

Response to Comments – Conditional Firm Service (CFS)

BPA Transmission Business Practice

Version 27
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This document contains comments and BPA’s response regarding the Conditional Firm Service (CFS), Version 27 posted for comment from August 8, 2023, to October 5, 2023.

For more information on business practices out for comment, visit the BPA [Proposed Business Practices webpage](#).

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A. Seattle City Light

Comments on Conditional Firm Service Business Practice v27.

Thank you for the opportunity to comment on BPA’s Conditional Firm Service (CFS) Business Practice v27. We appreciate BPA’s efforts to conduct an engagement process with customer stakeholders prior to finalizing these changes. Seattle City Light (City Light) would like to offer the following comments for BPA’s consideration.

City Light suggests the language of section 2.e. should account for the possibility that superior or altered/expanded projects may replace the originally proposed system upgrade(s). This situation should not result in customer CFS being terminated. Additionally recommends BPA differentiate between projects that were deemed to be embedded and direct participation for cost recovery.

BPA Response 1

Thank you for providing comments on the Conditional Firm Service (CFS) Business Practice V27. BPA appreciates Seattle City Light’s (SCL’s) feedback.

BPA differentiates between projects that were deemed to be embedded and direct participation for cost recovery. BPA assumes that when SCL references “direct participation for cost recovery” that SCL is referencing an incremental rate construct.

There are two ways in which Customers pay a portion of costs of a project:

- 1) Per BPA’s TSEP Business Practice, Customers pay their MW share of the preliminary engineering costs and the environmental study costs of a project.
- 2) If BPA determines that an incremental rate is required, then the Customer with the TSRs that have been identified as needing a project, must pay a transmission rate

developed through a rate case that reflects those costs rather than fully socializing those costs across all rate payers.

See also BPA Response 2, below, that addresses SCL's comments in paragraph 2, above.

City Light recommends that BPA consider adding the following language as new sections 2.e.ii and 2.e.iii. The existing section 2.e.ii would become 2.e.iv.

2.e. ii. If BPA decides the system upgrade(s) specified in the Bridge CFS Exhibit Table will not be completed and this results in termination of the Bridge CFS, the Customer may elect to maintain its position in BPA's LTF pending queue for the TSR associated with the BPA terminated Bridge CFS.

2.e. iii The Customer may propose alternative(s) to replace the system upgrade(s) that will not be completed. Customers must provide the alternative(s) in writing to BPA at least 60 Calendar Days prior to the effective date of the termination of the Bridge CFS. If the Customer provides such notice, Bridge CFS will remain in effect while BPA performs an evaluation to determine if the Customer proposed alternative is acceptable to BPA.

City Light believes that if BPA chooses not to complete a project needed to convert Bridge CFS to LT PTP Service, that Customers should retain their original queue position. City Light supports the existing language concerning Customers that choose not to satisfy the requirements as set forth in the BPA OATT or agreements related to a study or completion of the system upgrades specified in the Bridge CFS Exhibit Table.

Thank you for the opportunity to comment. We appreciate BPA's willingness to listen to Customer concerns regarding business practices changes.

BPA Response 2

Thank you for suggesting new language for new sections in the CFS BP V27 regarding what to do if BPA terminates a project or projects replace the originally proposed system upgrades.

In the event BPA terminates a project or projects replace the originally proposed system upgrade(s), Bridge CFS will not be immediately terminated. Rather, BPA will assess whether it can reliably provide Reassessment CFS. If BPA can offer Reassessment CFS, the Customer has the option to receive an offer of Reassessment CFS under a new agreement in order to continue CFS. There would not be a break in service under that circumstance. Further, per Section D.4. of the CFS Business Practice, the Customer would have the opportunity to convert Reassessment CFS to Bridge CFS through a new study.

There have been previous circumstances in which BPA has altered a plan of service associated with a Customer's CFS. Typically, that has occurred when a portion of the plan of service has been removed (generally due to firm capacity becoming available in queue order). Under those circumstances, the CFS continues although BPA can revise the contract and remove the CCO module from the path for which firm service has become available.

BPA also reserves the right to modify study findings which could add an element(s) to a plan of service due to those modifications. In such instances, the Bridge CFS contract remains in

force. However, the period of time prior to transition to Long-Term Firm Transmission Service may be longer.

At this time, BPA is not considering changing policy to allow Customers to propose replacements for BPA's system upgrade(s) that will not be completed.

B. Tacoma Power

Comments on Conditional Firm Service Business Practice v27.

Thank you for the opportunity to comment on BPA's Conditional Firm Service (CFS) Business Practice v27. We appreciate BPA's efforts to conduct an engagement process with customer stakeholders prior to finalizing these changes.

Tacoma Power would like to offer the following comments for BPA's consideration.

Tacoma recommends that BPA consider adding the following language as new sections 2.e.ii.

2.e. ii. If BPA decides the system upgrade(s) specified in the Bridge CFS Exhibit Table will not be completed and this results in termination of the Bridge CFS, the Customer may elect to maintain its position in BPA's LTF pending queue for the TSR associated with the BPA terminated Bridge CFS.

Additionally, Tacoma believes that if BPA chooses not to complete a project needed to convert Bridge CFS to LT PTP Service, that Customers should retain their original queue position.

Tacoma supports the existing language concerning Customers that choose not to satisfy the requirements as set forth in the BPA OATT.

Thank you for the opportunity to comment. We appreciate BPA's willingness to listen to Customer concerns regarding business practices changes.

BPA Response 3

Thank you for providing comments on the Conditional Firm Service (CFS) Business Practice V27. BPA appreciates the feedback.

If the Customer does not continue to take the steps under Bridge CFS to proceed to Long-Term Firm Transmission Service or BPA otherwise terminates a project, the Transmission Provider subsequently determines its ability to reliably provide Reassessment CFS. If BPA can reliably provide Reassessment CFS, the Customer has a choice regarding whether to execute that contract or not. The Bridge CFS does not terminate until that process is complete.

A TSR that is taking Reassessment CFS does not remain in the queue to be firmed up. However, the Customer does have the option in accordance with Section D.4 of the CFS Business Practice to submit a new request at the bottom of the queue to enable the request to be studied for a plan of service that would enable the TSR associated with the Reassessment CFS the ability to convert to Bridge CFS.

C. Business Practice Modification

Per comments received on the CFS Reconsideration Pilot business practice, BPA has decided to retain the language in the CFS BP Section D.1.a. about queue order, making a minor adjustment to reorganize the sentence. Comments received regarding the CFS Reconsideration Pilot and the BPA response to those comments can be found on the [Proposed Business Practices webpage](#).