

Losses

Losses Update

- Last presentation Oct. 17, 2017
- Timeline extended – competition for resources/other projects
- Project broken down into 3 pieces
 - Tariff
 - Methodology
 - Financial Rate Review
- Methodology – looking at granularity/accuracy, reservation and scheduling practices
- Financial – dependency on methodology will determine if financial losses need to be included in the next rate case
- Today's discussion is focused on the tariff change

Tariff Change for Losses Introduction

- Where does BPA identify loss obligations?
 - Tariff Sections 15.7 and 28.5
 - Schedule 9 (loss factors)
 - Real Power Loss Return Business Practice
- Losses will be vacated from Schedule 9 so that it may be used for Generation Imbalance Service (*pro forma* use)
- This has created an opportunity to determine where best to report loss factors.

Losses Industry Scan

- Researched Tariff Language, Loss Factors, and Return Methods
- Reviewed available information from 34 Transmission Providers
- Conducted an email survey of 42 WECC entities
- Findings
 - Most TPs are not *pro forma*
 - Many use their Business Practice
 - Most TPs update their loss factors annually
 - FERC has approved the use of Business Practices

Loss Factors

<p>1. What is the <i>pro forma</i>?</p>	<p>Loss Factors are described in Section 15.7 and Section 28.5.</p>
<p>2. What did we hear?</p>	<p>Customers want the ability to comment on changes to the loss factors.</p>
<p>3. What are we proposing?</p>	<p>BPA is proposing to move the Loss Factors from Schedule 9 to the Real Power Loss Return Business Practice (BP)</p>
<p>4. Which TC-20 tariff principles does it align to?</p>	<p><i>BPA's proposal aligns with the TC-20 principle</i> 4. Align with industry best practice when the FERC <i>pro forma</i> tariff is lagging behind industry best practice, including instances of BPA setting the industry best practice.</p>
<p>5. Why are we proposing this position?</p>	<ul style="list-style-type: none"> • BPA's industry scan revealed most TPs are not <i>pro forma</i> and many use a business practice to convey the loss factor. • The process for changing a business practice is transparent, includes customer input, and is scalable when needed. • The business practice is a single source of all details concerning transmission losses.
<p>6. What are the change impacts?</p>	<ul style="list-style-type: none"> • Schedule 9 will be vacated for use as Generation Imbalance Service. • The Real Power Loss Return BP will be updated to include what is currently in Schedule 9.
<p>7. Is there a rate case impact?</p>	<p>This change does not impact the rate case.</p>