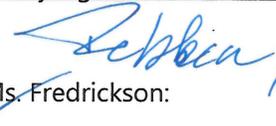




TECHFORUM

October 28, 2015

Seattle City Light's Comments on BPA Transmission Southern Intertie Hourly Non-Firm Rate Options


Dear Ms. Fredrickson:

Seattle City Light (Seattle) appreciates the opportunity to comment on the Bonneville Power Administration's (BPA) request for input on alternatives to address the issue of preserving the value of long-term service on the Southern Intertie. Seattle owns a share of the AC Intertie, and is extremely interested in ensuring the long-term value of the asset.

Seattle supports the exploration of non-rate alternatives as well as a potential collaborative alternative with the California Independent System Operator and other Balancing Authorities. Seattle also encourages BPA to explore non-rate based alternatives such as potentially changing the timing of when hourly non-firm is released, having BPA proactively issue curtailments prior to the interval, and the concept of duration competition. Seattle is not advocating for a particular option at this time, but would like to delve deeper into investigating the viability and results of these potential changes, and any other non-rate alternatives that might be suggested. Because the issue surrounding the Southern Intertie is inextricably linked with southern parties, Seattle sees value in exploring collaborative solutions where areas of mutual interest exist. As regional parties begin to interact more closely with California markets, exploring and discussing areas where BPA and other southern parties can alignment practices where all parties benefit should be encouraged.

Seattle believes the BP-18 workshops must consider all possible alternatives, including adjusting the hourly non-firm rate design; but that we should not presume this is the most cost-effective or operationally effective approach without first fully considering all options and the potential ramifications of rate adjustments. As other customers have noted in their comments, the region is in a state of flux as the market landscape is continuing to undergo rapid change. Pursuing a rate based solution on a short timeline could end up having unintended consequences that outweigh the potential benefits.

Again, Seattle greatly appreciates the opportunity to give input on potential alternatives for addressing the Southern Intertie issue. Should you have any questions about these comments, please don't hesitate to contact Sarah Davis at Sarah.Davis@Seattle.gov or 206-386-4537.

Sincerely,


Robert W. Cromwell, Jr.
Director
Power Contracts, Resource Acquisition and Regional Affairs