

# **Customer Comments on the 2010 BPA Rate Case**

**The following are consolidated customer comments submitted  
by the Public Power Council on October 27, 2008.**

## Consolidated Customer Workshop and Data Requests 27 Oct 08

This list reflects customers' current needs for further information from BPA in order to evaluate and possibly advance settlement of the TR-10 rate case, in whole or in part. The list does not reflect the information needs of parties or the positions they might or might not take on these or other issues should that settlement not occur.

Where workshops are not requested, customers hope that written information will be sufficient, but customers expressly reserve the right to request a workshop after that information is presented. If BPA staff needs to clarify particular requests or questions or ask the proponent about priority, we will be happy to discuss the list and its contents with you.

### Segmentation (*Workshop requested*)

1. If BPA were to have a Northern Intertie segment, what transmission facilities would comprise that segment? What are the investment, operating cost, and annual revenue requirement of those transmission facilities?
2. In regard to the Delivery Segment, please:
  - (i) provide the anticipated FY2010-2011 billing determinants for those taking service under in the delivery charge segment;
  - (ii) identify the facilities and costs allocated to the delivery segment for the FY 2010-2011 rate period;
  - (iii) identify delivery facilities that were purchased by utilities in the current rate period (FY 08-09).
3. What are the forecasted investments, operating cost, and annual revenue requirement of the 3rd AC intertie transmission facilities for FY 2010-11? Please provide an electronic copy of the latest completed COSA (2002) for the Transmission System and please provide the current costs of the Southern Intertie in the categories used for that segment in the COSA.
4. The revenue requirement for the DSI segment in TR-08 was approximately \$3.934 million per year (average). BPA has published a preliminary DSI segment revenue requirement for TR-10 of \$7.944 million per year (average). Why has this segment's revenue requirement doubled when the number of DSIs has not changed?

Economic Assumptions in Load and Revenues Forecast and in Anticipated Capital Projects Commencing During Rate Period (*Workshop Requested*)

1. Please provide further information about the adjustments to assumptions about the regional and national economy and markets that BPA is contemplating at this time in the initial and final proposals for the load forecast and revenue forecast.
2. Please provide information about whether these economic assumptions are being considered in IPR for establishing the capital programs projects for FY 10-11.

Repayment Study (*Workshop requested if this cannot be timely combined with a WP-10 Workshop*)

1. Please provide information and an opportunity for discussion of Repayment Study methodology and assumptions approximately one month prior to results publication.

Net Revenues and Cash Reserves

1. Please identify the level of Cash Reserves that BPA currently has on hand and the amount of those reserves that are attributable to or available to TS.
2. Please identify the amount of net revenues collected by TS in FY 2008-09 (to date), and explain whether TS net revenues from FY 2008-09 are available to TS as Cash Reserves.
3. Please identify and explain the amount of Cash Reserves that BPA believes it must have on hand during FY 2010-11.

FPT and IR Contract Conversion

1. Please provide the number of MWs of demand of FPT and IR contracts that are expiring by their terms during the rate period.
2. Please provide a forecast of the number of MWs of demand in new PTP and NT contracts as a result of conversion of FPT and IR contracts during the rate period.

OATT and Rate Schedule Provisions (*Workshop Requested*)

1. How does the proposed Unauthorized Increase Charge implement the OATT and how would conflicts between the UIC and OATT be resolved?
2. What is BPA's plan and schedule for making conditional firm transmission

service available? What will the service consist of and what will be the rate for such service?

3. What is contemplated regarding the availability of BPA generation imbalance service and the BPA generation imbalance rate for generation imbalance under

- (i) existing BPA LGIAs and
- (ii) future BPA LGIAs?

What is the contemplated relationship between the BPA generation imbalance charge and the BPA failure to comply penalty charge?

#### Short-Term PTP Sales Forecast (Workshop Requested)

1. BPA indicated that it is considering new methodologies or adjustments to the current methodology for forecasting short-term PTP sales in the rate period. Please provide more details regarding the current methodology and explain the new methodologies or changes to the current methodologies that TS is considering.

2. Please provide information regarding and discuss the impacts of conditional firm transmission sales on short-term PTP sales and the assumptions being made in the long-term and short-term PTP sales assumptions.

#### Failure to Comply Penalty

1. Please provide a copy of BPA-TS protocols for issuance of BPA-TS curtailment, load shedding, and redispatch orders (*e.g.*, how is it determined such orders should be issued, to whom and in what magnitude and what is the mechanism for issuing any such order on a non-discriminatory basis?).

2. If BPA does not have such protocols, please provide plans and schedules for development of such protocols and explain how BPA-TS decisions regarding issuance of such orders are made.

3. Please provide a copy of BPA-TS protocols for issuance of BPA-TS Limit Wind to Schedule orders (*e.g.*, how is it determined such orders should be issued, to whom and in what magnitude, what is the mechanism for issuing any such order on a non-discriminatory basis, and how does BPA-TS determine to issue a Limit Wind to Schedule Order rather than a curtailment, load shedding, or redispatch order?).

4. If BPA does not have protocols for issuance of BPA-TS Limit Wind to Schedule orders, please provide plans and schedules for development of

protocols for issuance of BPA-TS Limit Wind to Schedule orders and explain how BPA-TS decisions regarding issuance of such orders are made.

5. Please describe the after-the-fact information that will be available (and when it will be available) regarding the following with respect to a BPA-TS Limit Wind to Schedule, curtailment, load shedding, or redispatch order:

- (i) system conditions or other reason for such order, including OTC exceedance by flowgate
- (ii) effect of such order on system conditions or other reason for such order, including OTC exceedance by flowgate
- (iii) E-tags ordered curtailed and E-tags not ordered curtailed (by flowgate, if possible)
- (iv) effect of E-tag curtailment on OTC exceedance by flowgate
- (v) ERO or regional reliability organization requirement causing the need for such order

6. Please describe the circumstances under which relief from generation imbalance charges will be available in the event of a BPA-TS Limit Wind to Schedule, curtailment, load shedding, or redispatch order. For example, if a curtailment order is issued 19 minutes before Hour 1 and the resulting curtailment lasts for 79 minutes through Hour 2 (if that is possible), what is the applicability of the generation imbalance charge for Hour 1, Hour 2, and the next hour, Hour 3? By way of further example, if a curtailment order is issued 19 minutes before Hour 1 and the resulting curtailment lasts for 49 minutes (half way through Hour 1), the curtailed generation is scheduled to generate beginning Hour 2, but that generation fails to restart due to mechanical difficulties, what is the applicability of the generation imbalance charge for Hour 1 and Hour 2?

#### Wind Integration Charge and Presumptive Cap on New Wind Interconnection and Integration

1. Please provide the amount of within hour reserves that would be necessary for BPA to hold during the 2010-2011 rate period assuming a 30-minute scheduling persistence?

2. What is the Mean Absolute Error (MAE) and root-mean squared error (RMSE) under a 30-minute scheduling persistence?

3. BPA has indicated that the maximum amount of wind generation that can be integrated into the BPA system under a 2-hour scheduling persistence is 3000 MW. What is the maximum amount of wind generation that can be integrated into the BPA system under a 30-minute scheduling persistence? Please provide the assumptions and definitions associated with the determination.

4. How is the revenue requirement for load following service to preference customers calculated and recovered?

5. Data Requests on Specific Topics

A. Data Requests Relating to BPA Ability to Provide Incremental Generation

1. BPA staff suggested that a "curve," or set of curves, is developed that relates monthly energy to sustained peaking capability. How are these curves developed, how are they relevant to the rate process?
2. Please supply the sustained peaking capability curve referred to above.
3. Please provide the number of hydro generator unit cycling events (cycles on and cycles off counted separately), by month for 2006 through the most recent month for which data is available.
4. Please provide the nameplate wind generation interconnected to BPA's system by month from 2006 through the most recent month for which data is available.
5. Please provide the total federal hydro generation levels by hour from 2006 through the most recent available data.
6. Please provide hydro generating unit maintenance and outage levels (in MW) by hour from 2006 through the most recent available data.
7. Please provide the available, but unloaded hydro generating capability by hour for 2006 through the most recent available data.
8. Please provide a reasonably complete description of the analysis used to determine the Operational Peaking Adjustment for both 1-hour, and 120-hour peaking capability. Such description to include any inputs, formulas, algorithms, spreadsheet, and computer models used, their purpose, and when they were used to produce the values used in the preliminary rate proposal.
9. Please provide a list of all generation-limited periods in which BPA was generating at maximum available generating capability in the past ten years. For example, when there were insufficient, or barely sufficient contingency reserves to meet reliability requirements.

B. Data Relating to Possible Settlement Agreements

1. Please provide reserve requirement estimates for 2010 and 2011 assuming scheduling accuracy equivalent to 45-minute persistence forecasts.
2. Please list all the occasions on which BPA has ordered wind generators to change or limit their output due to reliability concerns—times, dates, ACE, amount of wind generation over- or under-scheduled deliveries, and response from the wind generators.
3. Please indicate what, if any, impediments exist to BPA implementing third party supply of balancing services prior to, or within, the rate case period.

C. Data Requests Relating to Understanding the Preliminary Analysis

1. BPA has asserted that the initial rate proposal will be based on a level of wind on the BPA system necessitating an amount of reserves that BPA cannot physically provide. Is BPA proposing to charge for services it has publicly acknowledged it cannot provide, and if not, is BPA proposing to develop a rate that recovers the combined cost of BPA's provision of reserves, and the cost of third party supply? If BPA is not proposing to establish a rate to recover the cost of third party supply, and cannot render the anticipated services, on what basis can BPA justify the rate as cost based?
2. Please provide the scaled (aggregate) wind generation used to determine the reserve requirements for 2010 and 2011.
3. Please provide any analysis of the effects of providing up-regulation service on sustained peaking capability.
4. Please provide any analysis of the overlap, or lack of overlap, in the cost bases for the Generation Imbalance and wind integration tariffs.
5. Please provide a list of the conditions under which BPA uses, has used, or can use the Banks Lake pump-generator units to provide down-regulation services (i.e., energize idle pumps as necessary).
6. Please report the status (i.e., pumping, generating, idle) of the Banks Lake pump-generator units during each of the 2008 events in which BPA ordered wind generators to adhere to schedules.
7. Please provide information on any controllable loads (e.g., irrigation pumps, direct service customers, etc.) in which the load can be varied at BPA's option. Information to include maximum or minimum

delivery rates, conditions on any BPA optionality such as seasonality or time of day availability of the option.

8. Please provide an estimate electric hot water heating load (energy, coincident peak, and nameplate) in the BPA service territory.
9. Please provide any analysis BPA has undertaken to examine the use of hot water heating devices for providing load following or regulation services.
10. Please characterize any non-proprietary information available from the BPA Request for Information for third party supply of balancing services—number of respondents, total capacity, availability of services, the bases on which respondents were eliminated from further consideration, the number of respondents BPA remains in contact with.

#### D. Data Requests Relating to Wind Integration in General

1. Please provide BPA monthly revenues from 2007 and 2008 (most recent available data) derived from interconnected wind generation in the BPA region, including wheeling, Generation Imbalance, and wind integration charges.
2. Under the WI 09 Settlement Agreement, BPA agreed to a consistent methodology for charging load and generation for regulation and following services. Is BPA likely to propose charging identical following and regulation tariffs for wind and load in the 2010-11 rate case? How will such a rate be charged, priced, and the costs recovered?
3. Please state the conditions under which BPA will resume signing interconnection agreements.
4. What is the status of efforts to implement 10 minute scheduling?
5. What is the status of BPA's current ability to use dynamic scheduling, and what steps are being taken to enhance that capability?