

Submitted to BPA via techforum@bpa.gov – June 13, 2018

Comments on May 30, 2018 BP-20 Transmission Rates Customer Workshop

Thank you for the opportunity to comment on the May 30th prehearing workshop for the BP-20 Transmission Rates proceeding. The new rates that the agency will adopt for its transmission service in BP-20 are of great importance to Public Power Council's (PPC) members. The ability to serve load and move resources on firm, reliable, and affordable transmission is essential to the preference customers and to the value that Bonneville Power Administration (BPA) provides to the Northwest region.

Segmentation Study Plant in Service

PPC appreciated the presentation on the segmentation study given during the workshop. PPC would like additional information in response to several questions from customers about the future plant in service forecast, including a review of how historical capital spending compares to plant in service forecasts that have been used in past Segmentation Studies. It appears that BPA may have already posted some of this information for discussion at the June 14 workshop. We appreciate that quick response and look forward to discussing these materials.

Reliability Services Name Change

PPC supports BPA's proposal to change the names of its Reliability Coordinator and Reliability Compliance Enforcement rates. We agree that it is appropriate for the names of the rates to reflect the service that is provided instead of the name of the vendor providing that service.

Scheduling, System Control and Dispatch (SCD) Rate

BPA shared some details at the workshop about an alternative method for assessing the SCD rate. The proposal was not yet defined enough for PPC to determine whether it supports the alternative rate design. PPC requests that BPA provide additional information to help customers better understand the objective for exploring the alternative rate design, more details about the alternative, and additional analysis on the impacts of adopting the alternative.

At the workshop BPA stated its proposal was designed to “*create a rate design for the SCD charge that is simple, transparent, recovers costs and does not give customers the impression that the charge creates a hurdle rate.*” PPC generally supports a rate design that is simple, transparent and recovers costs, but would like to better understand how the alternate rate design better meets those criteria when compared to BPA's current SCD rate. PPC would also like to further understand how the possible changes better align with cost causation principles. PPC is concerned that BPA would propose a rate change simply because some customers have the “impression” that a rate creates a hurdle for specific uses of the system. There are cases where certain uses of the system should be allocated additional costs. BPA's rates should be guided by BPA's rate-making principles, including cost causation. It is important to ensure that any rate

designs that BPA adopts are consistent with those rate-making principles and BPA's statutory obligations.

In addition to more information on how the alternative better meets BPA's stated objective and rate-making principles, PPC would like more information about the SCD proposal. Helpful information would include:

- More specificity on how the charge would be applied, including a detailed description of how the rate would apply in specific scenarios (for example, what happens when transmission is resold or when schedules include legs of transmission reserved by different parties);
- Expected costs (both initial and ongoing) of making this change;
- Expected changes in the billing determinant; and
- An assessment on any changes in cost recovery risk due to the changed rate design.

BPA invited customers to share any alternative rate designs that they would like to explore. In order to facilitate analysis and development of alternative designs BPA should make additional data available to customers. While the rate model is available publicly for customer analysis, customers will need additional data to inform what they should use as inputs in the model for different rate designs. BPA should make available historical scheduling data and as well as some information on how reservations are used to schedule (for example how often are multiple legs of transmission used in a single schedule) so customers could estimate changes in billing determinants for different rate designs. Also, to help customers assess what rate design would best align with cost causation, BPA should provide some information on how the number of schedules impacts the costs associated with Scheduling, System Control and Dispatch charges. We appreciate that BPA has provided some scheduling data on its website and look forward to more discussion about that information on June 14 to understand what information has been made available and identify what, if any, additional information is needed.

BPA staff posited during the workshop presentation that the current rate design is not consistent with the industry standard. PPC requests that BPA share additional details on the analysis that lead to this conclusion including any review of other Transmission Providers' rates or *pro forma* tariff analysis.

Network Integration Short Distance Discount (NT SDD) Rate Schedule Change

PPC generally supports BPA's proposal to change the rate schedule for the NT SDD credit so that customers cannot receive a credit/discount in excess of what they are charged in any given month. While PPC supports the direction of this change, we look forward to seeing the planned red-lined rate schedule language to better understand the specific change BPA is proposing.

Conclusion

Thank you for considering these comments. We look forward to continued participation in the BP-20 prehearing workshops. We appreciate the opportunity to work together with BPA and its customers during these workshops to develop rate alternatives that best meet BPA's rate-making obligations.