

March 19, 2020

Via email:

techforum@bpa.gov

U.S. Department of Energy
Bonneville Power Administration
Transmission Services

Re: Comments of Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. Regarding BPA Conditional Firm Business Practice Draft Version 24

Avangrid Renewables, LLC, Avista Corporation, Idaho Power Company, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”) submit the following comments on BPA Conditional Firm Business Practice Draft Version 24¹ and the February 11, 2020 BPA Tech Forum email regarding “Business Practice Announcement: Conditional Firm Transmission Service Business Practice V24.”

1. Subject to Applicable Law, BPA’s Business Practices Should Be Consistent With FERC’s *Pro Forma* OATT and Guidance

BPA offers conditional firm transmission service under its Tariff, which was adopted in the TC-20 proceeding. Section 9(a)(1) of the Tariff includes the following: “Subject to applicable law, Bonneville commits to open access transmission service.”² The TC-20 Record of Decision includes the following with respect to FERC’s *pro forma* tariff and guidance thereunder:

As previously discussed, Bonneville’s strategy and policy is to maintain a tariff consistent with the Commission’s *pro forma* tariff and industry best practices to the extent possible and consistent with applicable law. The Commission’s *pro forma* tariff includes terms and conditions that generally satisfy the Commission’s standards (for example, the terms and conditions are just, reasonable and not unduly discriminatory or preferential). Order No. 888 at 21,548; *See also*, Order No. 890, at 12,274, P 43. In addition, the Commission may approve variations to the *pro forma* tariff proposed by public utilities if the variations satisfy the Commission’s standards, including the just and

¹ Available at <https://www.bpa.gov/transmission/Doing%20Business/bp/Redlines/Clean-Draft-Conditional-Firm-Transmission-Service-BP-V24.pdf> (“Draft Business Practice”).

² *See* TC-20 Tariff Terms and Conditions Proceeding Record of Decision (March 1, 2019) (“TC-20 Record of Decision”), available at <https://www.bpa.gov/news/pubs/RecordsofDecision/rod-20190301-TC-20-Tariff-Terms-and-Conditions-Proceeding.pdf>, at page 10.

reasonable and not unduly discriminatory or preferential standard. *Id.* at P 14, 135-137. Although Bonneville is not a public utility under the Federal Power Act and is not subject to the Commission's *pro forma* tariff requirements, it is useful to look to the *pro forma* tariff and Commission-approved variations to the *pro forma* tariff for guidance on terms and conditions that satisfy the Commission's standards under Sections 211 and 212 of the Federal Power Act. Looking to the Commission's guidance will further support Bonneville's strategic and policy goals.³

In short, subject to applicable law, BPA's Business Practices should be consistent with FERC's Pro Forma OATT and guidance. (For example, BPA's Business Practices should be consistent with NAESB WEQ Business Practice Standards.)

2. If the System Upgrades Specified in the Bridge CFS Exhibit Table Will Not be Completed, the Customer Should Have the Right to Convert Its Bridge CFS to Reassessment CFS

a. Bridge CFS Is Important to and Typically Relied upon by BPA Customers, e.g., for Transmission of Power from New Generation

Order 890 recognizes the reliance that transmission customers place on bridge conditional firm transmission service (Bridge CFS").

For customers supporting the construction of transmission upgrades, bridge conditional firm transmission service ("CFS") provides conditional firm transmission service--without reassessment of the curtailment conditions:

For customers supporting the construction of upgrades, the planning redispatch or conditional firm options will serve as a bridge until upgrades are constructed to remedy the congested transmission facilities. For these customers, the transmission provider must offer planning redispatch or conditional firm service until the time when the upgrades are constructed. The conditions or redispatch applicable to this period must be specified in the service agreement and are not subject to change. We impose this requirement because customers who commit to support transmission upgrades are typically those financing and constructing new resources. These customers require certainty both with regard to upgrade costs and, before upgrades can be constructed, the redispatch requirements or curtailment conditions that may apply to their service. . . .⁴

Thus, Order 890 recognizes that Bridge CFS customers, who commit to support transmission upgrades, are typically those financing and constructing new generating resources. In other words, such customers need and rely on transmission service for new generation resources, which may be needed to meet customer loads and comply with environmental or carbon requirements. More fundamentally, the fact that bridge CFS customers commit to support transmission upgrades is illustrative of the importance of such transmission to such customers.

³ TC-20 Record of Decision at page 14.

⁴ Order 890 at paragraph 980.

b. A BPA Bridge CFS Customer Should Have the Right to Elect Reassessment CFS as a Replacement, if the Planned BPA Facilities Will Not be Completed

BPA is the predominant transmission provider in the region, and many customers must rely on BPA transmission to move generation--including new generation--to load. In light of BPA's predominant role in the region as a transmission provider and the constraints on BPA's transmission system, it is important--if a BPA customer's Bridge CFS is terminated because the planned BPA facilities will not be completed--that such customer should be offered Reassessment CFS as a replacement and not be deprived of CFS transmission (through no fault of the customer) due to BPA's not completing planned BPA facilities.

This replacement should be offered to any BPA customer whose Bridge CFS is terminated since the planned BPA facilities will not be completed, without requiring the customer to reenter BPA's queue with a new transmission service request ("TSR"). This approach should not raise concerns about "queue jumping," because the BPA customer will already be receiving CFS service (as Bridge CFS) and should not be forced to submit a new TSR with a new queue position to convert to Reassessment CFS just because the planned BPA facilities will not be completed.⁵

Because BPA would already be providing CFS to the Bridge CFS customer before its Bridge CFS service was terminated, it is likely that BPA should be able to provide replacement Reassessment CFS (based on Number of Hours or System Conditions determined by BPA on a reassessment at the time of replacement) over the same path to that same customer without impairing reliability.

Offering Reassessment CFS to replace terminated Bridge CFS provides continuity of CFS availability, subject to not impairing reliability. This is similar to the continuity provided for Reassessment CFS:

. . . .The purpose of the biennial reassessment is to allow the transmission provider to adjust the conditions or number of hours during which conditional firm service will be conditional in order to ensure that continued provision of the service does not impair reliability. Thus, the Commission does not impose upon the transmission provider the obligation to plan its system to keep firm the part of the conditional firm service that is firm when service was initiated. Although this may increase (or decrease) the number of hours in which service is conditional, the transmission provider may not entirely terminate service to the conditional firm customer.

Order 890-A, P 590 (emphasis added).

As discussed above, Bridge CFS is an important service for BPA customers that need and rely on transmission service for new generation resources, which may be needed to meet customer loads and comply with environmental or carbon requirements. Moreover, BPA has

⁵ Indeed, the quality of Reassessment CFS (prior to completion of the planned new facilities) is essentially the same as the quality of Bridge CFS, except that Reassessment CFS in some respects is a lower quality of service because the conditions for curtailment of Reassessment of CFS can be reassessed (and increased) every two years.

limited borrowing authority, which may limit the funds available for uses such as funding transmission upgrades. BPA Bridge CFS customers commit to support BPA transmission upgrades, and BPA should not discourage customers from signing up for Bridge CFS customers by failing to allow those customers to elect to replace Bridge CFS with Reassessment CFS if the Bridge CFS is terminated because the planned BPA facilities will not be completed. In short, failing to allow Bridge CFS customers to elect to convert to Reassessment CFS if the planned BPA facilities will not be completed would decrease the benefits provided by Bridge CFS, to the detriment of BPA and customers.

c. The Draft Business Practice Should be Revised to (i) Clarify a Bridge CFS Customer's Right to Elect to Convert to Reassessment CFS if the Planned BPA Facilities Will Not be Completed and (ii) Acknowledge that BPA's CFS is Subject to the NAESB WEQ Business Practices for CFS

The Draft Business Practice states as follows in section D.2.f:

If the system upgrade(s) specified in the Bridge CFS Exhibit Table will not be completed, BPA will terminate the Bridge CFS, and the Customer may be offered a Reassessment CFS.

(Emphasis added.) Thus, the Draft states that “the Customer may be offered a Reassessment CFS” but fails to provide assurance that appropriate Reassessment CFS will be offered as a replacement.

For the reasons discussed above, the Draft Business Practice section D.2.f should be revised as follows:

If the system upgrade(s) specified in the Bridge CFS Exhibit Table will not be completed,

- i. BPA will terminate the Bridge CFS and reassess the Number of Hours and System Conditions under which Reassessment CFS will be offered as a replacement, and
- ii. the Customer ~~may~~will be offered, without regard to LTF Queue, a Reassessment CFS based on such reassessment.

Further, BPA Conditional Firm Business Practice should acknowledge that BPA's CFS is subject to the NAESB WEQ Business Practices for CFS. (In that regard, any inconsistencies in the Draft Business Practice with the NAESB WEQ Business Practices for CFS should be revised so to remove such inconsistencies.)

3. BPA’s OASIS and Long-Term Pending Queue Should Indicate Whether a TSR Includes an Election to Have It Evaluated for CFS

BPA’s OASIS should indicate whether a TSR Includes an election to have it evaluated for CFS. This information will promote transparency and facilitate the ability to understand the status of BPA’s queue. There are available comment fields on OASIS where information describing an election to have the TSR evaluated for CFS can and should be displayed

Further, information describing an election to have the TSR evaluated for CFS can and should also be displayed in the Long-Term Pending Queue information that BPA posts on its internet website. More generally, in light of BPA’s predominant role as a transmission provider in the region and the constraints on BPA’s transmission system, any transparency BPA can provide in advance about the availability and likely conditions of CFS on BPA’s transmission system will assist BPA customers.

4. The Draft Business Practice Should be Clarified Regarding the Allocation of STF ATC to Alleviate Constraints on CFS and Regarding the Timing and Customer Notice of Such Allocation

The Draft Business Practice section H.1.c includes the following:

- i. If STF ATC is available to alleviate the Conditional Curtailment option(s) associated with the CFS reservation, then CCO will allocate firm capacity to CFS reservations to alleviate the constraint. If STF capacity alleviates the constraint, then the reservation will be subject to curtailment at the NERC curtailment priority for firm transmission service (i.e. 7-F).
- ii. When STF ATC is not available to alleviate the Number of Hours or System Condition associated with the CFS reservation, the CFS reservations will be subject to Conditional Curtailment at the NERC curtailment priority equal to the NERC curtailment priority of Secondary Network Transmission Service (i.e. 6-NN).

The Draft Business Practice also states in section D.1.b that “CFS reservations have priority rights to Short-Term Firm (STF) ATC (e.g. Monthly, Weekly, Daily, and Hourly) before it is released to the market for sale.”

However, the Draft Business Practice should be clarified to provide the following information:

- (i) when each type of STF ATC (e.g. Monthly, Weekly, Daily, and Hourly) will be allocated to alleviate the constraint,
- (ii) when and how a CFS customer will be notified of such allocation, and
- (iii) when and how a CFS customer will be notified that CFS priority rights have been applied for each type of STF ATC (e.g. Monthly, Weekly, Daily, and Hourly), such that the transmission service will not be subject to Conditional Curtailment

at the NERC curtailment priority equal to the NERC curtailment priority of Secondary Network Transmission Service (i.e. 6-NN).

5. BPA Should Clarify the Draft Business Practice Regarding Treatment of ATC for Purposes of Establishing CFS Number of Hours or System Conditions

BPA should clarify the Draft Business Practice regarding treatment of ATC for purposes of establishing Number of Hours or System Conditions. In this regard, Draft Business Practice section D.3.b states as follows: “Reassessment CFS is not eligible for LTF ATC that alleviates the Number of Hours or System Conditions.” This statement is ambiguous and might arguably be read to mean that--if there is any portion of LTF ATC during the period for which Number of Hours or System Conditions is being assessed or reassessed⁶--such amount of ATC will be treated as otherwise committed or not available for use in lieu of conditional curtailment when establishing CFS Number of Hours or System Conditions. Such treatment would be inappropriate. Any ATC that is available and not otherwise committed during the period for which Number of Hours or System Conditions is being assessed or reassessed should be taken into account in establishing CFS Number of Hours or System Conditions; the Draft Business Practice should be clarified accordingly.

* * *

Nothing contained in these Comments constitutes a waiver or relinquishment of any rights or remedies provided by applicable law or provided under BPA’s Tariff or otherwise under contract. Commenting Parties appreciate BPA’s review of these comments and consideration of the recommendations contained herein. By return e-mail, please confirm BPA’s receipt of these comments.

⁶ *I.e.*, the bridge period for Bridge CFS and the biennial period for Reassessment CFS.