

White Paper

Scheduling, System Control and
Dispatch Rate Design Alternatives

Updated

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I. Introduction

As part of the Agency Strategy and Transmission Business Model, Bonneville Power Administration (BPA) is reviewing its rates and, where appropriate, looking to better align the rate designs with the function the service provides. Scheduling, System Control and Dispatch (SCD) was identified as a product that could be redesigned according to the Transmission Business Model Strategy. In addition to reviewing the SCD rate as part of the Transmission Business Model Strategy, some customers have asserted BPA's SCD rate is an economic obstacle for generators outside the Balancing Authority (BA) to wheel across BPA's transmission system, as well as for generators inside the BA that export out, creating a "pancake rate." For these reasons, BPA is exploring changes to the SCD rate design.

II. Background

Definition and Description of Scheduling, System Control and Dispatch

Scheduling, System Control and Dispatch service is an Ancillary Service required for scheduling the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. BPA Transmission Customers must purchase this service from BPA.

BPA currently applies a SCD charge for all original transmission reservations and network transmission load. One implication of charging SCD this way is SCD is billed multiple times for transmission reservations on multiple transmission segments. For example, if a customer reserves transmission with the intention of scheduling energy from a resource to the California-Oregon Border, that customer would be charged SCD on two reservations, once on the Network segment and once on the Southern Intertie segment. The same treatment is followed for the Montana Intertie in accordance with BPA's Open Access Transmission Tariff.

SCD Cost Breakdown

SCD includes all activities associated with scheduling energy transactions, verifying available transmission capacity for the schedule period, controlling generation to ensure adequate generation to meet firm load and interchange schedules, meeting reliability standards, and evaluating performance adequacy. In 2017, Operations and Maintenance expenses for SCD were approximately \$64M and Investments costs totaled approximately \$212M. A more detailed cost breakdown can be seen in Tables 1 and 3 below, or found on the BP-20 Meetings and Workshops page under the July 18, 2018 workshop heading at:

<https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

Table 1: FY2017 Segmented SCD Investments

Segmented SCD Investment 2017													
FERC Code	3531								3912	3913	3970		Grand Total
Sub-FERC Code	3531.101	3531.102	3531.103	3531.104	3531.105	3531.106	3531.107	3531.108	3912.200	3913.200	3970.104	3970.108	
GPLNT Total									33,256,461	28,509,741	583,139	45,958,597	108,307,937
MLEAS-G Total												18,443,322	18,443,322
MLEAS-T Total	2,180,127					2,180,129							4,360,256
TPLNT Total	12,880,948	640,831	75,539	40,497,502	861,659	694,793	19,001,700	6,836,562					81,489,534
Grand Total	15,061,075	640,831	75,539	40,497,502	861,659	2,874,922	19,001,700	6,836,562	33,256,461	28,509,741	583,139	64,401,918	212,601,049
Total Investment	212,601,049												
Scheduling Component	40,497,502	FERC Code 3531.104 used for RODS											

Table 2: FERC Codes used for Ancillary Services

FERC Codes	FERC Code Account Name	FERC Code Account Description
3531.101	Station Eqp - Control	Dispatcher's Board
3531.102	Station Eqp - Control	Stream Gauging
3531.103	Station Eqp - Control	Automatic Weather Reporting
3531.104	Station Eqp - Control	Rods
3531.105	Station Eqp - Control	Powerhouse Data Acq
3531.106	Station Eqp - Control	HVDC Console/Computer
3531.107	Station Eqp - Control	TCDS
3531.108	Station Eqp - Control	RAS (Control Center)
3912.200	Office Furniture & Equipment	Control System Processing Eqp
3913.200	Office Furniture & Equipment	Control System Software
3970.104	Communication - Scada Eqp	Supervisory/Control Eqp
3970.108	Communication - Scada Eqp	Communication SCADA Eqp

Table 3: FY2011-2017 SCD O&M Costs

SCD O&M Costs 2011-2017									
Group	Category	2011	2012	2013	2014	2015	2016	2017	Average
SCHEDULING	SCHED-AFTER-THE-FACT	155,899	235,830	236,080	239,530	237,015	273,268	304,828	240,350
	SCHED-MANAGE SPRVISION & ADMIN	(10,948)							(1,564)
	SCHED-PRE-SCHEDULING	240,302	216,005	240,494	327,694	343,973	381,926	210,762	280,165
	SCHED-REAL-TIME SCHEDULING	3,950,070	3,758,396	3,879,142	4,055,506	4,323,358	4,739,134	5,062,256	4,252,552
	SCHED-RESERVATIONS	3,850,292	4,063,568	4,160,436	1,048,994	1,156,291	1,166,624	1,210,775	2,379,569
	SCHED-TECHNICAL SUPPORT	1,226,234	948,115	431,829	3,939,968	3,731,632	3,641,184	3,655,913	2,510,696
Total Scheduling		9,411,848	9,221,913	8,947,981	9,611,692	9,792,268	10,202,136	10,444,535	9,661,768
SYSTEM OPERATIONS	CONTROL CENTER SUPPORT	14,753,404	13,645,553	14,061,644	19,367,928	20,849,069	23,065,994	23,567,095	18,472,955
	INFORMATION TECHNOLOGY	6,768,154	9,097,766	9,114,520	12,522,118	8,102,648	9,435,780	9,902,553	9,277,648
	POWER SYSTEM DISPATCHING	11,648,816	12,088,991	12,154,914	12,259,798	13,209,406	13,912,852	13,721,727	12,713,786
	TECHNICAL OPERATIONS	4,724,968	3,816,151	4,409,714	5,854,247	6,287,617	7,648,033	6,691,442	5,633,167
Total System Ops		37,895,340	38,648,462	39,740,792	50,004,092	48,448,739	54,062,659	53,882,817	46,097,557

SCD Cost Recovery and Current SCD Rates

BPA's current SCD rate methodology was established as part of the TR-02 Settlement. The SCD rates apply to both firm and non-firm transmission service arrangements on the Network, Southern Intertie, and Montana.

The calculation of the SCD rate starts with the segmented revenue requirement. This revenue requirement is adjusted by applying revenue credits and other adjustments as described in the Transmission Rate Study and Documentation. The adjusted revenue requirement is allocated to NT, PTP and IR service based on the ratio of the sales forecast for each service to the total forecast average annual sales of NT, PTP and IR. The allocated revenue requirements are divided by the applicable billing factor to determine SCD rates for NT, PTP and IR. A more in depth description of the SCD rate design can be found in the BP-18 Transmission Rates Study and Documentation (BP-18-FS-BPA-08).

The current (BP-18) SCD rates are:

- NT Service: \$0.376 per kilowatt per month
- PTP Long-Term Firm: \$0.322
- PTP Short Term Firm and Non-Firm:
 - Monthly, Weekly and Daily Firm and Non-Firm Service
 - Days 1-5: \$0.015 per kilowatt per day
 - Days 6 and beyond: \$0.011 per kilowatt per day
 - Hourly Firm and Non-Firm Service
 - 0.93 mils per kilowatt hour

For Transmission Customers taking Point-to-Point Transmission Service (PTP, IS, and IM rates), the Billing Factor is based on Reserved Capacity, and applies to all PTP transmission service under BPA's OATT regardless of whether the Transmission Customer schedules the transmission. For Transmission Customers taking Network Integration Transmission Service, the Billing Factor is the customer's load on the hour of the Monthly Transmission System Peak Load (TTSL).

Connection to Agency Strategy and Transmission Business Model

As part of the Agency Strategy and Transmission Business Model, BPA is in the process of reviewing its rates and exploring whether its products are priced at the appropriate level for the value of the services provided. In addition to the Agency Strategy and Transmission Business Model, there was an effort to review the Montana Intertie rate, which culminated with the publication of the Montana Renewable Action Plan (Montana Plan).

Industry Scan

BPA reviewed 29 Transmission Providers' Scheduling, System Control and Dispatch Rate designs. Specifically, BPA reviewed their PTP billing determinant, whether they have multiple transmission segments and whether they charge SCD for multiple segments.

Table 4: PTP SCD Billing Determinants Benchmarking

SCD Billing Determinant	Count of Transmission Providers
Count of Schedules	3
N/A	5
Reserved Capacity	20
Schedules	1
Total	29

Roughly two thirds of the Transmission Providers BPA reviewed use a reserved capacity billing determinant. Five of the Transmission Providers appear to not have a separate charge for SCD, three use a \$/schedule billing determinant for SCD and one bills SCD on scheduled energy.

Table 5: Transmission Providers with Multiple Segments

Transmission Provider	Separate Transmission Rate(s) for use of Specific "Segments"?	Is SCD applied on each "Segment(s)"?
Avista	Yes - Colstrip Direct Assignment rate	N/A
PGE	Yes - Colstrip Direct Assignment rate	Yes
PSE	Yes - COI and Colstrip Direct Assignment rates	Yes
SMUD	Yes - COTP rate and SMUD System rate	Yes
WAPA - Sierra Nevada	Yes - Separate rates for PACI, COTP, CVP transmission	N/A
WAPA - DSW	Yes	No

The majority of the Transmission Providers BPA reviewed do not have distinct transmission segments. Of the Transmission Providers BPA reviewed, seven have distinct transmission rates for different segments of their transmission system. PGE, PSE and SMUD have direct assignment rates for the COI and/or Colstrip line and charge SCD on each reservation when a customer reserves transmission on multiple segments. Avista has a Colstrip direct assignment rate, but does not have any costs identified for SCD. WAPA – Sierra Nevada has different transmission rates for different transmission segments, but BPA was unable to find a SCD rate. WAPA – DSW has different transmission rates for different segments and charges SCD based on a \$/tag billing determinant.

The complete industry scan is located on the BP-20 Meetings and Workshops page under the August 22, 2018 workshop heading at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

Key Findings

- The majority of Transmission Providers charge SCD similarly to BPA's status quo.
- Most Transmission Providers do not have multiple transmission segments; therefore, "pancaking" of SCD costs is not an issue.
- Typically, Transmission Providers that do have distinct transmission rates for different segments charge SCD for each segment. This is how BPA currently charges SCD.

BPA's Rate Principles

BPA developed principles for the SCD rate design analysis which were used to evaluate the rate proposals. Those principles are the following:

Set rates consistent with ratemaking principles

- a. Cost causation
- b. Full and timely cost recovery
- c. Simplicity, understandability, public acceptance and feasibility of application
- d. Avoidance of rate shock
- e. Rate stability from rate period to rate period
- f. Equitable cost allocation between Federal and non-Federal uses of the transmission system

Initial Customer Reactions to Proposed SCD Rate Change

During the BP-20 pre-rate case workshops, BPA staff shared with customers a proposal to explore two SCD rate designs and requested customers submit other alternative rate designs for staff to evaluate. Initial feedback from customers was largely negative. Only Renewables NW expressed interest in exploring a rate design change in BP-20. Primarily, customers expressed BPA has not made a sufficient business case that the current rate design is deficient or is in need of change. Many customers also expressed concern over the possible cost shifts associated with a methodology change.

At the July 18, 2018 BP-20 Rate Case Workshop, staff shared an initial evaluation of two rate design alternatives (Alternatives 1 and 2 in this document). Staff also shared its leaning to recommend charging the SCD rate based on use of the scheduling system (Alternative 2 in this document). With the exception of Montana wind parties, customers again expressed significant opposition to the proposal and concern over the motives for changing the SCD rate design. At the same time, customers offered two additional alternatives and requested staff evaluate them (Alternatives 4 and 5 in this document).

A complete summary of customer comments can be found in Appendix A.

III. Proposed Alternatives

Status Quo

Description

BPA would make no changes to its current SCD rate methodology.

BPA Initial Evaluation

Pros:

- SCD is billed on the same billing determinants as transmission reservations, which simplifies billing and customer understanding of bills
- Rate design uses billing determinants that largely align with industry standard across WECC
- Does not require development of new forecasting methodologies
- Does not result in costs shifts
- Consistent with industry standard

Cons:

- Does not eliminate the “pancaking” of SCD charges
- Renewable Northwest believes the status quo does not satisfy the cost causation rate principle

Possible Rate Range

Please see the supplemental workbook which includes possible rate ranges for this alternative. The workbook is located on the BP-20 Meetings and Workshops page under the August 22, 2018 workshop heading at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

Alternative #1 – Do not allocate SCD costs to the Southern Intertie or Montana Intertie.

Description

All SCD costs would be recovered by Network Load Service and Network Point-to-Point reservations. The SCD billing determinant would remain the same. A more detailed description of this alternative is available in the “SCD Rate Alternatives Description” document, which is posted on the BP-20 Meetings and Workshops page under the June 14, 2018 workshop heading at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

BPA Initial Evaluation

Pros:

- Simple to implement
- Uses the same billing determinants as the status quo rate design
- Eliminates the “pancaking” of SCD charges
- Fully and timely recovers costs
- Rate stability

Cons:

- Creates large cost shifts. Customers that only have network transmission will see a 1-3% rate increase in their overall transmission costs in addition to any upcoming rate pressure.
- It is possible to use Intertie transmission without using Network transmission, which may lead to free-rider issues
- This alternative may not satisfy the cost causation rate principle because there may be some costs associated with scheduling across the Interties

Possible rate range

Please see the supplemental workbook which includes possible rate ranges for this alternative. The workbook is located on the BP-20 Meetings and Workshops page under the August 22, 2018 workshop heading at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

Alternative #2 – Base the SCD billing determinant on schedules and metered load, and charge SCD only once across BPA’s system.

Description

Charge SCD once and base the billing determinant on schedules and metered load (i.e. use a \$/MWh access charge). A more detailed description of this alternative is available in the “SCD Rate Alternatives Description” document, which is posted on the BP-20 Meetings and Workshops page under the June 14, 2018 workshop heading at:

<https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

BPA Initial Evaluation

Pros:

- Eliminates “pancaking” of SCD charges
- Fully and timely recovers costs
- Rate stability

Cons:

- Methodology creates large cost shifts across customers
 - NT customers may see a 2%-7% increase in their transmission costs in addition to any upcoming rate increase
- Methodology is more complicated and less transparent than the status quo.
 - To validate a monthly transmission bill a customer would have to check the schedules associated with all of its tags. For active PTP customers this could exceed thousands of tags every month, which could lead to more billing disputes with customers.
- Customers have raised concerns whether moving to scheduled energy and metered load is better aligned to the costs of providing SCD.
 - Control and Dispatch costs may better align with the capacity of a reservation and peak load and not how a customer is actually scheduling its transmission. Moving to actual usage may not reflect this.
 - Scheduling costs may not align to the actual scheduled volume of energy. For example is it more expensive to schedule 50 MWs than 1 MW?
 - Customers have asked about the costs associated with customers that frequently use the system for redirects. This rate does not address that type of usage.
- Would require the development of new forecasting models and methodologies

Possible rate range

Please see the supplemental workbook which includes possible rate ranges for this alternative. The workbook is located on the BP-20 Meetings and Workshops page under the August 22, 2018 workshop heading at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

Alternative #3 – Base the SCD billing determinant on schedules and metered load, and continue to charge SCD on each segment.

The rate impact of this alternative was conducted per customer request and can be found in the supplemental workbook; however, this alternative was not considered as one of the proposed alternatives to the SCD rate design.

Alternative #4 – “Roll-in” the SCD rate.

Description

Eliminate the SCD rate and allocate the costs across the Network, Intertie and Utility Delivery segments.

BPA Initial Evaluation

Pros:

- Simple to implement
- Uses the same billing determinants as the status quo rate design
- Customers see something close to actual price on OASIS
- Fully and timely recovers costs
- Rate stability

Cons:

- Does not actually eliminate the “pancaking” of SCD charges
 - The costs associated with SCD still show up in both the network and intertie transmission charges, so customers are still charged twice, or more, for a wheel across multiple segments
- This alternative would allocate SCD costs based on “net plant” instead of sales and it is unclear if there is a strong cost based reasoning to do so
- Utility Delivery is not currently charged SCD costs

Possible rate range

Please see the supplemental workbook which includes possible rate ranges for this alternative. The workbook is located on the BP-20 Meetings and Workshops page under the August 22, 2018 workshop heading at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

Alternative #5 – Base the SCD billing determinant on e-tags and charge SCD only once across BPA’s system

Description

Charge SCD based on the count of e-tags. This alternative would charge a \$/e-tag for each transmission customer on a tag.

BPA Initial Evaluation

Pros:

- Eliminates “pancaking” of SCD charges
- E-tags may more closely align with the scheduling costs of SCD

Cons:

- Methodology creates large cost shifts across customers
- The majority of NT service is not tagged, so BPA would need to develop a different way to allocate costs between customers that have scheduled tags and customers that have unscheduled service
- E-tags may align closer to the usage of the scheduling portion costs of SCD, but not the control and dispatch aspect
- BPA is still analyzing the costs associated with providing SCD and whether e-tags are the proper metric to measure use of the systems and costs associated with SCD
 - For example, e-tags would not capture use of the system such as redirects. E-tags are often adjusted multiple times throughout the day and billing on e-tags does not reflect this type of usage of the scheduling system.
- Methodology is more complicated and less transparent than the status quo
 - To validate a monthly transmission bill a customer would have to possibly match thousands of tags. This could lead to more billing disputes with customers
- This alternative would require the development of new forecasting models and methodologies
- Rate stability may fluctuate with customer usage

Possible rate range

Please see the supplemental workbook which includes possible rate ranges for this alternative. The workbook is located on the BP-20 Meetings and Workshops page under the August 22, 2018 workshop heading at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Meetings-and-Workshops.aspx>

IV. Evaluation of Alternatives Based on Rate Principles

Rate Principle	Status Quo	Alternative 1	Alternative 2	Alternative 4	Alternative 5
Cost causation	Yes	Yes, if one could show either there is only benefit to the Network, or if one could show those that are paying the SCD for the Network are all the same customers that are paying the SCD for the Interties.	Yes, if we only allocate the portion related to scheduling.	Yes	Yes
Full and timely cost recovery	Yes	Yes	Yes	Yes	Yes
Simplicity, understandability, public acceptance and feasibility of application	Yes	No	No	Customer acceptance would likely be mixed.	No
Avoidance of rate shock	Yes	No, there would be significant cost shift to Network customers.	Yes, if we only allocate the portion related to scheduling. If we allocate all costs, then there would be a significant cost shift across customers.	No	No
Rate stability	Yes	Yes	No	Yes	No
Equitable cost allocation between Federal and non- federal uses of the transmission system	Yes	Yes	Yes	Yes	No

Appendix A: Summary of Customer Comments Received

The customer comments summarized below are available on the BP-20 Customer Comments webpage at: <https://www.bpa.gov/Finance/RateCases/BP-20/Pages/Customer-Comments.aspx>

Clark Public Utilities

Submitted June 28, 2018

- Not necessarily opposed to BPA exploring alternative rate designs associated with SCD, but does not believe BPA has made a business case that the current rate design is deficient or in need of change, nor has BPA demonstrated how the current rate methodology does not meet the rate case principles.
- Concerned that a new rate methodology could result in significant cost shifts.
- Believes the current SCD rate design aligns well with how other transmission providers in the region recover SCD costs.
- Does not recall BPA using the term “hurdle rate” in the past to set rates. The SCD rate is a cost for doing business, and it appears some customers would like a lower rate for doing business.
- Would like more information or clarification as to how a new rate methodology would be implemented; the resulting cost shifts; how it will impact Clark Public Utilities compared to the status quo; or how it would be more reflective of a cost-based service.
- Recommended BPA provide customers with some activity based cost accounting relating to SCD to better explain the work, systems, and personnel involved in providing SCD and why it costs so much.

Joint Comments of Avangrid, Avista, Idaho Power, PacifiCorp, PGE, and PSE

Submitted June 28, 2018

- Requested additional information about the alternatives BPA staff presented at the workshop.
- Recommended that billing determinants for SCD under Alternative 2 should, to the extent practicable, be comparable for different services.

Joint Comments of EWEB, Cowlitz PUD, PNGC Power, and WPAG

Submitted June 28, 2018

- Not necessarily opposed to BPA exploring alternative rate designs associated with SCD, but does not believe BPA has made a business case that the current rate design is deficient or in need of change, nor has BPA demonstrated how the current rate methodology does not meet the rate case principles.
- Believes the current SCD rate design aligns well with how other transmission providers in the region recover SCD costs.
- Believes BPA’s claim that some customers fee the current SCD billing methodology is a “hurdle rate” is too ill-defined to be persuasive.
- Recommends BPA first establish that a change to the SCD methodology is needed, and then provide significant analysis of rate design alternatives, including information on resulting cost shifts.
- Recommends BPA provide customers with some activity based cost accounting relating to SCD to better explain the work, systems, and personnel involved in providing SCD and why it costs so much.

Northwest Requirements Utilities

Submitted June 28, 2018

- Believes BPA staff has not provided a sufficient explanation for the reasons given for proposing a change to the SCD rate design and has failed to explain how the current SCD rate design falls short of ratemaking principles.
- Believes the existing SCD rate design appears to already be the simplest approach
 - It uses the same forecasted data and billing determinants as other transmission rates.
 - A new billing determinate poses risks of inaccurate forecasting and billing; increased systems/processes conflicts with BPA’s Strategic Plan.
 - The existing SCD rate appropriately addresses cost causation, while a new methodology is likely to cause cost shifts.
 - Due to the nature of SCD services, it is appropriate to allocate SCD costs based on reservation amounts because that is the amount of power that could be scheduled at any given moment.
- Believes the existing SCD rate design is consistent with other balancing authority areas in the PNW and is more consistent with BPA’s strategic plan
 - Changing the rate design without justification conflicts with the Strategic Plan
 - The proposed changes to the SCD rate design would increase staff time, costs, and risks

- Unclear what a “hurdle rate” means and believes that BPA’s primary objective is to remove the purported “hurdle rate” from the Intertie segment. This fails to consider cost causation.
 - NRU members do not see the SCD charge as an additional hurdle rate

Public Power Council

Submitted June 13, 2018

- PPC Generally supports a rate design that is simple, transparent and recovers costs, but would like to better understand how the alternate rate design better meets those criteria when compared to BPA’s current SCD rate.
- Requested more information about the SCD proposal:
 - More specificity on how the charge would be applied, including a detailed description of how the rate would apply in specific scenarios;
 - Expected costs (both initial and ongoing) of making this change;
 - Expected changes in the billing determinant; and
 - An assessment on any changes in cost recovery risk due to the changed rate design.
- PPC is concerned that BPA would propose a rate change simply because some customers have the “impression” that a rate creates a hurdle for specific uses of the system.
- Requested BPA make additional data/information available to customers, including historical scheduling data, how reservations are used to schedule and how the number of schedules impacts the costs associated with SCD charges.

Powerex

Submitted June 28, 2018

- Requests BPA provide further information on what BPA believes is the problem to be resolved, and why it proposes making changes to the SCD charge.
- Requests BPA analyze and present information on cost shifts to customers, as well as identify its assumptions on the estimated SCD rates and billing determinants used for analysis of any proposals.
- Requests BPA explain how its proposal aligns with industry standard and is consistent with BPA strategy, including examples from other comparable transmission tariffs.
- Powerex’s review suggests the majority of providers recover SCD based on a reserved capacity charge and this would align with the fact that scheduling costs are largely fixed costs to the Transmission Provider. There is little-to-no variable cost component if customers schedule on their reserved capacity or not.

Renewable Northwest

Submitted June 28, 2018

- Encouraged by BPA’s examination of the current SCD rate methodology.
- Concerned that the current approach to recover SCD costs is not directly tied to a customer’s use of SCD services and, as such, is inconsistent with cost causation principles.
- For customers scheduling a single transaction across two or more of BPA’s transmission segments, the current SCD rate design effectively amounts to an additional transmission service wheel and is not proportional to that customer’s single utilization of BPA’s SCD services.
- Believes the current SCD rate structure is disproportionately burdensome for lower capacity factor resources such as wind and solar energy.
- Believes the current SCD rate design is disconnected from the expanding participation in the Western EIM.
- Believes the current SCD rate design is inconsistent with BPA’s Strategic Plan, given the factors listed and changing market conditions.
- Believes BPA’s current method to recovering SCD costs is not consistent with industry standards.

Submitted August 6, 2018

- Continues to support changes to the SCD rate design
- Believes that in order to meet BPA’s ratemaking principles, at the very least, the “scheduling” portion of the SCD rate must be aligned with the number of schedules submitted and there must only be one charge for each schedule regardless of the number of BPA segments that scheduled power flows over.

Shell Energy

Submitted August 1, 2018

- Based on the BPA’s rate impact analysis of Alternative 2, Shell Energy is concerned that the “avoiding rate shock principle” has not been met.
- Believes true cost causation principles would assign cost to the number of schedules which BPA processes.
- Scheduling functions are not proportionate to MWh scheduled, so charging the SCD based on transmission MWh scheduled may not meet BPA’s cost causation principle.

- A MWh scheduled billing determinant would create cost shifts to large load customers or larger transmission lines, counter to reflecting and encouraging economies of scale.
- Even if an owner of a particular segment of transmission is not the entity scheduling energy from its generation or energy to its load, that does not mean the transmission owner is not receiving a benefit from those transmission schedules.
- Encourages BPA to maintain the status quo for SCD cost recovery, as it is commonly accepted, similar to other utility allocation basis, and likely meets BPA’s “sound business practice” criteria.

Snohomish PUD

Submitted June 13, 2018

- Requested more information/clarification on BPA’s proposed rate alternative including:
 - How the SCD rate itself would change;
 - The overall revenue impact from the rate design change;
 - Whether BPA believes it currently collects adequate/inadequate amount of revenue from the SCD charge to cover its cost of providing the service;
 - Analysis of specific scheduling scenarios.