

June 28, 2018

Via Email (techforum@bpa.gov)

U.S. Department of Energy
Bonneville Power Administration
Transmission Services

Re: ACS Practices—Comments of Avangrid Renewables LLC, Idaho Power Company, PacifiCorp, and Puget Sound Energy, Inc. on the BP-20 Balancing Reserve Capacity Planning Standard Proposal

Avangrid Renewables LLC, Idaho Power Company, PacifiCorp, and Puget Sound Energy, Inc. (“Commenting Parties”) hereby comment on the Ancillary and Control Area Services (ACS) Practices Workshop presentation (the “June 14 ACS Workshop Presentation”)¹ discussed at the Ancillary and Control Area Services (ACS) Practices Workshop of Bonneville Power Administration (“BPA”) on June 14, 2018 (the “June 14 ACS Workshop”). Commenting Parties appreciate the opportunity to submit comments to BPA and look forward to working with BPA on these matters.

The June 14 ACS Workshop Presentation states that, for BP-20, (i) BPA Staff is not proposing changes to the methodology to determine Balancing Reserve capacity quantity and (ii) BPA will project the amount of reserves needed on a planning basis for balancing load and generation in BPA’s Balancing Authority Area using a 99.7% planning standard.² The presentation further states that BPA Staff “are proposing to define the quality of service in the Balancing Reserve Business Practice.”³ For the reasons set forth below and in the TC-20 Comments of Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc., dated May 30, 2018,⁴ BPA should not define the quality of service for Generator Imbalance Service in BPA’s Balancing Authority Area in a business practice. Rather, BPA should define it in the tariff, and failing that, define it in BPA rate cases.

The quality of service for Generator Imbalance Service (which under BPA Staff’s approach is expressed as a percentage, 99.7%) is a fundamental term and condition of transmission service. Absent this quantifiable level of service, the provision of Generator

¹ Available at https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/2018.06.14_ACS-Practices-Wrkshp.pdf.

² June 14 ACS Workshop Presentation at 11.

³ *Id.*

⁴ TC-20 Comments of Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on Certain of BPA’s Proposed Tariff Changes and Related Matters from April 23, 2018 TC-20 Meeting at 2 (May 30, 2018), available at <https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/TC-20%20Comments/Avangrid.%20Avista.%20Idaho%20Power.%20PacifiCorp.%20Portland%20General.%20and%20PSE%20Comments%20on%20BPA%20Proposed%20TC-20%20Tariff%20Changes.pdf>.

Imbalance Service under the BPA tariff is empty, as the amount of capacity, in theory, could be any amount, including no amount at all. The quality of service for Generator Imbalance Service should be established in BPA's tariff and revised pursuant to the procedures established for revising the tariff. A tariff revision proceeding provides a forum in which BPA transmission customers can challenge and explore the basis of a proposed quality of service for Generator Imbalance Service. If the quality of service is not defined in the tariff, it should at least be defined in BPA rate cases.⁵ Again, this will provide a forum in which BPA transmission customers can challenge and explore the basis of a proposed quality of service.

The FERC *pro forma* OATT defines the quality of service for Generator Imbalance Service in Schedule 9 (Generator Imbalance Service). BPA has indicated it is working to ensure business certainty and stability for its customers by adopting the FERC *pro forma* OATT for BPA's transmission services to the extent possible. In doing so, BPA has stated that its revised transmission tariff "will only differ from the pro forma OATT if the differences are based on the needs of our customers and other stakeholders, the reliable and efficient operation of the FCRTS, or BPA's statutory obligations." Subsequently, BPA announced in the February 21, 2018 meeting that it would consider differences from FERC's pro forma tariff if the differences meet at least one of four guiding "Principles." As pointed out in previous comments, some of those Principles are flawed and should be revised.⁶ That being said, BPA has failed to provide a single principle that would serve as a basis for identifying the amount of reserves needed on a planning basis for balancing load and generation in BPA's Balancing Authority Area in the Balancing Reserve Business Practice. More fundamentally, BPA has not demonstrated that the quality of service should be defined in a business practice rather than the tariff or BPA rate cases).

The June 14 ACS Workshop Presentation asks whether concerns regarding the inclusion of the quality of Balancing Reserves in a business practice could be addressed through qualifying language that "[a]ny material changes to the service defined in this Business Practice will not take effect until the start of the next rate period."⁷ The suggested qualifying language addresses one shortcoming of the business practice approach, but it simply delays the implementation of any such change and fails to provide an appropriate process (as discussed above) for defining the quality of service of Generator Imbalance Service. Fundamental change to terms and conditions of service, such as the quality of service of Generator Imbalance Service, should only be undertaken in a tariff revision (or rate) proceeding and should not be undertaken through a modification of a business practice, which does not allow for the necessary, detailed examination by BPA and its transmission customers of any such proposed change. Further, the proffered limiting language could itself technically be changed or removed through BPA's business practice modification process at any time.

⁵ BPA has previously asserted that "the rate process is an appropriate mechanism for identifying and responding to customer concerns" regarding the amount of capacity that BPA sets aside in order to provide Generator Imbalance Service. *Bonneville Power Admin.*, FERC Docket NJ12-3, "Petition for Declaratory Order Granting Reciprocity Approval and Exception from Filing Fee" at 28 (Mar. 29, 2012).

⁶ See May 30, 2018 TC-20 Comments of Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on Certain of BPA's Proposed Tariff Changes and Related Matters from April 23, 2018 TC-20 Meeting, available at <https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/TC-20%20Comments/Avangrid.%20Avista.%20Idaho%20Power.%20PacifiCorp.%20Portland%20General.%20and%20PSE%20Comments%20on%20BPA%20Proposed%20TC-20%20Tariff%20Changes.pdf> .

⁷ June 14 ACS Workshop Presentation at 13.

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Commenting Parties appreciate BPA's review of these comments and consideration of the recommendations contained herein. By return e-mail, please confirm BPA's receipt of these comments.