HAYMAKER WIND LLC

September 6, 2018

Re: Comments of Haymaker Wind LLC on Scheduling, System Control and Dispatch SCD Rate Design Alternatives White Paper

Haymaker Wind LLC (Haymaker) is developing the 500 MW Haymaker Wind Project located near Two Dot in Wheatland County, Montana. The project’s target market is the Pacific Northwest which will require transmission service through the Bonneville Power Administration (BPA) system.

Haymaker offers the following comments for consideration on the Scheduling, System Control and Dispatch Rate Design (SCD) rate for the BP-20 rate case.

Pancaked SCD Charges

Scheduling, System Control and Dispatch service is a compulsory ancillary service for transmission customers scheduling power through, out of, within, or into a Control Area. As stated in BPA’s White Paper on the SCD rate, BPA currently applies a SCD charge for all original transmission reservations and network transmission load. SCD is therefore billed multiple times or “pancaked” for a single transmission schedule that uses multiple transmission segments. For example, if a customer reserves transmission with the intention of scheduling energy from a resource in Montana to the Pacific Northwest, that customer would be charged SCD on two segments, once on the Montana Intertie and once on the Network segment.

This pancaked SCD rate on the Montana Intertie was identified as a potential barrier to developing renewable resources in Montana through the Montana Renewables Development Action Plan (MRDAP) sponsored by BPA and Montana’s Governor Bullock. Participants and sponsors agreed that the appropriate forum for future changes to the Montana Intertie rates, including the SCD component, was the BPA rate case. However, the status quo doesn’t support the recommendations and actions of the MRDAP, which encouraged BPA and the Colstrip Transmission System (CTS) owners to review existing agreements and rates and make modifications as necessary to facilitate future utilization of the Montana Intertie and the CTS based on non-discriminatory, open access principles.

Preference for Proposed Alternative #1

Haymaker favors Alternative #1 which does not allocate SCD costs to the Southern Intertie or Montana Intertie while maintaining the current billing determinants. This option is simple to implement and eliminates the pancaking of SCD rates on the Interties, removing a potential barrier to development in Montana.

Free-rider Modification

Haymaker would support a modification to Alternative #1 that removes the risk of free-rider issues. BPA notes that if the SCD rate is not charged on the Interties, transmission customers using only the Interties may avoid paying a BPA SCD charge altogether. This free-rider issue could be resolved by leaving all SCD segment rates in place and charging the transmission customer a single SCD charge based on the highest use of any of the segments. Hence, a SCD rate is always charged in a non-discriminatory manner.

Cost-shift Modification

The White Paper indicates Alternative #1 would result in large cost shifts. BPA customers that only have network transmission will see a rate increase in overall transmission costs if the SCD rate is not charged for Intertie segments. However, BPA is not currently collecting revenues from SCD charges on the Montana Intertie. Therefore, it appears the projected cost shift is solely the result of removing the SCD rate on the Southern Intertie. If eliminating the SCD rate from the Montana Intertie results in no significant cost shifts to other customers, Haymaker would support the elimination of the Montana Intertie SCD rate alone.

Haymaker appreciates this opportunity to offer these comments.