

June 2, 2020

*Via Electronic Submission*

Elliot Mainzer  
Administrator and Chief Executive Officer  
Bonneville Power Administration  
911 NE 11<sup>th</sup> Avenue  
Portland, OR 97232

**Re: May 19, 2020 TC-22/BP-22/EIM Phase III Workshop**

Dear Administrator Mainzer:

The Alliance of Western Energy Consumers (“AWEC”) appreciates the opportunity to provide feedback regarding Bonneville Power Administration’s (“BPA or “Agency”) May 19, 2020 TC-22/BP-22/EIM Phase III workshop. Below, AWEC addresses the following May 19<sup>th</sup> workshop topics: Intertie Studies and BP-22 Rates Kickoff.

Intertie Studies

BPA presented the following two alternatives during the May 19<sup>th</sup> workshop addressing Intertie Studies: Alternative 1: Remove Commercially-Driven Intertie Expansion from the OATT,<sup>1/</sup> and Alternative 2: TSR Initiates Study Only Upon Request for a Study.<sup>2/</sup> Alternative 1 consists of “[m]odify[ing] the tariff to eliminate the requirement to conduct studies in response to Southern Intertie TSRs, so TSRs will remain in STUDY status if/until ATC is available, the TSR expires, or BPA offers a study agreement due to having identified potential upgrades.... [and] offers would be made in queue order as capacity becomes available.”<sup>3/</sup> According to BPA, “[c]ommercial requests for service would not initiate studies for Southern Intertie expansion... [and it] could still occur based on other drivers and BPA would still perform studies as needed based on system changes or developments on the intertie.”<sup>4/</sup> Further, “[b]usiness practice language would need to be developed to establish this process.”<sup>5/</sup> Alternative 2 consists of “[m]odify[ing] the tariff to only conduct studies in response to Southern Intertie TSRs when a customer requests, otherwise the TSR will remain in STUDY status if/until ATC is available or the TSR expires....[and] offers would be made in queue order as capacity becomes available.”<sup>6/</sup> According to BPA, it would “likely be the SIS requestor’s responsibility to engage

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<sup>1/</sup> TC-22/BP-22/EIM Phase III Customer Workshop Presentation at slide 60 (May 19, 2020).

<sup>2/</sup> Id. at slide 61.

<sup>3/</sup> Id. at slide 60.

<sup>4/</sup> Id.

<sup>5/</sup> Id. at slide 61

<sup>6/</sup> Id.

the other impacted parties.”<sup>7/</sup> Further, “[b]usiness practice language would need to be developed to establish the process, responsibilities, and clarify how the SIS would affect all TSRs in the queue.”<sup>8/</sup>

Both alternatives appear to offer a potential, viable path forward for codifying the Southern Intertie study process in the Tariff. AWEC looks forward to exploring the next level of detail in support of the alternatives.

### BP-22 Rates Kickoff

BPA’s willingness to provide a preview of BP-22 topics and timeline is vital to the success of this process and AWEC appreciates the Agency’s willingness to engage with stakeholders early on. However, the degradation of financial value associated with the Federal Base System (“FBS”) is increasingly alarming.<sup>9/</sup> As such, AWEC recommends that BPA think broadly about maximizing the value of the FBS. If this is best discussed within the various BP-22 fora, AWEC encourages BPA to create this opportunity. On the other hand, BPA could engage with stakeholders separately on developing tools to better monetize the value of the FBS. Similarly, the Dispatchable Energy Resource Balancing Service (“DERBs”) implementation is increasingly concerning. AWEC requests BPA use BP-22 as an opportunity to conduct a reevaluation of how this service is constructed per AWEC comments in prior BP/TC processes.

Two topics scheduled for the July workshop are of particular interest. First, Revenue Requirement, including regulatory assets and leverage policy. Second, the topic of Risk, potentially simplifying the CRAC/Surcharge/DDC triggers to move away from accumulated calibrated net revenue towards something like reserves. Given the significance of these two topics, AWEC requests that the associated materials and possible alternatives be shared as soon as practicable so that we may review, evaluate, and discuss them with our membership in advance of the meetings and provide BPA with constructive feedback at the July workshop.

*/s/ John Carr*  
Executive Director  
Alliance of Western Energy Consumers

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<sup>7/</sup> Id.

<sup>8/</sup> Id.

<sup>9/</sup> AWEC raised similar concerns in the BP-20 rate case.