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Sent: Wednesday, September 19, 2018 4:01 PM

To: Tech Forum

Subject: [EXTERNAL] Powerex Comments: Transmission Services Business Practices

Powerex provides the following comments on the proposed changes to Bonneville Power Administration's "Reservation Priority, Version 11", "Partial Long-Term Firm Service, Version 12", and "Redirects, Version 24" Business Practices.

Powerex responded generally to the proposed modifications to the Business Practices in our August 28th Comments submitted in response to the August 21st TC-20 Workshop. As noted in those comments, Powerex is concerned that major changes to the terms and conditions of customers' service are being implemented through a business practice change. Powerex believes that any substantive limitation on rollover rights—whether as proposed, or as currently imposed—clearly belongs in Bonneville's tariff, rather than in its business practices. If Bonneville requires a change to roll-over rights in the future, Bonneville should make any proposal part of an appropriate tariff revision process. ***In light of the Settlement process being undertaking in TC-20, Bonneville should hold off on considering changes to the "Reservation Priority" Business Practice until the TC-20 process is complete.***

Rollover Options: "Reservation Priority, Version 11" Business Practice

Through this business practice change, Bonneville is proposing to limit rollover eligibility based solely on contract term, as opposed to the status quo of making offers based on duration originally requested. As proposed, rollover rights would be available to a long-term firm customer only if Bonneville staff affirmatively acts on the customer's service request within a time window that permits the request to either be (a) placed into study or (b) granted for at least a five-year duration. Such an approach makes the rollover right entirely dependent on Bonneville's ability to act on its tariff obligations in a reliable and timely manner in order to process its long-term queue.

Applying the solution of limiting rollover based solely on contract term to Bonneville's current queue could produce unfair and potentially discriminatory results. For example, it would be highly unfair to a customer with queue priority to lose renewal rights despite having requested service for five years or more, only to have Bonneville turn around and grant renewal rights to customers who entered the queue later. This would, in fact, run counter to the *pro-forma* principles of non-discrimination, fairness, and transparency, and Bonneville could find itself in a position where there are significant challenges to their queue management processes.

At this point, Bonneville has not addressed these concerns in a meaningful way. At a minimum, if Bonneville intends to affirmatively limit its customers' rights based on the timeliness of Bonneville's own actions, it must first demonstrate a track record of timely action on queue requests and studies. Given that Bonneville's proposed practice has the potential to introduce new harms, including new concerns of preferential and discriminatory treatment among customers, Powerex believes the existing practice should be retained in the near term.

While Powerex believes Bonneville should retain its status-quo queue management practices, if Bonneville deems it must make changes, another solution might be to give a customer a choice when partial service (duration) is offered:

1. A service agreement for the partial term, which if less than five-years, provides no renewal rights; or
2. A service agreement with a start date of when Bonneville can offer the requested agreement duration, and a duration matching the original request if it can be provided, which would have renewal rights if it is at least five years in duration.

Thank you for consideration of our comments and we look forward to further engagement on these important issues.

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