

April 17, 2020

*Submitted via email to techforum@bpa.gov*

**RE: NRU's Comments on Proposed Changes to BP-22/TC-22/EIM Phase III Workshop Schedule**

Northwest Requirements Utilities (NRU) appreciates the opportunity to submit comments in response to BPA's proposed BP-22/TC-22/EIM Phase III workshop schedule change.

NRU recognizes the complexities and interconnectedness of incorporating EIM-related changes into BPA's Power and Transmission rates and transmission tariff. In fact, we have frequently commented on this and asked BPA to bring these issues together so we can see the combined impact of potential changes.<sup>1</sup> This becomes particularly complex for NRU's members, given that they are both Power and Transmission customers and will be impacted on both sides of the business.

We see several pieces needing to come together in order to understand how BPA's participation in the EIM will be incorporated into BPA's rates modeling and rates schedules for both Transmission and Power and into its tariff, including:

- Amount of and provision of reserves-based ancillary and control area services, such as balancing reserves, energy imbalance, generation imbalance and VERBs scheduling elections.
- Rate design and billing determinants for new, modified and existing ancillary services, including any interaction with Power rates (e.g., revenue credit for selling FCRPS balancing reserves to Transmission).
- Impacts to and requirements for non-federal Non-Participating Resources and Participating Resources.

Given the importance in seeing how these pieces fit together, we understand the need for BPA to pause external workshops and internally focus on integrating these pieces into a proposal. However, this must be balanced with providing sufficient opportunity

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<sup>1</sup> See NRU comments submitted on April 2, 2020, November 6, 2019 and July 22, 2019.

for customers to review and comment on BPA's thinking. Historically, we have achieved success when BPA and its customers interact in an iterative process where we collaboratively build and revise the concepts that ultimately determine the rate designs that are included in the Initial Proposal.

We are concerned that the timeline proposed by BPA will not provide a robust iterative process where customer feedback can be solicited and incorporated into BPA's thinking. We are further concerned by BPA's desire to redline the rate schedules and tariff prior to sharing the concepts with customers. This suggests that BPA's proposal will be near-final prior to full customer engagement, and there will be a high hurdle for making changes to the rate proposals.

Therefore, NRU recommends the following alternative approach:

- Do not hold May workshops.
- BPA uses the next 8 weeks to develop a conceptual rates and tariff framework with examples. The conceptual framework can be provided as a white paper or PowerPoint slides, whichever is easier for BPA staff.
  - The conceptual framework would describe BPA's proposal on how to integrate the various impacts of BPA joining the EIM. Where appropriate, BPA can also propose alternatives for customer consideration and discuss pros/cons of the different approaches.
  - The examples would show how the proposal would impact various types of customers, such as: Transmission-only; Load Following + NT customer; Slice/Block + PTP customer; customer with a Non-Participating resource; customer with a Participating Resource; etc.
  - The conceptual framework will also need to discuss how BPA intends to rely on the FCRPS vs. purchases from the EIM for purposes of providing balancing reserves.
- Additionally, BPA would share its proposed decisions on the Phase III policy issues listed in the September 2019 EIM Record of Decision.<sup>2</sup> We expect that preliminary decisions will need to be made on these issues in order to develop the conceptual framework and examples. This will provide customers the opportunity to see and respond to BPA's proposed decisions prior to the publication of the EIM Phase III Decision Document.

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<sup>2</sup> See [EIM Policy ROD](#), September 2019, pages 31-32. The Phase III policy issues include: Transmission Usage—Network; Allocation of EIM Charge Codes; Resource Sufficiency—Sub-Balancing Authority Area Level; Transmission Losses; Non-federal Resource Participation Requirements; Settlements/Billing (Mechanics); Data Submission Requirements; Metering Requirements.

- BPA should not provide redline changes to the rate schedules or tariff. BPA needs time to incorporate customer comments into the proposals before producing redlines.
- The workshops would resume on June 23rd as scheduled. The first workshop(s) would review BPA's conceptual framework and examples and answer customer questions. The conceptual framework and examples would be shared one week in advance to provide sufficient time for review and consideration prior to the workshop.
- Customers would have the opportunity to provide written questions and comments in response to the proposed conceptual framework. BPA staff would then incorporate this feedback into the next iteration, which would be shared at the next workshop. This process would iterate until BPA begins running the rates models and developing the Initial Proposal in the September/October timeframe.

NRU believes that this revised approach would provide BPA with the time to integrate the various EIM-related pieces into a conceptual framework, while still allowing sufficient opportunity for customers to have meaningful and timely input into BPA's thinking.

If this approach is not workable for BPA, NRU would prefer to work within the existing schedule and explore other options to address any challenges associated with that schedule.

In closing, NRU appreciates the tremendous time and effort BPA staff are investing in getting BPA ready to join the EIM in March 2022. Our goal with this proposed approach is to provide BPA staff sufficient time to work internally, while still preserving the valuable process between BPA and customers to collaboratively develop rates and policies that will impact many parts of BPA Power and Transmission Services.

As always, we appreciate the opportunity to comment and look forward to continuing to work with you as we tackle these complex issues.

Sincerely,



Megan Stratman  
Rates and Policy Director