



City of Seattle

Michael Patrick McGinn, Mayor

Your Seattle City Light

Jorge Carrasco, General Manager and Chief Executive Officer

August 16, 2013

Bonneville Power Administration – Transmission Service (“BPAT”)

TechForum@BPA.gov

Subject: Comments responding to BPAT Commercial Initiatives project sequencing and cumulative impacts

Seattle City Light (“Seattle”) appreciates the opportunity to provide comments on the BPAT commercial projects, anticipated project impacts, project timing and sequencing, and the public engagement process. The July 24th meeting and August 8th conference call held by BPAT were beneficial in facilitating dialogue and further awareness about the cumulative impacts of the multiple BPAT projects. Seattle values BPAT’s efforts to carefully protect transmission system reliability and customer’s long-term firm transmission rights which Seattle relies upon to meet our customer’s needs. Before commenting on cumulative impacts and project sequencing of the BPAT commercial initiatives, Seattle first commends BPAT’s approach to exclude redirects from Short-Term Preemption and Competition (“PCM”) and only subject original requests to PCM. BPAT should implement this approach because it is the best near term solution for complying with the May 16, 2013 Entergy order.

After considering the cumulative impacts and sequencing of the projects as presented by BPAT on July 24th and August 8th, Seattle believes that 1) projects are timed too close together, 2) some projects need more time to include customer collaboration and BPA consideration of that feedback, and 3) implementation of regulatory policy should be carefully considered.

By example, PCM and Managing Hourly Firm Sales are timed too closely together. When projects are layered in too closely together, customers are not given enough time to respond and revise their business strategies for managing transmission rights and deploying power resources for load service and disposal of surplus power. If customers don’t know how to revise their business strategies it creates unnecessary market disruption. Further, unintended consequences cannot be anticipated and ameliorated.

Additionally, BPAT needs to engage in more customer collaboration on Managing Hourly Firm Sales to ensure that the quality of the metrics for limiting hourly sales is mature enough to warrant implementation. Seattle recommends the following alternative timing for PCM



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and Managing Hourly Firm Sales to address (a) the timeline, (b) the sequencing and (c) the need for more customer collaboration and project scoping. BPA should delay the start of weekly PCM by sixty days after starting monthly PCM to allow time to understand monthly PCM, and delay daily PCM until after implementing Managing Hourly Firm Sales to better understand the impacts on use of daily transmission service. As currently proposed, Managing Hourly Firm Sales is scheduled to go into production at the early stages spring runoff. Seattle believes that this type of fundamental change in the availability of transmission service should begin after the conclusion of a water season – in this case no earlier than September 2014. Changing the timing allows more time to collect data, develop improved practices and tools, and allows time for customers to modify power and transmission management strategies and adapt operationally to the changes in these business practices.

For the other projects assessed as part of this process, Seattle believes the following principles are important when considering the timing and cumulative impacts of any project: allow time for full customer engagement, sequence projects to understand individual project's impacts before layering in other projects, and make sure projects are in alignment with regulatory policy and the operational impacts of those regulatory policy changes are well understood. By following these principles, Seattle believes BPAT will reduce the risk of unintended consequences-- saving time and money in the long run.

We thank BPA for allowing us this opportunity to comment and for engaging customers to promote dialogue on these important projects.

Respectfully submitted,

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