

September 7, 2018

Via Email ([techforum@bpa.gov](mailto:techforum@bpa.gov))

U.S. Department of Energy  
Bonneville Power Administration  
Transmission Services

**Re: BP-20--Comments of Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on the Scheduling, System Control and Dispatch (SCD) Rate**

Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”) hereby submit the following in response to the Scheduling, System Control and Dispatch (SCD) rate presentation of Bonneville Power Administration (“BPA”) in the “BP-20 Rate Case Workshop: Transmission Rates” on August 22, 2018<sup>1</sup> and the SCD White Paper.<sup>2</sup>

BPA described several options or alternatives for Scheduling, System Control and Dispatch (SCD) service billing, which appear to be the following:

- Status quo - SCD is segmented to Network and Interties and then allocated based on reserved PTP capacity and NT load.
- Alternative 1 - SCD is segmented to the Network only and then allocated based on reserved PTP capacity and NT load.
- Alternative 2 - SCD is not segmented and is allocated based on energy profile (MWH of flow) for PTP Normal Tag, transmission profile (which appears to be reserved capacity) for PTP Dynamic Tag, and metered total energy for NT.
- Alternative 3 - SCD is segmented to Network and Interties and then allocated based on energy profile (MWH of flow) for PTP Normal Tag, transmission profile (which appears to be reserved capacity) for PTP Dynamic Tag, and metered total energy for NT.

---

<sup>1</sup> Bonneville Power Admin., BP-20 Rate Case Workshop: Transmission Rates (August 22, 2018), available at [https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/2018.08.22\\_BP-20\\_TxRates.pdf](https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/2018.08.22_BP-20_TxRates.pdf) (the “August 22 SCD Presentation”).

<sup>2</sup> Bonneville Power Admin., White Paper Scheduling, System Control and Dispatch Rate Design Alternatives (August 22, 2018), available at [https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/SCD\\_WhitePaper\\_BP20.pdf](https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/SCD_WhitePaper_BP20.pdf) (the “SCD White Paper”).

- Alternative 4 - SCD is rolled into transmission revenue requirement, which is segmented based on “net plant.”
- Alternative 5 - SCD is not segmented and is allocated based on e-tags for PTP, e-tags for that NT service that is tagged, and an allocator that has yet to be clearly described for NT service that is not tagged.<sup>3</sup>

BPA also provided an analysis document intended to assist customers in assessing the impacts of each of the alternatives. The Commenting Parties appreciate the effort BPA put into that documentation, however, several questions were raised with BPA regarding the validity of the data and analyses that have not yet been answered. Until that analysis can be verified, Commenting Parties find it impossible to fully evaluate the alternatives presented.

If and to the extent that BPA entertains alternatives to the status quo, the following comments are provided:

1. Alternative 1 (and perhaps other BPA alternatives) would fail to assess an SCD charge separately for each intertie and the Network. If BPA fails to assess an SCD charge for each intertie and the Network, equity issues may be raised. For example, as noted in the SCD White Paper at page 7, “[i]t is possible to use Intertie transmission without using Network transmission, which may lead to free-rider issues.” Any such free-rider issues must be resolved if BPA pursues any of these alternatives.<sup>4</sup>
2. If BPA pursues Alternative 2 or 3, billing determinants for SCD under such alternatives should, to the maximum extent practicable, be comparable for different services. In other words, it appears that BPA contemplates billing factors for Alternatives 2 or 3 that generally reflect energy flows rather than reserved capacity or peak flows. If so, the billing factors for dynamic or pseudo-tie transfers, for example, should be based on energy flow rather than reserved capacity. Energy flows for NT load service, like energy flows for dynamic or pseudo-tied transfers vary in real time, and an SCD allocator, if based on energy flows, should be applied comparably for NT load service and for dynamic or pseudo-tied transfers.

Also, it does not appear that BPA has assessed the practical feasibility of using the billing determinants contemplated for these alternatives. For example, would use of the contemplated billing determinants (i) result in variable, difficult-to-predict monthly charges or (ii) require massive data sets for customers each

---

<sup>3</sup> See, generally, SCD White Paper at 6-10.

<sup>4</sup> This footnote is on behalf of Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (together, “Colstrip Transmission Owners”) and is not on behalf of any other Commenting Party: Each of the Colstrip Transmission Owners reserves all of its rights under or arising out of the Montana Intertie Agreement as in effect from time to time among the Colstrip Transmission Owners and BPA (such agreement, “Montana Intertie Agreement”), including but not limited to rights with respect to amounts to be paid by or credited to any of the Colstrip Transmission Owners under the Montana Intertie Agreement (including for example rights with respect to whether any amounts to be so credited may be affected by the absence of a BPA SCD charge assessed on the Eastern Intertie).

month that would make verifying invoices much more difficult and increasing the potential for billing disputes?

3. If BPA pursues Alternative 5, an appropriate billing factor for NT service that is not tagged must be developed and reviewed by stakeholders.

Again, it does not appear that BPA has assessed the practical feasibility of using the billing determinants contemplated for these alternatives. For example, would use of the contemplated billing determinants (i) result in variable, difficult-to-predict monthly charges or (ii) require massive data sets for customers each month that would make verifying invoices much more difficult and increasing the potential for billing disputes?

\* \* \*

Commenting Parties appreciate BPA's review of these comments and consideration of the recommendations contained herein. By return e-mail, please confirm BPA's receipt of these comments.