



Energizing Life in Our Communities

Comments of Public Utility District No. 1 of Snohomish County
In Response to Bonneville Power Administration's
March 17, 2020
BP-22/TC-22/EIM Phase III Workshop
Submitted to techforum@bpa.gov on March 31, 2020

Public Utility District No. 1 of Snohomish County ("Snohomish") appreciates the opportunity to comment on the Bonneville Power Administration's ("BPA's") BP-22/TC-22/EIM Phase III process. Snohomish recognizes the hard work and thoughtful consideration that BPA staff put into developing the presentation and thanks BPA for its engagement with customers throughout this stakeholder process.

Transmission Losses

Snohomish appreciates BPA's further discussion on potential alternatives to the current loss settlement mechanisms, including BPA's responsiveness to customer comments from the December 12, 2019 workshop. Snohomish appreciates BPA's desire to minimize administrative burden and its efforts to quantify FTE costs. However, the full extent of the benefits BPA expects it will achieve through transitioning all customers to either a financial loss settlement or concurrent physical loss returns remains unclear, particularly benefits related to reduced load uncertainty or compensation for capacity. At a minimum, we ask BPA staff to develop for the May 2020 workshop:

- Aggregate details for the BPA BAA to show both the financial and capacity benefits BPA stands to derive from the various options proposed at the March 17 workshop;
- Alternative pricing methodology for financial settlement of losses to support the benefits above, recognizing that any methodology considered is subject to a formal 7i process; and
- Additional information on how concurrent loss returns would be implemented in order to fully assess potential customer impacts.

EIM Transmission Usage

Snohomish thanks BPA for the additional information on EIM transmission donation and is supportive of BPA's modifications to the scope and objective. We agree that the risks listed on Slides 53-54 are worth exploring and encourage BPA to continue to point out these risks as the process progresses.

We support BPA carefully considering these potential risks when considering which transmission products are to be donated for EIM transfers. It is our understanding that no other EIM Entity allows donations of non-firm transmission by Interchange Rights Holders. As such, we suggest that BPA take a cautious approach to this issue at the outset of joining the EIM to avoid any unintended consequences.

Hourly Firm

Snohomish appreciates BPA's continued provision of data and analytics related to the Hourly Firm product, in accordance with the TC-20 settlement and the Monitoring and Evaluation Plan. The data provided and accompanying explanation is helpful for Snohomish as we continue to adjust to the changes to the hourly firm product.

While the data provided will be useful in future evaluations, one component that Snohomish is beginning to consider is how this data will be used for policy considerations. As part of the Monitoring and Evaluation Plan, BPA commits to:

- Measure risks to the transmission system and other firm service, and;
- Investigate these risks for impacts from various factors

Snohomish recognizes that BPA may still be in the "data gathering" phase of the Monitoring and Evaluation of hourly firm. However, in the interest of helping customers and BPA work collaboratively to examine this data in a timely fashion, it would be helpful for BPA to provide some rough ideas to customers regarding what this data suggests for BPA's policy objectives, such as:

- Is the system responding in a way expected by BPA following the hourly firm changes?
- Have BPA's operators noticed any changes in their day-to-day activities since the changes?
- Can BPA parse the effect of limiting hourly firm to ATC, versus the effect of limiting hourly firm scheduling to day-ahead.

While not exhaustive of Snohomish's interest in the Hourly Firm data, these are a few examples of higher-level questions that could add context to the data that BPA and customers are examining in workshops.

ATC Improvements

Snohomish wishes to thank BPA staff for all their efforts on Short-Term ATC improvements ("ST ATC"). Correctly calculating ATC is a critically important component of efficient scheduling and operations on BPA's transmission system, and the improvement of these calculations has valuable impacts for customers.

Regarding the Proposed ST ATC Improvement #1, Snohomish appreciates the decision to delay implementation until customers better understand the implications of the change. Staff's explanation was helpful to explain the improvement and why BPA viewed it as beneficial. Snohomish looks forward to continued discussions to help fully understand the possible consequences of setting negative Existing Transmission Commitment (ETC) values to zero. Some potential questions would include:

- Are there potential "real" counterflows that are being disregarded due to this shift?
- Is there a realistic case where negative ETC could exist due to system topology and existing commitments?
- Is negative ETC strictly a function of power flow modeling

Snohomish notes that BPA has delayed its implementation of this improvement to May 2020. We would be interested whether there are additional conversations or meetings planned to continue this discussion prior to the scheduled go-live date in May.

Snohomish appreciates the opportunity to provide BPA feedback on these topics. If you have any questions, please feel free to contact us.

Sincerely,



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