

**Response to Customer
Comments – TRANSMISSION
SERVICE REQUESTS
EVALUATION V1 and
PREEMPTION OF SHORT-
TERM REQUESTS AND
RESERVATIONS V3**

BPA Transmission Business Practices

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Response to Customer Comments – TRANSMISSION SERVICE REQUESTS EVALUATION V1 and PREEMPTION OF SHORT-TERM REQUESTS AND RESERVATIONS V3

This document contains customer comments and BPA Transmission Services’ response to the Transmission Service Requests Evaluation V1 and the Preemption of Short-Term Requests and Reservations, V3 business practices posted for comment from November 30, 2020, through January 7, 2021.

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

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A. NT Customer Group

JOINT COMMENTS OF THE NT CUSTOMER GROUP REGARDING BPA TRANSMISSION BUSINESS PRACTICES

These comments are submitted to the Bonneville Power Administration (“BPA”) on behalf of the Eugene Water and Electric Board (“EWEB”), Northwest Requirements Utilities (“NRU”), PNGC Power, and Western Public Agencies Group (“WPAG”) (collectively, the “NT Customer Group”) regarding the following proposed Transmission Business Practices:

- Transmission Service Requests Evaluation, Version 1; and
- Preemption of Short-Term Requests and Reservations, Version 3.

1. Comments on Transmission Service Requests Evaluation Business Practice, Version 1.

There are several references to “NT forecasted TSR(s)”, otherwise known as FTSRs, throughout the Long-Term Firm sections of the Transmission Service Requests Evaluation Business Practice. While we agree that the Business Practice should apply to FTSRs, it should also equally apply to all NT LTF TSRs. Therefore, we request that BPA replace all references to “NT forecasted TSR(s)” to “Long-Term NT TSRs”, which would cover FTSRs as well.

BPA Response 1

BPA appreciates this comment regarding the need to reference NT LTF TSRs and not only NT Forecasted TSRs. BPA has modified the language in the Transmission Service Request Evaluation business practice to include the term “Long-Term” and retain the reference to “NT Forecasted TSRs” in an effort to be clear that the evaluation will be applicable to both.

2. Comments on Preemption of Short-Term Requests and Reservations, Version 3.

The pro forma right of NT customers to preempt competing TSRs has an elevated importance now that BPA has limited its hourly firm product. Pursuant to § 2.f of Attachment 1 to the TC-20 Settlement, BPA must “as soon as practicable . . . apply preemption and competition to daily and hourly firm, including redirects, if OATI implements NAESB standards to adopt FERC policy under *Entergy Services Inc.* 148 FERC ¶¶ 61,209.” We note that FERC issued Order 676-I on February 4, 2020 adopting the revised NAESB standards for implementing the *Dynegy* policy for redirects that was incorporated into FERC’s *Entergy Services Inc.* decision referenced in the TC-20 Settlement.¹ Under Order 676-I, public utilities subject to FERC’s jurisdiction had 90 days to comply from the date Order 676-I was issued. Although BPA is not generally subject to FERC’s jurisdiction, that time period has lapsed, and BPA has yet to revise the Short-Term Requests and Reservations Business Practice in light of Order 676-I, including in the most recent proposed revision to the business practice. We respectfully request an update from BPA as to where OATI is in the process of implementing these standards now that they have been adopted by FERC. We also respectfully request details as to BPA’s plan and timeline for applying, “as soon as practicable”, preemption and competition to daily and hourly firm in accordance with its obligations under the TC-20 Settlement and its Tariff.

¹ Standards for Business Practices and Communication Protocols for Public Utilities, Order 676-I, 170 FERC ¶¶ 61,062 (2020).

BPA Response 2

BPA thanks the NT Customer Group for this comment. BPA understands the urgency of this topic for the NT Customer Group and is responding accordingly. Per the terms of the TC-20 Settlement, BPA is actively and diligently working towards applying preemption and competition to daily and hourly firm, including redirects. Progress is dependent on delivery of industry-compliant software, which is still in progress from the vendor, OATI. Regarding timing, FERC issued a Notice of Extension of Time on April 3, 2020 setting a new industry target date of October 27, 2021. Although Bonneville is not subject to this FERC deadline, we are working to implement the necessary changes in concert with the overall industry timeline.

A considerable amount of preliminary work has already been completed. BPA has spent the last five months upgrading OATI framework software that serves as the foundation for a new version of OATI’s Preemption and Competition Module (PCM). That work was completed in December 2020. OATI has completed a significant amount of the software development for PCM. BPA is currently in the process of preparing our test environment, including deployment of the initial PCM capability already released to Transmission Providers (TPs). Training with OATI staff is expected to begin in the next 2-3 months, which will serve as the start of our own software testing effort. Prior to implementation of the new PCM, BPA

must first implement changes to the handling of Redirects in accordance with Entergy Services Inc. [148 FERC ¶ 61,209]. BPA has accepted delivery of that capability from OATI and has started initial testing.

The implementation schedule is very tentative at this point as the remaining software delivery from OATI is still uncertain. However, it will likely be a phased implementation over several months starting no sooner than May 2021. The PCM software will be entirely new, which means a re-implementation for Monthly and Weekly service will be needed before proceeding with Daily and Hourly service. BPA intends to implement the NAESB standards as approved by FERC. These standards are quite prescriptive, leaving little room for TP optionality. As a result, much of the customer engagement will be through updated Business Practices that adopt the NAESB standards, as well as supplemental training on how to respond to the new PCM. At this point, that engagement may start in the April to June quarter. BPA reiterates our commitment to fulfilling the terms of the TC-20 Settlement as soon as practicable, and we appreciate our customers' patience and cooperation as we work towards that shared goal.

B. Powerex

RE: Transmission Service Requests Evaluation Business Practice, Version 1

Powerex submits the following comments in response to Bonneville's posting of the Draft Transmission Service Requests Evaluation, Version 1.

Since the implementation of the limitation of Hourly Firm service on July 1, 2019, Powerex has engaged Bonneville through its workshops and commented extensively on the appropriate application of the *de minimis* tests to short-term redirect requests.¹

As previously recounted, implementation of the TC-20 Settlement limitation of Hourly Firm exposed a different treatment of short-term requests versus long-term requests that was not previously apparent or evident to transmission customers. Powerex entered the TC-20 settlement—and specifically agreed to the hourly firm limitations—based on its understanding that BPA was implementing its related policies and business practices as written. But this was not the case. In the course of the BP-22/TC-22 rate-case workshop period, BPA has since acknowledged that there was a misalignment between its implementation of the *de minimis* tests and its relevant policy and practice documents, and Bonneville has also acknowledged the reasonable basis for customer confusion and concern as to how the *de minimis* tests are being applied.² To remedy the misalignment, Powerex has strongly urged Bonneville to apply the *de minimis* Test 2 to short-term requests to maintain consistency with how short-term requests were evaluated prior to the TC-20 Settlement limitation of Hourly Firm implementation. Powerex reiterates its previous comments and again urges Bonneville to reconsider its decision and to work with customers so that a “*De Minimis* Test 2” can be applied to short-term requests.

In response to the draft language proposed in the Business Practice, Powerex requests that Bonneville clarify in Section D, or, at a minimum, a footnote to “Table 2: Short-Term De Minimis Impact Criteria” (Redline page 11), the reasons that Test 2 is not applied to short term requests.

¹ See Powerex Corp., Comments on the December 12, 2019 Workshop – *De Minimis* Test Implementation (Jan. 8, 2020); Powerex Corp., Comments on the March 17, 2020 Workshop (Mar. 31, 2020); Powerex Corp., Comments on Bonneville’s May 29, 2020 *De Minimis* Test Workshop (June 12, 2020).

² See Bonneville Power Admin., Bonneville Update to Customer Concerns Regarding *De Minimis* Policy and Application (Mar. 2020).

BPA Response 3

BPA appreciates Powerex’s comments on the Transmission Service Request Evaluation, version 1 business practice. BPA also appreciates Powerex’s engagement on this topic since the implementation of limitations on Hourly Firm. Pursuant to section 4.5.4 of Bonneville’s business practice process, Bonneville provides explanations for its business practice language in tech forum notices and the comment process. Bonneville does not typically include explanations of business practices in the business practices themselves. For this reason, BPA will not add a footnote to the Transmission Service Request Evaluation, version 1 business practice as requested.

This topic was discussed with various customers at multiple customer workshops. BPA has taken into consideration customer comments and has consolidated those comments with responses into a *De Minimis* Decision Document. Click [here](#) to view the document.

We appreciate your comments and look forward to working with you on future topics.