

June 12, 2020

Via e-mail

Bonneville Power Administration
905 NE 11th Ave
Portland, Or 97232
techforum@bpa.gov

Re: *De Minimis* Policy

Dear BPA:

NewSun submits these comments in response to Bonneville Power Administration's (BPA) request for feedback on its proposed options for its short-term *de minimis* policy. BPA in its May 29, 2020 workshop, indicated that it wanted to understand customer trade-offs between Option 1, which is to keep the test 1 at the existing 10% with no test 2, and Option 4, which is to lower the test 1 threshold from 10% to 5% and add a new test 2 at 3%, except during TLR avoidance.

Between these two options, NewSun generally prefers Option 1, however, in its consideration of the various options, BPA should be mindful of the underlying customer concerns. BPA's short term *de minimis* policy became an issue because stakeholders perceived an inconsistency between BPA's stated policies and its implementation. Notably, stakeholders were concerned that BPA's policy does not distinguish between short-term and long-term redirects, yet, its implementation of short-term redirects receives different and more limited treatment than long-term redirects.

Ultimately this becomes a trade-off between customers' abilities to secure new LTF transmission and ability to execute redirects. As such:

- **Concerns about LTF redirects in short-term market**, re: STF policy application: BPA's current policy is disallowing redirects from functionally identical source/sinks combos even though LTF reservations have been granted capacity, due to switching to source/sink instead of POR/POD analysis. Despite LTF capacity existing to the delivery point, per the original reservation *until* the redirect and a new STF analysis occurs. For example, a redirect with the same intended POD (PGE Bethel) when the POR is changed for LTF TSR, even though the LTF calculator grants service, and the same TSR is going to the same place, gets denied, because the sink of BPAT.PGE triggers a South of Allston shortfall (a common shortage). Yet of course the same TSR already was permitted to deliver to PGE's system. BPA should not unnecessarily deny those redirect requests and artificially restrict the market for and usability of existing assets going to the same place.

- **New Transmission Lines are Needed!** BPA's *de minimis* policy deliberations belie a much bigger surrounding issue. We need new transmission lines. We need major system upgrades. The renewable portfolio standard (RPS) for Oregon is escalating. Washington is going 100% clean. There is no way BPA can support all this without a major infrastructure expansion plan. When is BPA going to build more power lines? When is BPA going to start a transmission planning process to ensure BPA is capable of supporting the massive increases in new generation needing LTF service to achieve those WA and OR state policy mandates? That action should be kicked off promptly and should include consideration of likely scenarios, like Oregon adopting a 100% RPS in the years ahead. We are not a *little* short of the transmission capacity needed. We are a *lot* short. And as BPA's experts know, it will take 10-20 years to build more; so, we are already late. BPA should also begin efforts to educate regional politicians, state regulatory commissions, and stakeholders regarding such transmission constraints and needs. We look forward to Bonneville's leadership on this front—which will hopefully also support new revenue opportunities for BPA.

Thank you for your surrounding analytical efforts and public engagement on these matters.

Sincerely,



Jake Stephens
NewSun Energy