

Submitted via email to techforum@bpa.gov on November 6, 2019

RE: Comments in Response to BPA's October 23 TC-22, BP-22, and EIM Phase III Stakeholder Meeting

PPC appreciates the opportunity to comment on BPA's kick-off meeting for the upcoming TC-22, BP-22, and EIM Phase III combined process. PPC looks forward to continuing to engage with BPA and other stakeholders on these topics over the next year.

In response to the October 23rd stakeholder workshop PPC offers the following initial comments.

Proposed Process

Given the interrelated nature of many of the topics that will be discussed, PPC appreciates BPA's efforts to coordinate the TC-22, BP-22 and EIM Phase III processes. This coordinated approach should help increase the communication between staff working on related issues and help the region develop policies on these topics through a holistic understanding of the impacts that these policies will have on BPA and customers. We also recognize BPA's efforts to be transparent in this undertaking.

PPC is supportive of the six steps that BPA has identified for vetting issues during this process. This stepwise approach to exploring issues should be a productive way to work through difficult discussions and provide additional transparency into BPA's decision-making process. Increased clarity early in the process, particularly on the definition of the issues to be addressed, should provide a strong foundation for regional discussion. In order to create this strong foundation for later discussions, BPA should endeavor to be as complete as possible in laying out the background and describing each issue. PPC would like to see the following addressed in these early steps: a clear problem statement, a list of policy questions related to each issue BPA will be addressing and how the issue relates to other initiatives or agency priorities.

BPA should also identify in this early stage the issue's relative importance or priority to the agency to help customers understand which of the issues scoped for the TC-22, BP-22, EIM Phase III process are most pressing. The priority of various issues should not be a one-time assessment, but instead be revised throughout the process if there are any changes based on new information or in response to customer feedback.

Given the number of issues to be addressed during this process, PPC particularly appreciates BPA's efforts to set a clear schedule for meetings and to make additional time available to customers who would like to present on certain issues. In order to ensure that these meetings are as productive as possible, BPA should strive to inform customers on the agenda of meetings, including topics to be addressed and length of discussion, as soon as possible and with sufficient advance notice.

PPC understands BPA's desire to request feedback from customers two weeks after each workshop to facilitate timely progress on issues. For many topics this timeline will likely provide sufficient time for meaningful consideration and response, but the specific timeline for feedback should be developed on a topic-by-topic basis. There may be some issues that are more complex or require more discussion than can be achieved in two weeks. Additionally, BPA has held out times for additional workshops and discussions, which may result in additional information that is important to customers' positions. A two-week timeline would not allow for consideration of any that follow up discussion in customer's comments.

It is our understanding that BPA will be making final decisions, or decisions that are "final" pending a formal process, during these workshops. PPC seeks additional clarity on when those "final" decisions will be made and how BPA plans to treat those "final" decisions. PPC understands and agrees that in order to progress towards resolution the agency should not continually reconsider issues that have been already fully vetted. However, if new information becomes available, BPA should take that into account along with any customer feedback provided in response. Because of the interrelated nature of many of the topics, there is a high likelihood that at some point customers and/or BPA will become aware of additional information that may change their position on other topics. BPA should allow customer input on topics with "final" decisions if new relevant information becomes available.

EIM Phase III

PPC recognizes BPA's need to focus the scope of the EIM Phase III process but hopes that BPA will continue to work with customers to refine that scope as needed. For instance, while PPC acknowledges that BPA's potential participation in CAISO's EDAM is not in scope of this process, the potential creation of an EDAM is important context that should be considered when addressing many of the issues that are included in Phase III. Additionally, while we understand the rationale for not including GHG accounting in Phase III, a discussion with customers on how GHG accounting is currently applied in the EIM and further exploration of how that accounting may impact BPA's system mix is important to customers, many of which will need to comply with carbon regulation in their state. In some forum, BPA should work with customers to address outstanding questions regarding GHG treatment in the EIM.

PPC appreciates BPA's efforts to start discussions on these topics early to allow for more education and discussion on these important EIM issues prior to the beginning of the formal rate and tariff processes. We agree that the first three issues – EIM Charge Code Allocation (either under the current scope or a revised scope), EIM Losses, and EIM Resource Sufficiency will need extra time for education and should be among the first issues discussed. There are several other topics where we believe more education and discussion will be necessary and that we would like to see on the workshop agendas as soon as possible.

Ancillary Services is a broad topic that will be addressed in all three sub-parts of this process: BP-22, TC-22, and EIM Phase III. Discussing this topic soon will help to define the scope and help ensure that Ancillary Service-related issues are fully vetted before the beginning of the formal TC-22 and BP-22 process. This discussion should include how ancillary services relate

to the other issues that BPA has identified, what changes may be necessary in the tariff, and how those and other changes will correspond to potential rate design changes.

We also believe that EIM Transmission Usage for Network may require additional education and we would like to see that item on the agenda as soon as possible to provide adequate time for discussion. Within scope of this topic we would like to discuss how transmission availability will be modeled, rate treatment for transmission used on the Network, what specific products are eligible for use, and how this use interacts with existing transmission products.

PPC also asks for more information on the EIM Metering and Data Requirements that BPA is developing. BPA has asked that customers reach out if they anticipate issues with metering requirements and more education is needed to help customers contribute to that discussion.

The proposed scope for most of the EIM topics looks appropriate based on our current understanding of the issues, but we look forward to further developing and refining the scope of each issue as we work through the first two steps of BPA's proposed six step process.

There is one issue where we currently think the scope should be expanded. While we agree it will be important to understand the purpose and application of charge codes in the EIM, we question whether "EIM Charge Code Allocation" is the appropriate scope for this topic. BPA should revise the scope to be more complete, for example, "BPA rates associated with the allocation of costs and benefits of EIM participation." Understanding the EIM charge codes is an important input to this process and education on these inputs will be a foundational for a larger discussion. However, any allocation of costs and benefits associated with BPA's EIM participation would require a BPA rate and thus development of such a rate should be included in the scope of this issue. Redefining the scope in this manner will ensure the right people, including BPA rate staff, are involved early in the discussion.

Additionally, while EIM Charge Codes and associated costs and benefits are a key component of this discussion, the current scope does not cover all costs and benefits that should be explored as part of this matter. This scope should be expanded to include allocation of costs and benefits of BPA's EIM participation more generally – including costs and benefits without explicit EIM charge codes – with the acknowledgement that there may be subcomponents of that discussion. Looking at this issue as simply an allocation of charge codes from the CAISO may result in incorrect assignment of costs and benefits. A more holistic review of this topic is appropriate.

TC-22/BP-22

PPC appreciates BPA's effort to improve the TC process by reviewing the TC-20 experience. Several suggestions received from customers were captured in the presentation with associated actions and we look forward to seeing BPA implement those recommendations. We appreciate BPA's efforts to address this feedback. In addition, we are hopeful that the proposed six-step process will lead to increased transparency and clarity during the TC/BP-22 process.

PPC would like some additional information on Rates & Tariff topics BPA is proposing to address in TC-22 and BP-22 in order to provide feedback on the proposed scope. For items 9

through 16 it would be helpful to better understand the relative priority of these issues, and why the agency wants to address these issues in TC/BP-22. For items 17 through 25 it would be helpful to understand whether these are educational opportunities on status quo policies or whether BPA is anticipating changes in policy or rate design. To the extent any changes for items 17 through 25 may be driven by items 1 through 16, it would be helpful to understand the relationship between these issues and the potential impacts they might have. Currently there is not enough detail to provide comment on these issues.

PPC would also like some additional information on the Potential Future Rates & Tariff Issues before providing feedback. Based on current information, we cannot comment on the proposal to address these topics in later rate periods. To inform that discussion BPA should provide a information on the intended scope of the identified issue, whether the issue is related to other initiatives and/or how it specifically maps to the overall BPA strategy, as well as some information on why BPA thinks the issue is best addressed in subsequent processes.