Bonneville Power Administration

Customer Comments on the BPA Stakeholder Meeting addressing the Imbalance Service public process April 11, 2014

Comments Received from
Renewable Northwest

Posted April 17, 2014

Renewable Northwest Members

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American Wind Energy Association
Atkins
Blattner Energy
Bonneville Environmental Foundation
BP Wind Energy
Center for Energy Efficiency & Renewable Technologies
Christenson Electric
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Northwest SEED
NW Energy Coalition
OneEnergy Renewables
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Tonkon Torp LLP
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Warm Springs Power & Water Enterprises
Washington Environmental Council
WashPIRG
Western Resource Advocates

Renewable Northwest

April 11, 2014

VIA E-MAIL

TO: Tech Forum
Bonneville Power Administration
Email: techforum@bpa.gov

RE: Comments of Renewable Northwest on BPA's Consideration of Public Processes for Imbalance Service Rate Case Inputs

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Renewable Northwest appreciates the opportunity to comment on the Bonneville Power Administration's ("BPA") consideration of public processes for imbalance service rate case inputs. In the "Generation Inputs Workshop" presentation, dated April 1, 2014 (the "April 1 Presentation"), BPA staff presented stakeholders with four potential process options for establishing: (1) the service definition for imbalance service; (2) the methodology to calculate the total quantity of balancing reserve capacity needed to provide imbalance service; and (3) the methodology to determine the quantity of balancing reserve capacity that can be provided for ancillary and control area services from the Federal Columbia River Power System ("FCRPS").[1] BPA identified the following four alternative processes:

- Alternative 1: All issues addressed in the rate case.
- Alternative 2: Separate public process to establish service definition for imbalance service; other issues addressed in the rate case.
- Alternative 3: Separate public process to establish (1) service definition for imbalance service and (2) methodology to determine the quantity of balancing reserve capacity that can be provided for ancillary and control area services from the FCRPS; other issues addressed in the rate case.
- Alternative 4: Separate public process to establish (1) service definition for imbalance service; (2) methodology to calculate the total quantity of balancing reserve capacity needed to provide imbalance service; and (3) methodology to determine the quantity of balancing reserve capacity that can be provided for ancillary and control area services from the FCRPS; other issues addressed in the rate case.[2]

[1] April 1 Presentation at 45.
[2] *Id.* at 50.

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BPA staff identified two "drivers for change": an effort to simplify the rates process, and an attempt to separate tariff terms and conditions from rates, in response to guidance from the Federal Energy Regulatory Commission ("FERC").[3] BPA has requested "feedback on the appropriate path forward" on or before April 11, 2014.[4]

Renewable Northwest appreciates BPA staff's efforts to make the rate case process more efficient and respond to direction from FERC. However, staff's proposal is unclear and lacks specificity as to the content, timing and end product. For example, it is unclear whether staff envisions the process to establish the service definition for imbalance service as including BPA's use of DSO 216.[5] In addition, it isn't clear whether the process would align with the rate case timeline, lead to a separate record of decision, or culminate in a FERC filing requesting safe harbor reciprocity status. This lack of clarity surrounding the various alternatives makes it difficult to appropriately evaluate whether they would have a better chance of accomplishing staff's stated objectives than the status quo process(es).

Moreover, all of the issues identified by staff are deeply intertwined with one another and with other rate case issues. At a minimum, it would be quite difficult to separate the service definition from the physical feasibility determination and the determination of how much balancing capacity is needed to provide imbalance service.

In addition to the concerns outlined above, we have concerns about surrendering our procedural rights to vet the issues identified by staff in the rate case. However, if a separate process were to lead to a FERC-approved open access transmission tariff ("OATT"), it might be appropriate to have the tariff provisions inform the rate case process once those provisions are approved by FERC. Regardless of which path BPA chooses for this rate case, BPA should continue to pursue safe harbor reciprocity status with FERC and the necessary changes to its OATT that would enable it to meet FERC's reciprocity test.

Thank you for the opportunity to comment.

/s/ Dina Dubson
Staff Counsel

/s/ Cameron Yourkowski
Senior Policy Manager

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[3] *Id*. at 45; *see also Bonneville Power Admin.*, Order on Petition for Declaratory Order, 145 FERC ¶ 61,150 (Nov. 21, 2013).
[4] April 1 Presentation at 52.
[5] In its order denying BPA's request for safe harbor reciprocity status, FERC stated, "to the extent Bonneville intends to employ DSO 216 or a similar operational protocol to enforce its generator imbalance provisions, it should include this protocol in its compliance filing so that the Commission can determine whether it should be included in the tariff." 145 FERC ¶ 61,150 at P 56.