



To whom it may concern,

TEA is a public power-owned, nonprofit corporation serving its public power customers across the United States. On average in any given year TEA manages over 1,000 MW of PTP transmission just in BPA transmission network alone.

The Energy Authority believes that the current unauthorized increase charge for transmission as it is defined in BPA transmission rates is excessively punitive for entities operating in good faith with regard to compliance with the provisions of the BPA tariff. The Energy Authority represents Public Power entities across the pacific northwest and while we agree that penalties are necessary to ensure that bad faith actors are penalized adequately, the current excessive penalties have a detrimental effect on our Public Power clients when a simple mistake is made in an honest effort to serve our customers.

One of the objectives for using unauthorized increase charge, also known as unreserved use penalty, is to incentivize customers to reserve and pay for the appropriate level of transmission service so that transmission service is allocated in an orderly fashion. This objective can be achieved by a penalty that is equal to or higher than current highest hourly transmission rate (\$9.56/MWh).

The Energy Authority makes the following proposal, and alternate proposal, both of which are in line with FERC's Order 890 language related to unreserved use of transmission.

**Proposal:** Next longest duration tariff rate such as charging daily rate for one or more hourly unreserved use within a day, charging weekly rate for unreserved use on multiple days within a week, or charging monthly rate for unreserved use on multiple weeks within a month with any given calendar month being the longest duration for unreserved use penalty purposes. The ancillary service charges will be based on just the period of unreserved use.

**In the alternative:** Up to 200% of next longest duration tariff rate such as charging daily rate for one or more hourly unreserved use within a day, charging weekly rate for unreserved use on multiple days within a week, or charging monthly rate for unreserved use on multiple weeks within a month with any given calendar month being the longest duration for unreserved use penalty purposes. The ancillary service charges will be based on just the period of unreserved use.

Sincerely,  
The Energy Authority.