HF product is voluntarily offered by a transmission provider, relied upon by transmission customers and other market participants, and then proposed to be terminated, these considerations appear particularly pertinent to avoid adverse impacts on trade in the interconnected market. Accordingly, BPA should consider the impact of elimination of HF on BPA’s objectives of improving trade and its potential participation in the Western Energy Imbalance Market (EIM).

Entities in the EIM have dedicated firm transmission capacity to EIM transactions, removing that capacity from the hourly market, and thus from the potential impacts of BPA’s decision. Moreover, transmission capacity is committed under long-term contracts to deliver from resources in the Northwest to buyers in California. Removing this capacity from the equation (EIM set-asides + long-term contractual commitments) means that BPA’s decision on HF service will affect a *larger share* of the potential energy transferred than BPA’s share of physical Intertie capacity. The NCUs request that BPA provide an assessment of these issues, which includes an explanation of how BPA intends to minimize the disruptions to the energy markets in the West. The NCUs look forward to understanding BPA’s assessment of these issues.

Thank you.

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<sup>1</sup> The NCUs point out the recent June 2018 *Montana Renewables Development Action Plan* issued jointly by BPA and the State of Montana.