

NRU's Key Elements That Should Be Part Of Any BPA Proposal To Impose A Power Factor Penalty

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Below are key elements that should be part of any BPA proposal to impose a power factor penalty on its GTA served customers. Please note that this is not an endorsement of BPA's power factor penalty proposal by the customers.

1. Outreach to customers well in advance of charge being imposed with a spreadsheet to demonstrate the calculations, description of the problem, and ways to remedy it.
2. Customers will be provided information as to violations that they would have occurred on their system over the past three years.
3. No charges would be applied for one rate period after inclusion in the rates (reactive can be very seasonal – need two years to see where all the problems are on a system so you can design the solution properly). Also, it has been noted that reactive correction may interfere with AMR.
4. Notice will be given to customers of violations that occur during the amnesty period.
5. BPA will work with GTA providers to notify them of this program and to discover if there are any situations where a GTA provider would not want a distribution utility to correct its power factor because of local conditions.

6. BPA to respond in a timely manner for all requests for waivers of PFP or investigation of local situations.
7. The rate schedule will include provision that if a ratchet occurs and the distribution provider installs corrective equipment within 12 months of the ratchet, that the ratchet be waived and any charges refunded back to the date the ratchet was set. This would allow the money to be used for correction, not penalties.
8. The rate schedule should also provide for ratchet waivers for unusual operating circumstances that incur ratchets but are one-off situations.

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