

Response to Customer  
Comments – BALANCING  
SERVICE ELECTION FOR  
DISPATCHABLE ENERGY  
RESOURCE BALANCING  
SERVICE (DERBS) AND  
VARIABLE ENERGY  
RESOURCE BALANCING  
SERVICE (VERBS)

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BPA Transmission Business Practice

Version 5

Posted 5/24/2019

## Response to Customer Comments – INSERT TITLE

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### Version 5

This document contains customer comments and BPA Transmission Services’ response to the Balancing Service election for Dispatchable Energy Resource Balancing Service (DERBS) and Variable Energy Resource Balancing Service (VERBS), Version 5, posted for comment from March 25, 2019 to April 26, 2019.

For more information on business practices out for comment, visit the BPA Transmission Business Practices [Comments and Responses page](#).

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### A. Shell Energy North America

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Gentlemen/Ladies,

The attached Transmission Business Practice, also identified in the Subject line of this e-mail, is posted for stakeholder comment through April 26, 2019. We would like for BPA to consider proposed change to Section E, Mid-Rate Period Elections, Number 1., as highlighted in yellow below. We believe that the proposed change will help clarify that there is not currently a specific prohibition on mid year elections, and that if a mid-year election was requested, that there would be an opportunity to discuss and determine whether there were impacts, which could help a party decide whether to proceed with the election.

We believe this proposed change aligns with BPA’s current rules. If you have any questions regarding the requested change, please contact me.

Thank you for your consideration in this requested change to the business practice.

Sincerely,

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General Manager, Regulatory Affairs  
Shell Energy North America  
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Requested change to “Balancing Service Election for Dispatchable Energy Resource Balance Service (DERBS) and Variable Energy Resource Balancing Service (VERBS)” Business Practice shown in yellow for number 1; red modifications are from BPA’s draft changes:

### E. Mid-Rate Period Elections

1. If **allowed not prohibited** in the applicable settlement agreement or rate schedules, VERBS customers may make a mid-Rate Period Balancing Service Election to change their scheduling and service elections, and if any stranded costs result from a Mid-Rate Period Election, they would be **determined in consultation with the Customer and directly assigned.** This requires the Customer’s election of:
  - a. A superior scheduling commitment, or
  - b. Self Supply of balancing reserves, or
  - c. Dynamically transfer a Generating Facility out of BPA’s Balancing Authority, ~~or~~
  - ~~d. Participation in Customer Supplied Generation Imbalance (“CSGI”).~~
2. The total amount of generation nameplate movement will be described in the applicable rate schedule and will be offered on a first-come, first-served basis.
  - a. The expansion of self-supply, including ~~the CSGI program and~~ DTC will be limited to the amount specified in the applicable rate schedule.
3. The notification deadline to change scheduling and service elections will be Close of Business of the first Business day of April on even numbered years.
  - a. The [Balancing Service Elections form](#).
  - b. To make a mid-Rate Period election, a VER Customer must submit the Balancing Service Elections form via e-mail to [techforum@bpa.gov](mailto:techforum@bpa.gov), which will date and time-stamp the receipt of the request.
4. The effective date of the election change will be October 1 on even numbered years.
5. Prior to the notification deadline, identified in E.3, customers may elect to cancel a mid-Rate Period election in its entirety and return to their original Balancing Service Election for the rate period by notifying BPA in writing via e-mail to [techforum@bpa.gov](mailto:techforum@bpa.gov).

#### BPA Response

BPA appreciates Shell Energy’s comments. To clarify, the mid-Rate Period Election language that Shell commented on is existing language that is not being changed. BPA only proposed changes to remove references to the CSGI pilot, and to section A.7 to allow parties that elected to dynamically transfer out of the BPA balancing authority area to set a later date due to technical reasons.

Pertaining to Shell’s edits to the mid-Rate Period Elections stated above, mid-Rate Period Elections are not allowed unless specifically provided for in a settlement agreement or the rate schedules. Neither the BP-20 Settlement Agreement or rate schedules include such a provision; therefore, no mid-Rate Period election will be allowed for BP-20. Mid-rate period changes to customer elections impacts revenues from the provision of Variable Energy Resource Balancing Service, resulting in cost recovery risk for BPA.

As part of the settlement agreements for BP-14 and BP-16, BPA agreed to mid-Rate Period Elections for those rate periods. BPA factored in the risk of mid-Rate Period Elections into the rates for those rate periods, and BPA capped the amount of MWs allowed to change in order to limit the risk to known quantities.

A mid-Rate Period election was not included in the Settlement agreement, and the settled rates for BP-20 do not reflect the revenue risks. Therefore, BPA will not adopt Shell’s proposed language.