

Response to Customer Comments – NETWORK OPERATING AGREEMENT

NETWORK INTEGRATION TRANSMISSION SERVICE

Version 1

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This document contains customer comments and BPA Transmission Services’ response to the **Network Operating Agreement Template, Version 1** shared for comment from **June 24, 2019**.

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A. Overview and Background

The TC-20 Settlement Agreement (Settlement) led to the adoption of Bonneville's current Open Access Transmission Tariff (OATT), effective October 1, 2019. This included revision of Attachment G to remove the previous Network Operating Agreement (NOA) and replace it with a list of topics to be included in NOAs. The Settlement required that BPA "*develop a template Network Operating Agreement in collaboration with customers, and bilaterally negotiate individual agreements.*"¹

BPA has been utilizing the Network Operating Committee (NOC) to collaborate with Network Integration Transmission Service (NT) customers in proposing draft templates and soliciting feedback.

The version of the NOA that was shared in the June 24, 2019 NOC is now referred to as version 1 and is the baseline from which these comments are addressed.

The revised template shared with these responses is labeled as version 2, dated October 21, 2019.

BPA appreciates the willingness of NT customers to comment on the NOA template and recognizes that the ongoing communication has led to, and will continue to lead to, improvements for all NT customers and the operation of the network.

While previous comments were responded to in the redline NOA document, the volume and complexity of the most recent set of comments required utilizing a different approach. As such, a redline template is being published. Bonneville has also attempted to include all customer comments and BPA responses in this document.

Where possible, similar customer comments have been grouped to provide a single response. The organization of responses follows the sections in the NOA. More general comments or those spanning multiple topics are addressed at the end.

Quotations of customer comments are shown in *italics*. Summarized comments are shown in the standard font.

There have been many formatting changes and corrections in this version. These non-textual changes have not been identified in the redline document.

¹ TC-20 Settlement Agreement Section 6.b, [https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/TC-20%20Settlement/Final_TC-20%20Settlement%20Agreement%20\(11-13-08\).pdf](https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/TC-20%20Settlement/Final_TC-20%20Settlement%20Agreement%20(11-13-08).pdf)

B. General Changes

These changes are not related to any specific customer comment, but are part of an overall consistency and simplification effort.

<no customer comment>

BPA Response

The term “Transmission Customer” has been replaced with “Network Customer” to more accurately reflect the OATT defined term. Similarly, the term “BPA” has been replaced with “Transmission Provider.” Usage of the term “Parties” has also been standardized.

The Recitals section has been recrafted to more clearly align with the purpose of the NOA including the addition of multiple paragraphs, the elimination of the section title, and the modernization of some language.

Formatting, numbering, and associated styles have been standardized. Many paragraphs have been renumbered because of this. The MS Word version now has a functional navigation pane to quickly jump to any section.

C. Section 4 Definitions

Multiple comments were received regarding specific definitions or the usage of definitions in general. These comments have resulted in many changes intended to avoid redefining NERC or Tariff-defined terms.

Defined Terms

WPAG proposed adding the following to Section 4:

Unless otherwise defined herein, capitalized terms refer to terms defined in the Tariff, Rate Schedules, or the most current version of the Glossary of Terms Used in NERC Reliability Standards .

WPAG also noted:

Should this [Communications] be capitalized? Did not see it as a defined term under the tariff or the rate schedules. See § 4.

BPA Response

BPA appreciates this in combination with other suggestions regarding defined terms and has replaced this paragraph with:

Unless otherwise defined herein, capitalized terms refer to terms defined in the Tariff, Rate Schedules, or Glossary of Terms Used in NERC Reliability Standards in effect at the time.

BPA has eliminated capitalized for words that are not defined terms.

Unused Terms

WPAG proposed adding definitions for “Contingency Reserves” and “Regulating Reserves” as follows:

Contingency Reserves

The Transmission Customer’s reserve obligation to the Transmission Provider’s Balancing Authority under Schedules 5 and 6 of the Tariff.

Regulating Reserves

The Transmission Customer’s reserve obligation to the Transmission Provider’s Balancing Authority under Schedule 3 of the Tariff.

WPAG also proposed removing the definition of “Single Contingency” since the term was not used.

BPA Response

These terms are not referenced in the current NOA and the definitions have been removed.

Defining BPA Documents

WPAG proposed a change to the defined term “Technical Requirements for Interconnection To The BPA Transmission Grid” to eliminate “BPA” and replace with the generic “Transmission Provider’s.”

BPA Response

The “Technical Requirements For Interconnection To The BPA Transmission Grid” is a specific publicly available document that details technical requirements for interconnection. It is available from bpa.gov/transmission. However, the website only refers to the document by “Technical Requirements for Interconnection.”

BPA has chosen to replace the exact title of the document with the following: “Transmission Provider’s technical requirements for interconnection” in order to allow for potential changes to the referenced document.

The defined term has been removed.

Defining Resource

WPAG raised a number of questions regarding the definition of “Transmission Customer Resource.”

Why would this agreement concern non-Network Resources owned by the Transmission Customer? The NOA relates to the function of the provider’s and customer’s systems, I don’t think it is limited to Network Resources.

Too broad without this change. Why would this agreement apply to third party resources not used to serve the Transmission Customer’s Network Load? What does BPA require when such resources are directly connected to the system of a BPA PTP customer? More discussion is likely needed.

BPA Response

Upon further review, application of the defined term “Transmission Customer Resource” and attempts to re-define the term led to complexity and ambiguity in the various uses of the term “resource” throughout the NOA. NERC does not define “Resource” in the current Glossary of Terms Used in NERC Reliability Standards. However, it is used in many NERC definitions. BPA has proposed to adopt similar usage and has removed resource as a defined term, whether used as “Transmission Customer Resource,” “Customer Resource,” “Generation Resource,” or “Resource” and replace it with the general “resource.”

BPA’s goal is that this approach will allow for specific sections of the NOA to be reviewed and revised consistently.

Defining Good Utility Practice

NRU suggested a definition for Good Utility Practice and Generally Accepted Regional Practices.

Section 4 should include definition of “Good Utility Practice.” Also, the term “generally accepted regional practices” is used in Section 6(d). It is unclear what is meant by this term and how it differs from Good Utility Practice.

BPA Response

The introductory language in the revised NOA states:

“The Parties agree to adhere to Good Utility Practice as defined in the Tariff, including all applicable reliability criteria as observed in the region.”

BPA has elected not to redefine terms defined in the Tariff or reliability standards.

The previous section 6(d) has been revised and relocated to section 6(a) to provide more context for the meaning of Good Utility Practice as it relates to resource and interconnection principles and requirements. The term “generally accepted regional practices” has been removed, as the current OATT definition of Good Utility Practice includes “practices, methods, or acts generally accepted in the region.”

D. Section 5 Interconnected Facility Requirements

Multiple comments were received and are summarized in the following sections.

Ownership

WPAG proposed changing the following throughout Section 5:

Change “Equipment or facilities” to “Equipment and facilities.”

WPAG also proposed minor changes in the following two sections under 5(a) Ownership:

A Party must identify its equipment and facilities installed on the other Party’s property. Identification of ownership must be made by affixing suitable markers with the owner’s name. The Parties may jointly prepare an itemized list of the aforementioned equipment and facilities.

Each Party agrees to be responsible for the cost of complying with all applicable Federal, State and local environmental laws for its own equipment and facilities.

NRU stated the following:

Section 5(a)(3) should also include each party's responsibility for equipment as well as facilities.

BPA Response

BPA appreciates these contributions and has implemented them in the current NOA.

Access

WPAG proposed the following change:

Change “*respective equipment installed*” to “*respective equipment and/or facilities installed.*”

WPAG proposed changes to 5.c.2:

If site requirements prohibit unescorted access, then the Transmission Provider or the Transmission Customer shall allow escorted access to the other Party during normal business hours. Such unescorted access shall be facilitated through separate agreement (such as Other Utility Worker Agreement).

WPAG proposed changes to 5.c.3:

Within the limitations of applicable law, in accessing equipment or facilities on the property of another, each Party is responsible for injury or damage to person or property from the intentional or negligent acts of its own employees and agents.

WPAG proposed adding the following language at the end of 5.c.1:

“Each party shall provide the other Party written notice of any site requirements for entering its property.”

Mason PUD 3 noted the following:

This section should require notification to customers of when BPA staff or contractors will access a customer facility.

NRU requested an additional requirement:

Section 5(c) should require notification to customers of when BPA staff or contractors will access a customer facility.

PNGC noted the following:

We note that the latest version states that unescorted access requires a separate agreement in 5(c)(2). Perhaps we use the same agreement with a separate appendix? For efficiency, there is some concern about managing multiple stand-alone agreements that seek to accomplish the same thing.

BPA Response

BPA has expanded this section to include facilities and equipment where it previously only stated facilities.

The comments related to notification of site entrance requirements and prior notification are noted. Creating a template NOA that addresses all of the details of different entities and sites may not be practical. In many cases, agreements already exist to address these site and situation-specific considerations.

BPA understands and shares PNGC's concern about managing multiple agreements. For those stand-alone agreements already in place, BPA intends to incorporate them into the bilaterally negotiated NOAs by reference in an exhibit. Over time, BPA's goal is to phase out the use of separate agreements where possible and incorporate those terms into the NOA itself, recognizing that implementation of this effort will take time. BPA welcomes more discussion on this topic.

E. Section 6 Resource and Interconnection Principles and Requirements

Multiple comments were received and are summarized in the following sections.

Plan, Construct, Operate and Maintain Facilities

New section – No customer comments

BPA Response

BPA created this section to centralize and clarify what is intended by Good Utility Practice. This section identifies the need for interconnected facilities to follow BPA's business practices, guidelines, and standards along with NERC, WECC, and NWPP requirements.

By incorporating BPA's business practices, guidelines, and standards into the NOA, the NOA is more streamlined and the technical and process details can be updated independent of the NOA.

The TC-20 Settlement set forth a more transparent process for updating business practices.

Remedial Action Schemes

PNGC stated the following:

RAS should be part of a larger policy discussion and handled on a case-by-case basis. Implementation should be on a case-by-case basis, depending on the specific RAS identified. I'm uncomfortable with the blanket language that suggests/states that customers responsible for RAS. The language in the NOA should be limited to the operations and maintenance of RAS. I would think that the Cluster Study may be a more appropriate venue for implementing RAS after we've established some ground rules around when BPA will RAS, when BPA will build, and who is responsible for the cost associated with a plan of service. I believe RAS can be a very useful tool, but given the wide range "schemes" RAS may cover, I want to be cautious here.

WPAG proposed the following addition:

Any RAS scheme developed by the Parties pursuant to this sub-section shall be identified in Exhibit C of this Agreement before it can be implemented.

PacifiCorp noted the following:

Section 6 sets out various price and cost terms for a prospective RAS, which is not typical for Network Operating Agreements, and is not found in the regional utility NOA templates that BPA consulted. In addition, the potential cost implications for customers are unclear, as the calculations apparently factor in usage along certain "paths," which is generally inconsistent with the understanding of Customers' use of BPA's network.

The term "Effective Control Action," is vague, and, has similarly unclear cost consequences, as customers would ostensibly be required to implement a RAS until "the required level of ECA is obtained."

The obligation for customers to notify the Transmission Provider at least eighteen months "before energization of a resource if such resource is expected to impact the Transmission Provider's Transmission System," (Sec. 6(e)(2)) is inconsistent with Network Customers' rights to "designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable." (BPA Tariff Sec. 30.2).

BPA should give customers reasonable notice before revising its “Technical Requirements for Interconnection to the BPA Transmission Grid.” (Sec. 6(f)).

Additionally WPAG noted the following specific requested changes:

Use “Customer Resources” for “Resources” or “generation resources.”

[6.b.2] Customer Resource used by the Transmission Customer to meet its Operating Reserve obligations to the Transmission Provider’s Balancing Authority, or any portion thereof, shall meet the same NERC, WECC, NWPP and other applicable requirements, practices and procedures as the Transmission Provider’s generating resources providing these same services including, AGC capability, reserve availability, ramp rate, governor response, random testing and startup testing.

WPAG notes regarding Section 6.c.1:

This section is unclear. Impact of what exactly? Impacts of the third party’s system on the other Party’s system even if the first Party isn’t causing or contributing to the impact? What if cooperation includes spending lots of additional money?

WPAG proposed adding the following in Section 6.c.1:

To the extent it is in their reasonable control, each Party shall reasonably cooperate with any third party with an interconnected systems in establishing arrangements or mitigation measures to minimize operational impacts of the third party’s system on the other Party’s system. The Transmission Customer’s duty to cooperate under this sub-section shall not include any action that would impair reliability on its own system or impose any additional uncompensated cost.

WPAG also noted and proposed for Section 6.d:

Note 1: *This suggested change attempts to parallel the similar language under (e)(1) below. Between this section and (e)(1), it is unclear whether this is intended to simply clarify the definition of Good Utility Practice or whether it adds a separate standalone requirement to satisfy NERC guidelines (for example). In any event, recommend using the exact same language under this section and under section (e)(1).*

Note 2: *This is language is already included in the definition of Good Utility Practice under the tariff. § 1.15*

WPAG proposed the following to replace both paragraphs in Section 6.d:

The Transmission Customer shall plan, construct, operate and maintain its facilities and system that interconnect with the Transmission Provider’s Transmission System in accordance with Good Utility Practice and all applicable standards of NERC, WECC and NWPP, the Transmission Provider and any applicable reliability authority and the Technical Requirements For Interconnection To The BPA Transmission Grid.

BPA Response

BPA acknowledges that the prior draft of this section may have been problematic in that it attempted to provide RAS requirements, but the complexity and situation-specific RAS requirements once again created a difficult challenge in a generic NOA template.

As noted by PNGC, RAS requirements and ongoing management may be best managed on a one-by-one basis. RAS requirements could be identified as part of a Cluster Study, or during a Line/Load Interconnection or Generation Interconnection process.

During bilateral negotiations for the NOA, existing agreements covering RAS requirements can be referenced in Exhibit C, or a new exhibit can be created to identify RAS requirements.

For these reasons, BPA has chosen to eliminate most of the provisions in this section, replacing it with a more general set of RAS requirements and acknowledging that specific details will be documented elsewhere.

This eliminates specific concerns regarding the definition of “Effective Control Area” and the energization of a resource requirements.

PacifiCorp notes that BPA should give customers reasonable notice before revising its Technical Requirements. As noted in the prior section response, business practice updates are managed using a new, more transparent process as part of the TC-20 Settlement.

BPA notes that while BPA technical standards are not under the same requirement as business practices, there is an opportunity for more transparency and cooperation between BPA and customers regarding the development and updating of standards including the “Technical Requirements For Interconnection To The BPA Transmission Grid.” BPA is committed to working collaboratively with customers to meet customer needs efficiently and responsively and welcomes more discussion on this topic.

F. Section 7 Customer Information Requirement

Multiple comments were received and are summarized in the following section.

Mason PUD 3 and NRU requested that the word “*reasonably*” be inserted prior to “*deadlines.*”

Mason PUD 3 requested that the word “*reasonably*” be inserted prior to “*requested.*”

Mason PUD 3 also stated the following:

Mason PUD 3 recommends a new section to protect customers from requirements that may create an unreasonable burden; specifically, Geomagnetic Induced Current (Section 7(b)(1)(B)(i)). The following language is suggested:

[New Section 7(b)(1)(C)]

Provided, that the Transmission Customer's obligation to respond to the data requests made by Transmission Provider under this Subsection 7(b) only pertains to data and information then existing in the Transmission Customer's files on record. Nothing under this Subsection 7(b) shall be construed to require the Transmission Customer to perform or commission any new study or technical analysis in order to respond to a technical data request from the Transmission Provider.

Columbia River PUD stated:

My understanding is that some of these requirements are only applicable for 230KV and above. As this section is written it appears that this is the minimum amount of data required to be submitted. We have not had to provide a lot of this in the past.

WPAG requested the insertion of "reasonably" to be inserted as noted:

Other information reasonably requested for modeling purposes.

WPAG also proposed the following additional section:

Provided, that the Transmission Customer's obligation to respond to data requests made under this Subsection 7(b) only pertains to data and information then existing in the Transmission Customer's files on record. Nothing under this Subsection 7(b) shall be construed to require the Transmission Customer to perform or commission any new study or technical analysis in order to respond to a request made by the Transmission Provider under this Subsection 7(b).

NRU provided the following:

At the June 24th Network Operating Committee meeting, NRU requested that BPA provide justification for requiring customers to provide the data points listed in section 7(b)(1)(B). Our basis for this request is that many of the requirements, such as Geomagnetic Induced Current data collection, can be expensive and burdensome for small utilities. Therefore, we request that the NT customer only have to provide the data listed in section 7(b)(1)(B) if the information already exists and NT customer has the files on record.

BPA Response

BPA appreciates the concerns that are expressed regarding undue hardship on a customer to meet data requests. Data requests support planning functions as required by Good Utility Practice and NERC, WECC, and regional planning needs.

To the extent BPA asks for specific types of data, they are not “nice to haves” but rather are necessary for complete modeling of the system and compliance with relevant NERC standards. BPA reserves the right to ask for data from entities in BPA’s Planning Coordinator footprint, regardless of registration status, but believes it is unlikely GIC data (TPL-007-3) will be required to be submitted by unregistered customers (generally speaking, GIC data is only needed for equipment 200kV and above). To the extent BPA requests modeling data (MOD-032, FAC-008) from unregistered customers, BPA will work with the customer to resolve technical concerns with obtaining the data and will remain flexible on timing of submissions.

The identified list of information is intended to be representative of the actual information requested. The requirement has been rewritten to state:

“Requested information may include:”

In addition, BPA removed data requirements under section 7(a) that were restating Tariff requirements under the section 29.2 application procedures.

Transfer Services

WPAG noted the following:

Since BPA power services holds the contract with transfer service providers, shouldn’t this [Section 7] be BPA power services’ responsibility rather than the Transmission Customer’s under this contract? More discussion is needed.

NRU expressed this concern:

One omission in BPA’s draft NOA is any significant reference to transfer service other than in Section 7, which does not appear to be applicable to that section. Many of BPA’s NT customers are interconnected, either partially or fully, to third-party Transmission Providers (e.g., PacifiCorp, Idaho Power) and receive both federal and non-federal power deliveries over these intervening systems. Several NRU members have voiced concerns that the communication and coordination between BPA and the third-party transmission providers can be inconsistent regarding outage coordination, emergency planning, and service interruptions. While we recognize that making third party transmission providers a party to the NOA is likely not feasible or desirable, it is important for BPA to address transfer service in the NOA. At a minimum, BPA should state that it will endeavor to coordinate and communicate with third party transmission providers to ensure the best plan of service for the NT Customer.

NRU further offered this:

Under Section 7, it should not be the Transmission Customer's responsibility to ensure that "affiliated transmission providers" have provided BPA with the data requirements in 7(a) and 7(b). BPA holds the transmission contracts on third party systems for its transfer customers. As a result, BPA has the responsibility and ability to acquire such information that is listed in section 7. In addition, BPA should use more precise language in section 7. Is an "affiliated transmission provider" the same as the third party transmission provider from whom BPA takes transmission service to deliver power to its transfer customers? Similarly, it is unclear what BPA means by a "transfer service agreement" in regards to transmission operations arrangement between a Transmission Customer and a third-party transmission provider. To our knowledge, there is no such "transfer service agreement subject to the Commission's rules relating to Open Access Transmission Service and Standards of Conduct." BPA has the Agreement Regarding Transfer Service (ARTS), and there are aspects of the Regional Dialogue Contracts that address BPA transfer service, but FERC regulations regarding open access are not applicable to BPA transfer service. As such, the way section 7 is currently drafted creates confusion and uncertainty for BPA and NT customers who are served by transfer.

BPA Response

As demonstrated by WPAG's and NRU's comments, there are contractual complexities related to the third party involvement in transfer service arrangements. In addition, transfer service is tied directly to the Regional Dialogue contracts. Rather than attempting to capture those intricacies, and recognizing that the NOA is not the appropriate place to do so, BPA is proposing to remove the language at issue.

NRU raised the concern that communication and coordination between BPA and third party transmission providers could be improved. BPA welcomes this feedback and invites more discussion on the topic, but does not intend to address this issue in the NOA as it has contractual implications beyond the scope of the NOA.

G. Section 9 Temporary Load Shifts Notification

This section was previously titled "Service Interruptions." Multiple comments were received and are summarized in the following section.

Mason PUD 3 stated the following:

This section should be reciprocal in nature requiring both the Transmission Customer and BPA to submit reports. It is equally important that the Customer receive such information pertaining to curtailment, reduction or load shifts on the transmission system. Further, reports should be in writing. It would make sense that a report might be provided over the phone, however, it should always be followed up in writing.

WPAG proposed a change from "Parties' facilities" to "equipment or facilities of either Party."

WPAG also proposed changes to this paragraph as noted:

A Party must submit a report concerning any such curtailment, reduction or load shift on its transmission system to the other Party within five (5) business days of such curtailment, reduction or load shift. Reports shall be made in writing. The point of contact for each Party shall be designated pursuant to the Service Agreement. On receipt of any such report from the Transmission Customer, the Transmission Provider shall adjust the Transmission Customer's billing determinants pursuant to the Transmission Provider's billing procedures. If the Transmission Customer does not submit the report within five (5) business days of the curtailment, reduction or load shift, the Transmission Provider shall assess charges based on available data.

NRU commented:

Section 9(a)(2) currently requires that only the Transmission Customer has a responsibility to "submit a report concerning any such curtailment, reduction or load shift on its transmission system...within five (5) days..." This requirement should be reciprocated and BPA should provide a similar report to NT customers that are directly impacted by BPA curtailments, system reductions, or changes to load service. The statement that, "Reports may be made by telephone, mail or other electronic processes" should be removed given the requested change in Section 13(a) that is described below.

PNGC noted:

I'd like to better understand section 9 and BPA's expectations of customers, and an example of when a customer is obligated to notify BPA in writing under 9(a)(2).

PacifiCorp provided the following:

Finally, the billing provisions elsewhere in Section 9 are: (1) misplaced in a NOA intended to govern operational issues; (2) not expressly aligned with BPA's billing business practice documents (and associated procedures for billing disputes); and (3) impose an onerous 5 business-day reporting requirement. Again, none of these provisions are found anywhere in the NOA templates that BPA considered as part of its "benchmarking" process.

As explained in PacifiCorp's earlier comments, this section raises concerns regarding redispatch that may be inconsistent with the TC-20 settlement agreement. Specifically, BPA could seek to invoke its expansive rights as a "Party" under this Section 9 to curtail deliveries from Network Resources, such as non-federal and/or off-system resources, without going through the requisite public process required by the TC-20 Settlement Agreement (Attachment 1, sec. 7). Indeed, the definition of "Transmission Customer Resource" expressly references resources "regardless of location." (Furthermore, as WPAG points out, this specific term is not used anywhere in the NOA template and should be deleted).

In light of the broad language in Section 9 and other supporting provisions, such as the similarly-overbroad integration clause in Section 13(f), it is insufficient, in PacifiCorp's estimation, to rely on BPA's response that "[r]eferences to Redispatch in the NOA do not affect the settlement promise."

BPA Response

The original section title of “Service Interruptions” has been changed to “Temporary Load Shifts Notification” to reflect the narrow focus of this section. This section does not identify operation or outage coordination and notification requirements.

A load shift report is used by BPA’s billing processes to identify situations that might lead to an incorrect transmission bill. This report may be found on BPA’s website by searching for “Load Shift Report” or by going to “Doing Business -> Metering Services.”

Failure to submit a load shift report in the specified time frame may result in an incorrect bill. Generally these errors are not significant relative to the magnitude of the bill. Due to the labor and time required to adjust bills, BPA has limited the amount of time to request an adjustment.

In regards to PacifiCorp’s concern regarding TC-20 Attachment Section 7, NT Redispatch and Attachment M, BPA is obligated to conduct *“a public process to determine the appropriate rules and protocols associated with non-Federal Redispatch and Parties will negotiate in good faith to incorporate those rules, as mutually agreed-upon in executed customer-specific Network Operating Agreements.”* BPA appreciates PacifiCorp’s sensitivity to the interplay between the TC-20 Settlement and development of the NOA template. BPA is committed to balancing the Settlement commitments with the Tariff’s redispatch requirements. The public process noted in the Settlement is different from the current process to develop a template NOA. That later process may change the template NOA or specific executed NOAs.

Furthermore, while the right to curtail deliveries is noted in the section, the intent is to understand the impact of any associated load shift on the transmission bill. Overarching Good Utility Practice, Tariff, and regulatory requirements would limit the expansiveness of any right granted in this section.

H. Section 10 Emergency Planning and Operation

Multiple comments were received and are summarized in the following section.

Columbia River PUD stated the following:

This section appears to allow BPA to force customers to install a load shedding program on their equipment. This would then require us to be regulated under NERC. It would be expensive and unnecessary for customers who are currently not regulated. BPA already has a program in place and can likely achieve the same effect utilizing their equipment.

This section could be worded in a way that the transmission customer shall not deny BPA from installing load shedding programs on BPA equipment to meet NWPP, WECC, and applicable reliability authority planning objectives.

This section should also allow the customer to install a load shedding scheme on their equipment allowing them to have a more granular control over who is being turned off or not.

WPAG notes the following:

This [10.b.2] attempts to address the concern that locating the relays on the customer's facilities could subject the customer to new NERC oversight. It is also consistent with our understanding of what BPA already does to address this concern.

WPAG also noted that "Network Operating Agreement" can be replaced with "Agreement."

NRU expresses the following concern:

In Section 10(b), we have a serious concern that the agreement may require a customer to implement load shedding relays on their equipment, which would result in additional NERC compliance obligations to be borne by the NT customer. BPA indicated at the Network Operating Committee on 6/24/19 that the agency now allows customers who are forced to participate in BPA's load shedding program to request that BPA install the load shedding relays "upstream" from the customer and on BPA equipment, so that customers do not have this additional compliance requirement. Thus, we request that BPA codify this option and consider including the following language, or something similar, in section 10(b): In the event that a customer is required to participate in an under-frequency or under-voltage Load Shedding program, BPA shall install load shedding relays or other equipment on BPA facilities that are upstream from the customer's system if requested by the Transmission Customer.

Mason PUD 3 stated the following concern and proposed change:

Mason PUD 3 fully supports BPA's responsibility to plan, coordinate and implement emergency operating schemes however there is serious concern that the Transmission Customer requirements listed in this section will result in the customer having additional NERC compliance obligations. This would create an undue hardship and must be resolved. It is Mason PUD 3's understanding from the Network Operating Committee meeting held on June 24, 2019 that this was not BPA's intention. It was stated that in circumstances like with Mason PUD 3, BPA would install its own load shedding equipment on its own system. This is acceptable to Mason PUD 3 however it needs to be included in the section.

*The following language is suggested: [for 10.b.2]
(2) install and maintain the required Load Shedding relays, including under-frequency and under-voltage relays as reasonably determined by Transmission Provider to meet compliance obligations, provided, that the Transmission Customer can instead require that BPA install such relays on the Transmission Provider owned facilities that the Transmission Provider uses to serve the Transmission Customer; and*

BPA Response

BPA appreciates the concerns raised in the comments and has implemented a slight variation of the proposal from Mason PUD 3 which allows a Transmission Customer to request that BPA install relays on its facilities as follows:

“(2) install and maintain the required Load Shedding relays, including under-frequency and under-voltage relays as reasonably determined by Transmission Provider to meet compliance obligations, provided, that the Network Customer can instead request that the Transmission Provider install such relays on the Transmission Provider’s facilities that serve the Network Customer; and”

BPA also notes that it has rewritten Section 10.a to reference the applicable NERC standards. The additional information paragraph referencing was also “outdented” to become 10.c.

I. Section 11 Metering Information, Costs, and Requirements

Multiple comments were received and are summarized in the following section.

Columbia River PUD raised the following question:

Who gets to decide if it is a convenience point?

WPAG proposed numerous paragraph numbering, list enumeration, and other minor changes to this section.

BPA Response

In regards to the question from Columbia River PUD, the Transmission Provider makes the convenience point of delivery determination. As described in the BPA Facility Ownership and Cost Assignment Guidelines, v.1, January 6, 2015 (located under the Interconnection page)

“Convenience refers to the construction of facilities beyond what is needed to provide transmission service to the customer over a prudent planning horizon. A facility built by BPA at the request of the customer for the convenience of the customer will be directly assigned. Facilities built for the convenience of BPA will not be directly assigned.”

BPA has implemented the formatting and minor edits proposed by WPAG.

J. Section 12 Communications

One comment was received and is summarized in the following section.

NRU stated the following:

Generally, BPA could use the NOA as a mechanism to improve its coordination and communication protocols with its NT customers in relation to outage coordination, emergency planning, and service interruptions. However, the current draft would fail to provide this potential benefit. For example, section 9 describes the BPA and NT customer obligations during a temporary curtailment or load shift and the after-the-fact reporting requirements, but it does not state how BPA will actually communicate with the NT customer before and during these types of events. One solution to this issue could be an additional exhibit that lays out the points of contact for both the customer and BPA under each relevant event. We would also be open to other alternatives that may provide for more efficient means of coordination between BPA and its NT customers.

BPA Response

BPA is open to considering a communications exhibit or similar mechanism. More discussion is needed.

K. Section 13 Notices

Multiple comments were received and are summarized in the following sections.

WPAG proposed the following modification to 13 (g).

The Transmission Provider may release information provided by the Transmission Customer to comply with FOIA or if required by any other federal law or court order. Prior to releasing any such information, the Transmission Provider shall follow its then applicable procedures for notifying parties that their information is subject to a FOIA request. For information that the Transmission Customer designates in writing as proprietary, The Transmission Provider will limit the use and dissemination of that information within the Transmission Provider to employees who need the information for purposes of this Agreement.

NRU requested the following:

9) Section 13(a) should require that all notices are made in writing.

BPA Response

BPA is open to considering a communications exhibit or similar mechanism. More discussion is needed.

J. Additional Comments

BPA recognizes that there are additional comments either general in nature, such as the previous two regarding communications and notices, as well as customer-specific comments, such as some of those raised by PacifiCorp on the topic of separation of functions. BPA is committed to additional discussion on these and other topics, either in the forum of the ongoing NOC meetings or in bilateral discussions between BPA and network customers.