

Response to Customer Comments – SCHEDULING TRANSMISSION SERVICE

BPA Transmission Business Practice

Version 30
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Version 30

This document contains customer comments and BPA Transmission Services' response to the **Scheduling Transmission Service, Version 30** posted for comment from **11/8/2019 to 12/17/2019**.

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

Table of Contents

A. Powerex..... 2

A. Powerex

Dec. 17, 2019

RE: Scheduling Transmission Service Business Practice, Version 30

Powerex appreciates the opportunity to comment on Bonneville's proposed revisions to the Scheduling Transmission Service Business Practice (Version 30). The proposed changes to the Business Practice update and clarify the Reno-Alturas Intertie (RATS) scheduling guidelines, particularly eligibility for billing credits on the line to avoid rate pancaking.

As discussed on the Nov. 18th customer call, Powerex is concerned that the proposed Business Practice, as written, has the unintended impact of eliminating transmission credits in numerous circumstances where they should justly be applied. Powerex understands this was not the intent of the revisions. To remedy this, Powerex believes that Section M in the Business Practice should be modified to include further, detailed preamble to identify which schedules would be eligible for a billing credit. Powerex also believes that Bonneville could revise Sections M 3.a.i.b and 3.a.ii.a, as detailed below.

Powerex's understanding of the issue Bonneville is trying to address with the draft update is best shown with the following examples.

Example 1:

A customer has an existing transmission commitment for 100 MW of Firm BPA network rights from BPAT.CHPD to JOHNDAY. That customer then redirects 50 MW away from that path and on to the RATS line. The customer then schedules 50 MW in total using both the Network and RATS segments and receives a billing credit for 50 MW for the RATS segment.

It appears from the proposed Business Practice that Bonneville intends to remove the ability for customers to receive a 50 MW transmission credit in Example 1, since the customer had previously committed paying for 100 MW of BPA network transmission.

While the proposed Business Practice may address the issue in Example 1, Powerex is concerned that the proposal does not adequately address the following example, and the proposal should be revised accordingly.

Example 2:

A customer has an existing transmission commitment, which may have a request type of Original, Resale, or Redirect, of 100 MW of Firm BPA network rights from BPAT.CHPD to JOHNDAY. That customer requests a new, original Firm reservation for 100 MW on the RATS line. The customer then schedules 100 MW in total using both the BPA network and RATS segments.

In Example 2, the customer should only pay for 100 MW of transmission service in total. As the RATS segment is separated from the rest of the BPA network, it necessitates a separate transmission reservation. The 100 MW RATS reservation above is being used in conjunction with the BPAT.CHPD to JOHNDAY BPA network rights, which are part of the same transmission rate segment. If Bonneville charges for both legs the customer would be paying

for 200 MW despite having used both legs together for a single 100 MW schedule. This results in rate pancaking.

Notably, in Example 2, the customer's existing transmission commitment of 100 MW from BPAT.CHPD to JOHNDAY, may not have a request type of Original, Renewal, or Deferral. In many situations these rights might appear as a Resale or Redirect. For example, it could be a Resale-to-Self that was simply facilitating the joining of multiple underlying transmission agreements into a single AREF. It could also be a firm redirect modifying just the Point-of-Receipt where, for example, the original path might have been BPAT.GCPD to JOHNDAY and the new path is BPAT.CHPD to JOHNDAY.

To address these issues, Powerex suggests that BPA provide further, detailed preamble to Section M of the Business Practice to provide the intent of the billing credit and identify which schedules would be eligible for a billing credit. Powerex also proposes that Bonneville modify the language in Section M to address situations that are similar to Example 2. Bonneville could revise Sections M 3.a.i.b and 3.a.ii.a to ensure customers that have procured and paid for transmission on the BPA Network continue to receive a credit for the RATS segment if the transmission reservation has a Request Type of Original, Renewal, or Deferral.

Powerex suggests the following revisions for Bonneville's consideration:

1) Modify Section M 3.a.i.b to read as follows:

“One of either the BPA network or RATS segment transmission reservation has a Request Type of Original, Renewal, or Deferral, and”

2) Given this above requirement, the provision in Sub-Section M 3.a.ii.a with respect to redirects should be removed because it is duplicative.

Bonneville should clarify and modify its proposed Business Practice to address the concerns and re-issue a new draft of the Business Practice for further comment. Thank you for consideration of our comments and we look forward to further engagement on this issue. Please do not hesitate to contact us if you would like further clarification on our proposal.

BPA Response

BPA appreciates Powerex submitting comments on BPA's proposed edits to the Scheduling Transmission Service Business Practice. As Powerex notes, the changes to the Scheduling Transmission Service Business Practice are intended to update and clarify the Reno- Alturas Intertie (RATS) scheduling guidelines and define when schedules are eligible for a billing credit.

The practice of crediting for one Network segment when parties schedule to the RATS was in place long before the existence of redirects. As customers began using redirected long term transmission reservations to access the RATS, it resulted in a billing credit being applied to a long term reservation, reducing the take-or-pay obligation under the contract. Under the take-or-pay construct of BPA's point-to-point agreements, transmission customers reserve a specific amount of capacity and must pay for that capacity regardless of whether or how they use it. With this iteration of the scheduling guidelines, BPA is adjusting its RATS credit policy so that take-or-pay obligations under

long term contracts are unaltered. Powerex's example 1 illustrates the concern that use of two redirects alters the take-or-pay obligation under a long term contract.

However, Powerex expressed concern that the proposed Business Practice, as written, has the unintended impact of eliminating transmission credits in circumstances where a party uses redirects or resales in such a way as to not impact the take-or-pay construct. Powerex's example 2 illustrates this concern, in which a redirect is paired with an original reservation.

BPA has reviewed Powerex's concerns and suggested edits to the proposed BP language. Though BPA is not able to adopt the language Powerex proposed, BPA has adopted the Powerex concept, and has edited the proposed language in Section M of the Scheduling Transmission Service Business Practice.

Under the new language, BPA will provide a billing credit when at least one network segment is an original reservation with a Product of Hourly, Daily, Weekly, or Monthly service. The other segment can be for short term or long term service, including a redirect or resale.