

2010 BPA Rate Case Transmission & Ancillary Services Customer Issues List

Posted for customer comment
August 8, 2008 – August 15, 2008
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Thank you for your comments.
We look forward to your participation in the
2010 BPA Rate Case

Customer Issues for 2010 BPA Rate Case

Last updated 9/10/08

Wind Integration

1. Need assurance that an accurate determination of costs are assigned to Wind Integration that are based on cost-causation, where the party who causes the cost pays those costs.
2. In-depth assessment of wind integration costs and impacts of such costs at increasing levels of wind interconnection and penetration in the BPA Balancing Authority area (e.g. 1500 MW, 2500 MW, +).
3. Full understanding of incremental vs. embedded costs if it is applied for wind integration of new projects vs. existing projects. Does the customer connecting pay for their own integration impact to the system or are they rolled into a cost that is spread among all customers? What was applied in WI-09 and how will these costs differ in the upcoming rate proceeding?
4. Need better understanding of the role “Wind Forecasting” plays in BPA operations and a better understanding of who is best able to make accurate wind forecasts given the current 3TIER work on inter-project dynamics.
5. Please clarify the amount and types of generation inputs, particularly those related to wind integration, required to meet reliability requirements for the BPA Balancing Authority Area.
6. Evaluation of the economic value of limited "interruption" of project output during critical ramping periods and whether a credit would be considered if a generator could "lay off" generation during the critical ramp period. What are the economic alternatives of using thermal units for ramp down instead of wind? How will cheaper priced resources be captured in cost determination?
7. Suggest the methodology to use the 99.5% of the hours and not the 99.7% as previously determined.
8. What is the amount and kind of reserves needed for the BPA Balancing Authority area? More specifically, please describe what is needed and why.
9. Need for an information workshop on scheduling and forecasting for wind. Could they be combined with Aug. 26 workshop or a separate workshop prior to Aug. 26?
10. Need more education on Reserves Methodology. Don't understand it.

2010 BPA Rate Case Customer issues identified do not necessarily reflect BPA agreement.
All issues are Pre-Decisional and for Discussion Purposes Only.

Transparency of Rate Case Process

11. Clarification of the process, including the degree of transparency and the "role" of bilateral dialogue. All rate case meetings should allow full customer's participation.
12. Will Power Services have a parallel process on Generation Input pricing?
13. More transparency is needed over and above that was provided in WI-09 rate case.

Pricing

14. Increased transparency in load reg. pricing (i.e. how is it calculated?)
15. Clarification of the role of "price signals" in signaling the need for storage or equipment investment at future wind projects.
16. Generation Inputs pricing should be based on market price of capacity and not the methodology identified in WI-09. Market price provides an appropriate market signal.

Segmentation

17. Clarification of BPA expectation for "bundling" transmission into various "packages," including both existing and new transmission projects across different customer classes. How does the segmentation study fit into transmission products and services? New transmission users pay what's relative to existing base ('96 Segmentation Study facts and reasoning)?
18. Should BPA examine the need for new segments? For example the Northern Intertie, rolled into the network in 1996.
19. Should BPA examine the need to roll in existing segments into the network? For example rolling in the Montana Intertie.

Network Open Season (NOS)

20. How does NOS process impact transmission rates? Please clarify the difference between the IPR and new development of 2010 BPA Rate Case.
21. What role is the NOS process going to have in 2010 rate case?
22. Is there the possibility of creating a formula rate for incremental rate of future transmission investment including the current NOS? Would the incremental rate methodology go through the 7(i) process?

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Rate Design

23. How will Wind Integration Team (WIT) efforts in data analysis and defining the requirements be handled in 2010 BPA rate design? Any credits for wind generation that potentially could have benefits or reduce the impact to the system operations? For example, accurate forecasting vs. less accurate forecasting. Customers are trying to understand where to make investments.
24. How will rate design capture 3rd party supply arrangements that may become effective during the FY10-11 rate period?

Load Forecasting:

25. Need a better understanding of BPA's Load Forecasting process and how it is done.

Unauthorized Increase Charge (UIC)

26. How will the Unauthorized Increase Charge for Point of Delivery demand be dealt with in the 2010-2011 Rate Case?
27. We understand that BPA currently has an internal practice/policy not to check PTP customers with multiple contiguous POD's (CPOD) contract demand at individual CPOD levels. The only check that is performed by the billing staff is the metered actual total demand amount compared against the total reservation amount (total contract demand) provided for under the PTP agreement.

Why this issue needs formal clarification under BPA's 2010 rate process is that this customer and similarly situated PTP customers are relying on less than formal assurances that this practice will stay status quo and as such may be at risk for incurring future Unauthorized Increase Charges if the internal practices were to change without customer notification.

28. Impression is that Order 890 would require the OATT to include an Unreserved Use Penalty (UUP) rather than the UIC. The FERC UUP changes the service increment rate that applies during unreserved use events. The paragraph below is vague about what is considered "the applicable Long-Term Firm Rate." Can you shed some light on what to expect and whether the Rate Case group has a conflict with the Order 890 group?

Billing

29. Can BPA rates be established such that in lieu of making or receiving financial payments for balancing energy, each customer could have a balancing energy account? To the extent that a customer or project is outside that accepted limits, the customer would be required to pay back an additional 10% of energy or receive 10% less than the actual imbalance.

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