



October 25, 2018

Steve Kerns, Director of Grid Modernization
Bonneville Power Administration

RE: Comments in response to BPA's October 11, 2018 EIM Stakeholder Meeting

PNGC Power appreciates the opportunity to comment on Bonneville Power Administration's (BPA's) most recent EIM Stakeholder Meeting held on October 11, 2018. We encourage BPA to continue its public outreach during its evaluation to join, or not join, the EIM. PNGC is a member of the Public Power Council (PPC) and fully supports the comments submitted by PPC on this Stakeholder Meeting. PNGC submits these comments separately to underscore items of particular importance to PNGC.

Treatment Transfer Service Customers

PNGC is a load following customer of Bonneville Power with approximately 150 Points of Delivery (POD) located across 7 Western states. Many of PNGC's POD are served via Transfer Service over 3rd party systems. As BPA explores the EIM, we ask that it keep the interests of all preference customers in mind, including Transfer Service customers. Specifically, PNGC asks that BPA acknowledge that the agency made the business decision many years ago to not build lines to directly serve these customers and instead opted to serve them over 3rd party lines. Over time, Transfer Service has resulted in significant cost savings for BPA and subsequently all of its preference customers. In return, PNGC requests that BPA continue to treat Transfer Service customers similarly to "direct connect" customers, even if EIM transfers result in higher relative costs of serving Transfer Customers as compared to customers directly connected to the BPA Transmission system.

Voluntary Participation

PNGC is supportive of BPA exploring the EIM so long as BPA's participation remains voluntary. BPA should not enter into any agreement where future participation is mandatory. Any EIM participation agreement should allow for BPA to unilaterally withdraw from the EIM at its own discretion. Additionally, BPA should not agree to any "must offer" provisions where it finds itself compelled by the California ISO (CAISO) to supply capacity from the Federal Columbia River Hydro System at a price dictated by the CAISO.

Treatment of Transmission

PNGC is concerned about the potential for "free ridership" on the transmission system that BPA has outlined on page 17 of the presentation given on October 11th. We encourage BPA to hold future workshops on this topic to ensure EIM participants pay their fair share of costs associated with their use of BPA's transmission system. PNGC appreciates BPA taking our comments into consideration and looks forward to working with BPA over the coming years as the agency explores its voluntary participation in the Western EIM.

Sincerely,

Scott Russell
VP of Transmission