Response to Customer Comments – Consolidation of Transmission Service

BPA Transmission Business Practice

Version 1
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Version 1

This document contains customer comments and BPA’s response to the Consolidation of Transmission Service; Version 1, posted for comment from March 29 to May 20, 2021.

For more information on business practices out for comment, visit the BPA Transmission Business Practices Comments and Responses webpage.

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A. Northwest Requirements Utilities and Western Public Agencies Group

JOINT COMMENTS OF THE NT CUSTOMER GROUP REGARDING BPA NT BUSINESS PRACTICE

These comments are respectfully submitted to the Bonneville Power Administration (“BPA”) on behalf of Northwest Requirements Utilities (“NRU”), and Western Public Agencies Group (“WPAG”) regarding BPA’s draft Consolidation of Transmission Service Business Practice (“Consolidation BP”). NRU and WPAG represent 78 of BPA’s NT customers who rely heavily on equitable access to BPA’s transmission products and services. We have identified two concerns related to the Consolidation BP.

The Consolidation BP provides the criteria and requirements for how a transmission customer may combine multiple, similar Transmission Service Requests (“TSR”) into a single TSR. This option is very attractive from an administrative perspective. Unfortunately, the Consolidation BP provides this option for PTP customers only. Our members have had confirmed NT TSRs in the past that would have benefitted from this consolidation option and the efficiencies it provides. Therefore, we request that BPA consider providing the ability to consolidate TSRs to NT customers in addition to PTP customers.

BPA Response 1

At present, BPA does not allow use of Resale-to-Self for combining similar NT TSRs. BPA proposed the new Consolidation of Transmission Service business practice in response to FERC Order 676-I, which adopted new NAESB standards that address Consolidation. NAESB designed Consolidation as a replacement for the Resale-to-Self functionality for PTP
reservations. Therefore, the standards restrict use of this functionality to Firm PTP reservations only. This limitation is included in base OASIS functionality, and BPA is not proposing changes to that base functionality as part of the implementation of the standards. Furthermore, BPA has limited ability to customize functionality on the shared westtrans OASIS platform, which has been designed to implement NAESB standards.

Regarding the efficiencies provided by Consolidation, the primary benefit is in the ease of scheduling. NT customers may still leverage Blanket functionality to provide efficiency in scheduling their transmission portfolio.

We are also concerned that the Consolidation BP may introduce opportunities for gaming. More specifically, using the Consolidation BP, a customer could submit many small TSRs that are granted only under a de minimis rule, and then consolidate those smaller TSRs into a single one that would have not been granted as a single, larger request. We strongly request that BPA either (1) include limitations that would eliminate the ability for a customer to consolidate TSRs that were granted under a de minimis (or similar) rule, or (2) clearly identify in the Consolidation BPA the limitations that already exist that would eliminate this type of gaming practice.

**BPA Response 2**

The adoption of the Consolidation BP does not introduce or increase the opportunities that the comment describes. Those opportunities exists under the current Resale-to-Self policy and *de minimis* policies. The crux of the comment is more a concern about the *de minimis* policy, which BPA is not proposing to change with adoption of the Consolidation BP. That concern may be discussed at an ATC-related forum.

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**B. Powerex**

**RE: Consolidation of Transmission Service Business Practice, Version 1**

Powerex appreciates Bonneville holding discussions with customers on the adoption of the new “Consolidation of Transmission Service” Business Practice. As noted in the customer call on March 17, 2021, Powerex is providing the following comments and questions in writing with respect to the Business Practice.

**Consolidation of Transmission Service, Version 1**

As discussed on the March 17th customer call, Powerex is concerned with the explicit restriction in Section B.2., that a Resale reservation may not be included in a Consolidation TSR. Bonneville explained that this was NAESB standard and requested Powerex submit written comments on this issue such that Bonneville could consider the rationale and implementation of the restriction. Powerex appreciates Bonneville looking further into this concern.

Powerex appreciates and understands that a NAESB standard restricts resales from being included in a Consolidation request, and that original intent was to prevent resales where the Reseller and Assignee are the same customer. However, it is unclear to Powerex why all resales of like requests were excluded from consolidation in the NAESB standard. Powerex
Bonneville Power Administration believes that the ability to consolidate all transmission types is important for Bonneville’s transmission customers. This restriction in the NAESB standard, as adopted in Bonneville’s draft business practice, will introduce inefficiencies for transmission customers, as well as for Bonneville. Powerex appreciates that there may be software limitations, but from the customer perspective, the firm transmission rights obtained under resale should not be treated any differently that transmission rights directly procured from the transmission provider. Inherently there is no difference in the curtailment rights (i.e. 7F) if one acquired a reservation directly from the provider, or from a reseller. Powerex hopes Bonneville can explore an alternative implementation of Consolidation that includes resales and therefore reduces administrative burden on customers and Bonneville.

**BPA Response 3**

BPA understands that there is some loss of flexibility introduced by this particular restriction. BPA has limited ability to customize functionality on the shared westtrans OASIS platform, which has been designed to implement NAESB standards. Although BPA does not plan to explore implementation alternatives that differ from the standard functionality, BPA does encourage Powerex to submit a request to NAESB in order to provide an opportunity for industry-wide discussion of allowing a Resale to be included in a Consolidation request.

Powerex is also has a clarification question with respect to the Section B.4. restriction on transferring a Consolidation Reservation to another Customer. It is common practice for a party to combine numerous transmission contracts through a consolidation request to facilitate their own scheduling practices. Given that, if a customer has consolidated requests for a longer term (such as 2-years), will it be possible for them to unwind the consolidation out in the future, after service has started (i.e. year 2 of service), to facilitate the ability to complete a transfer at that later date?

Thank you kindly for considering our comments and questions.

**BPA Response 4**

BPA thanks Powerex for identifying a potential gap in the NAESB standards. BPA has started discussions with NAESB participants on how to address this potential gap. In the meantime, the BPA TBL Reservation Desk will work with customers to facilitate transfers as necessary.

In a separate email in response to the request for feedback on the phased implementation of Resales and Consolidation presented during the April 21, 2021 Commercial Business Process Improvement (CBPI) call, Powerex wrote:

Apologies for the delay in our response. Powerex would like to reiterate the comments that were brought up on the customer call with respect to the timing of the Resales and Consolidation phased implementation schedule. As noted on the call, the summer period usually has more transactions and isn’t the ideal time to introduce a significant change to TSR processing. Like others, Powerex would also appreciate if the schedule was pushed to September or October, if possible.

**BPA Response 5**

BPA appreciates the concern raised by Powerex and will adjust the phased implementation of the Resale and Consolidation changes to start in late September.
C. Snohomish PUD

RE: Snohomish PUD comments regarding Consolidation of Transmission Service business practice

Snohomish appreciates the opportunity to submit comments on the Consolidation of Transmission Service V1 business practice.

Regarding A.3.c. “If a Source and Sink is defined in any Parent Reservation, then it must be the same for all Parent Reservations and the Consolidation TSR.”:

Historically, BPAT has allowed for multiple reservations to be aggregated into a single Resale reservation that have the same Points of Delivery (POD) and Points of Receipt (POR) but has not enforced a requirement that the aggregated parent reservations have the same Source and Sink. Snohomish has concerns over the implementation of requiring same Source and Sink for Consolidation TSRs as it will have negative impacts on Snohomish’s Point-to-Point business processes and efficient tagging practices that we have developed and had in place for well over a decade.

To provide some background, Snohomish is both a Long-Term Firm Point-to-Point customer of Bonneville Transmission Services and a Slice-Block customer of Bonneville Power Services. Our Slice and Block products serve approximately 80% of our customer load on an annual basis. In conjunction, we have purchased 1,118 MW of Long-Term Firm Point-to-Point specifically to support hourly scheduling of those the contracts from POR: BPAPOWER to POD: SNOHOMISH. However, the 1,118 MW is comprised of numerous reservations utilizing 11 unique Sources that are part of the Federal Columbia River Power System (FCRPS). To facilitate the ease of tag creation and hourly adjustments, we have made it standard practice to aggregate these TSRs on a monthly basis. This not only removes the burden of having to make hourly real-time adjustments on multiple TSRs, but also serves as a safeguard against overrunning our Multiple POR to Multiple POD contract and incurring transmission Unauthorized Increase Charges (UICs). Snohomish requests that Bonneville continue to allow for the Consolidation of multiple ‘like’ reservations based on POR and POD combinations, regardless of Source or Sink, as it has served as an important element in how customers are able to manage their transmission contracts.

To the extent BPA continues to consider requiring Source and Sink matching, Snohomish would also like to request additional clarifying information to better understand the reasoning behind this requirement on Consolidations:

- Has the absence of matching Source and Sinks caused any issues for BPAT in the past?
- Are there any benefits or goals that BPAT is seeking to achieve by implementing this practice?

If you have any questions or thoughts regarding our comments, or would like further information on how Snohomish schedules its Point-to-Point product, please do not hesitate to contact us.
BPA Response 6
BPA adopted this particular policy a number of years ago in response to an issue in which some customers were designating Source and/or Sink information in Resale TSRs that resulted in different long-term Available Transmission Capacity (ATC) impacts on the transmission system. This potentially gave the customer more or less long-term ATC rights than it had under its Parent TSRs. By definition, a Resale request should not change the impacts on ATC. This policy was adopted for Resales-to-Self to mitigate this situation. This same policy is being carried over to the Consolidation BP.