

BP-16 Transmission Rate Case Workshop



Agenda

- Power Factor Penalty
- Unreserved Use Penalty for NT Service
- Next Steps

BP-16 Rate Case Proposed Schedule

- November 5 – Federal Register notice published
- November 12 – Prehearing Conference/BPA Direct Case

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- Nov 19 - 21 – Clarification of BPA’s Direct Case
 - Jan 29 – Parties File Direct Cases
 - Mar 12 – Litigants File Rebuttal Cases
 - Apr 6 – Cross-exam
 - May 6 – Initial Briefs
 - May 15 – Oral Argument
 - Jun 17 – Draft ROD
 - Jul 8 – Briefs on Exceptions
 - Jul 28 – Final ROD

BP-16 Workshop Schedule

Date	Topic
May 7	Transmission Rates/Segmentation
May 29	Transmission Rates/Segmentation
June 10	Power Rates
June 11	Transmission Rates/Segmentation
June 25	Transmission Rates/Segmentation
July 9	Transmission Rates
July 23	Transmission Rates
July 24	Power Rates
August 13	Transmission Rates
August 14	Power Rates

Please note: RHWM Process customer meeting planned for early August.

Power Factor Penalty

- BPA Staff Proposal
 - Staff is considering the elimination of PFP in BP-16
- Background
 - PFP was developed during the 1996 rate case, as an incentive for transmission customers to minimize preventable reactive power flows at interconnections with the FCRTS.
 - PFP was developed prior to BPA adopting its Open Access Transmission Tariff (OATT), and the Technical Requirements for Interconnection to which the OATT refers.
 - The investment in reactive power devices installed on the Network is included in the Network Segment.

Power Factor Penalty (Cont.)

- Background
 - Currently, total penalties assessed are on the order of \$3M/year, and are credited to the Network Revenue Requirement. Roughly 2/3 of the penalties are assessed to BPA power sales customers, and the remaining 1/3 to wheeling customers.
 - PFP is problematic for both BPA and its customers to administer.
 - After taking into account data corrections and adjustments for special circumstances, penalties assessed have not decreased appreciably since the inception of the charge.

Other Remedies for Addressing Interconnections with Excessive Reactive Power Flows

- The OATT and the Technical Requirements for Interconnection now provide an appropriate means for addressing unacceptable power flows at points of interconnection with the FCRTS.
- From BPA's OATT, Attachment G, Section 7
 - (d) Interconnection with the Transmission Provider
 - The Transmission Customer shall plan, construct, operate and maintain its facilities and system that interconnect with the Transmission Provider's Transmission System in accordance with Good Utility Practice, including, but not limited to, all applicable guidelines of NERC, WECC and NWPP, the Transmission Provider and any applicable reliability authority, and generally accepted regional practices.
 - Additional information regarding Interconnection Requirements can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid.

Other Remedies for Addressing Interconnections with Excessive Reactive Power Flows

- And from the referenced Technical Requirements for Interconnection

12.4 Reactive Power

- Each entity shall provide for its own reactive power requirements, at both leading and lagging power factors unless otherwise specified by BPA. BPA generally requires customers to minimize exchange of reactive power with BPA's system, especially under peak load conditions. This can be accomplished by installing equipment to allow matching of internal supply and demand of reactive power. Closely coupled generators may also receive telemetered voltage schedules or receive the voltage schedule through ICCP to minimize VAR conflict. (See Section 12.1) Minimizing flow of reactive power on a given line can increase its transfer capability and reduce its losses. Reactive flows at interchange points between control areas should be kept at a minimum as per the WECC Minimum Operating Reliability Criteria.

Unreserved Use Penalty for NT Service

- Unreserved use of NT service could occur, for example:
 - if an NT customer did not reserve service to NT load. For example, by not having either:
 - A confirmed TSR for a designated Network Resource
 - A confirmed TSR for secondary network service
 - if the NT transmission schedules exceeded the designated capacity of a network resource (or secondary network service reservation) or metered network load.

Unreserved Use Penalty for NT Service

- BPA is researching whether there have been instances of unreserved use of NT service in the past and identifying potential impacts.
- Based on upon the research results, BPA will evaluate whether to include a rate penalty for the unreserved use of NT service in the Initial Proposal.

Next Steps

- May 9 – Customer issues for BP-16 rate case workshops due
 - Submit Transmission issues to your Transmission AE
- May 29 –Transmission Rate Workshop/Segmentation Workshop