

August 1, 2018

Via Email (techforum@bpa.gov)

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

Re: Comments of Avangrid Renewables, LLC, Portland General Electric Company, and Puget Sound Energy, Inc. on the Draft Balancing Reserve Capacity Business Practice Language Proposed at the July 18, 2018 ACS Practices Workshop

Avangrid Renewables, LLC, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”) hereby comment on the following draft Balancing Reserve Capacity Business Practice language proposed by BPA in the July 18 ACS Workshop Presentation:¹

Any material changes to the service defined in this Business Practice, that would result in an impact to rates, will not take effect until the start of the next rate period, unless needed to comply with NERC or WECC requirements.²

This suggested language should not be adopted. It fails to capture what appears to be BPA’s intent, to avoid material changes during a rate period; this suggested language may permit changes to the services defined in the Business Practice (such as a decrease in the level of balancing reserve capacity held on a planning basis) within a rate period, so long as the change is not reflected in rates until the beginning of the next rate period.

As discussed in previously submitted comments, the level of balancing reserve capacity held on a planning basis is a fundamental term and condition of transmission service and should not be established in a business practice. *See, e.g.*, 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, dated June 28, 2018;³ TC-20 Comments of Avangrid Renewables, LLC, Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. on the June 26, 2018 TC-20 Tariff Proposals,

¹ Bonneville Power Admin., *Ancillary and Control Area Services (ACS) Practices Workshop* (July 18, 2018), available at https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/2018.07.18_ACS-Practices-Wrkshp.pdf (the “July 18 ACS Workshop Presentation”).

² July 18 Workshop ACS Presentation at 9.

³ Available at <https://www.bpa.gov/Finance/RateCases/BP-20/Comments/2018.06.28/Avangrid,%20Idaho%20Power,%20PacifiCorp,%20and%20PSE%20Comments%20re%20ACS%20Practices.pdf>.

dated July 18, 2018.⁴ Further comments, in the TC-20 process, on the BPA Business Practice process and on the BPA proposal to define the Generator Imbalance level of service in business practices are due to be submitted by August 6, 2018, but it should be noted that the process options presented at the TC-20 workshop of July 23, 2018, do not address the fundamental concerns set forth in the above, previously submitted comments.

The June 14 ACS Workshop Presentation⁵ asked 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.”⁶ Any such material change should, in any event, be made only upon adequate advance notice, in order to allow customers to respond to such change—for example make a Balancing Service Election in response to such change. Accordingly, the language should read as follows:

Any material changes to the service defined in this Business Practice will not take effect until the start of the next rate period, unless needed to comply with NERC or WECC requirements. Notice of any such change shall be given to BPA’s customers not later than 120 days prior to the date by which Balancing Service Elections by VERBs and DERBs customers must be made for such rate period.

This suggested 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 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.

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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.

⁴ Available at <https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/TC-20%20Comments/071818%20Comments/avangrid-pac-pge-pse-comments-071818.pdf>.

⁵ Bonneville Power Admin., *Ancillary and Control Area Services (ACS) Practices Workshop* (June 14, 2018), available at https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/2018.06.14_ACS-PracticesWrkshp.pdf (the “June 14 ACS Workshop Presentation”).

⁶ June 14 ACS Workshop Presentation at 13.