

Response to Customer
Comments – NETWORK
INTEGRATION (NT)
TRANSMISSION SERVICE

BPA Transmission Business Practice

Version 9

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This document contains customer comments and BPA Transmission Services’ response to the **Network Integration (NT) Transmission Service BPA Transmission Business Practice, Version 9** posted for comment from **May 1, 2019, to June 7, 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. NT Customer Group

The following comments are from Clark Public Utilities, Cowlitz PUD, Eugene Water and Electric Board, Mason PUD No. 3, Northwest Requirements Utilities, PNGC Power, and Western Public Agencies Group (collectively referred to as the “NT Customer Group”).

We appreciate the efforts that the Bonneville Power Administration (“BPA”) has undertaken to implement the NT products and services that were agreed upon in BPA’s TC-20 Settlement Agreement via the draft NT Business Practice, Version 9 (“NT BP”) which is currently open for public comment. Our comments primarily address two points of emphasis—the proposed NT Dialogue process in sections B-D and the Seller’s Choice provisions in section F. We also have one proposed edit to Section F.7 regarding Behind The Meter Resources.

NT Dialogue

We appreciate BPA’s effort to codify the NT Dialogue process in the NT BP. The NT Customer Group has urged BPA for several years to address its NT resource forecast process in some type of formal documentation. BPA has been administering ten-year resource forecast process via the NT Dialogue since 2016 and the process has worked well for some of BPA’s NT customers and at times has been challenging for other NT customers. The NT BP has appropriately addressed this resource forecast process, and we look forward to refining the forecast spreadsheet at future Network Operating Committee meetings.

On the other hand, it appears that BPA is attempting to force all load forecasting into the NT Dialogue without consideration to the larger agency-wide load forecasting process and related activities. This is problematic since the NT Dialogue was always intended to focus solely on non-federal resource forecasts and was never thought to include load forecasting. As a result,

the inclusion of the load forecast process in the NT Dialogue section has resulted in the following:

BPA Response

BPA appreciates the NT Customer Group's comments on the proposed changes to the Network Integration (NT) Transmission Service Business Practice. BPA appreciates the ongoing communication that has led to intended improvements in this year's NT customer load and resource forecasting process. BPA also recognizes that there may be additional remaining work to be done to respond to customer requests to integrate load and resource forecast processes between BPA and its NT customers. BPA is committed to further improvements in NT Customer load and resource forecasting, and to increased transparency of how BPA meets its obligations for its NT customers.

In order to finalize Business Practice changes related to the seller's choice portion of the TC-20 Settlement Agreement, and to continue implementation of those changes in a timely fashion, BPA will withdraw proposed changes for Sections B, C, and D in the Network Integration (NT) Transmission Service Business Practice (see TC-20 Settlement Agreement, Attachment 1, section (2)(g)), and will maintain the language in V08 of the Business Practice for these sections.

BPA commits to work collaboratively with NT customers over the coming months to deliberately and thoughtfully address how to best improve and document load and resource forecasting processes. BPA will propose modified BP language to these sections based on those collaborative sessions.

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- Section B introduces the concept of assigning all load forecasts a queue time. While the NT Customer Group acknowledges that, when taken together, Sections 29.2 and 31.2 of the OATT contemplate that designations of new Network Load will be assigned a queue time, we do not agree, and the OATT does not support, the implication made in the draft NT BP that NT load growth not associated with the designation of a new Network Load is subject to the same requirement. Instead, such load growth is subject to the requirements of Section 31.6, which requires NT customers to update their Network Load forecasts on an annual basis, and Section 28.2, which obligates BPA to include the Network Load of its NT customers in its Transmission System planning and to endeavor to construct and place into service sufficient transfer capability to deliver the Network Resources of NT customers to their Network Load.
 - Sections B-D are written in a manner that leads customers to believe that the entire NT load forecasting process is encapsulated in the NT BP. This is not the case—both BPA and its NT customers undertake many more procedural steps and forecasting milestones. Thus, the NT BP may mislead customers into believing that they are fully meeting their load forecasting obligations with BPA if they follow sections B-D, which is not the case.
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- There are several elements of the proposed treatment of load forecasts that are simply incorrect. For example, we do not believe that, in the event that BPA deems there is insufficient capacity to serve a submitted load forecast, the NT Customer should participate in BPA's Transmission Service Request Study and Expansion Process. As discussed above, BPA's OATT is very clear that it has the obligation to plan and, if necessary, expand its system to accommodate NT load growth, and nowhere does the OATT imply that an NT customer must submit a TSR to enable service for load growth. We can only guess that this was not BPA's intent and this error is likely the result of an attempt to apply a resource forecast process to an NT customer's load growth.

Because of these issues, we believe that BPA should update sections B-D in the NT BP to only include the resource forecast procedures in the NT Dialogue and remove all instructions and processes associated with load forecasting. BPA and NT customers can then work collaboratively over the coming months to deliberately and thoughtfully address how to best include the load forecasting process. In addition, BPA should not introduce any reference to queue timing in the context of load forecasts until BPA has made clear how it intends to keep its obligations to NT Customers to provide firm transmission service under the OATT and Settlement Attachment 6.

BPA Response

As noted in the prior response, BPA will withdraw proposed changes for Section B and will maintain the language in V08 of the Business Practice for this section. While the NT Customer Group's comments suggested BPA should retain the resource forecast portions of the proposed revisions to the Business Practice and remove the load forecasting portions, BPA is concerned that bifurcation of the two without sufficient analysis could have unintended consequences. Also, the effort to consolidate load and resource forecasting was in response to prior customer requests to do so, and BPA is of the opinion that this effort would best be conducted in a holistic manner, in collaboration with customers. BPA is committed to further improvements as noted previously including increased transparency to how forecasted loads and resources are used for planning.

BPA appreciates the NT Customer Group's acknowledgment of the efforts that BPA and its staff have undertaken to implement the portions of the TC-20 Settlement Agreement related to NT service. While it was BPA's goal to revise the NT Business Practice to encompass both the seller's choice provisions (discussed more below) and the NT Dialogue provisions, the comments of the NT Customer Group have indicated that the latter would benefit from continued communications with customers, to address load and resource forecasting in a robust and collaborative manner.

With respect to specific points made in the NT Customer Group's comments (for example references to queue timing and provisions of BPA's tariff), responses are not being made to comments related to language that is not moving forward at this point, but the language and comments will be preserved for future discussions on these topics in collaboration with

customers.

Seller's Choice

The NT Customer Group was pleased to see that BPA is working to implement the Seller's Choice option that was agreed to in the TC-20 Settlement. We also understand that implementation of Seller's Choice is challenging given that this concept is a significant change to how BPA currently treats NT customer's use of the market purchases at the Mid-C trading hub. Thus, we see BPA's current proposal for Seller's Choice as a step in the right direction, and we offer up the following additions to ensure the NT BP is aligned with the spirit and intent of the Seller's Choice provisions in the TC-20 Settlement Agreement:

- The proposal in the NT BP only applies the Seller's Choice option to the Northwest Market Hub. BPA should also apply Seller's Choice to all other Mid-C points beyond the Northwest Market Hub in order for NT customer to use firm transmission to deliver Seller's Choice market purchases to load. This would include: Northwest Market Hub, Mid-C Remote, Chelan County PUD, Grant County PUD, and Douglas County PUD.

BPA Response

BPA concurs that the Seller's Choice provisions in the TC-20 Settlement Agreement, Attachment 1 Section 2.g.ii include the following Mid-Columbia Points of Receipts (POR):

- Northwest Market Hub (NWH)
- Mid-C Remote (MIDCREMOTE)
- Chelan County PUD (BPAT.CHPD)
- Grant County PUD (BPAT.GCPD)
- Douglas County PUD (BPAT.DOPD)

BPA will update the final Business Practice Section F.1.d to identify these PORs.

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- We understand that there may be software and automation limitations to applying Seller's Choice to all Mid-C points, and we would offer up that it may be easier for BPA to implement the ability for NT customers to submit TSRs from all of the Mid-C points that are then referenced back to a single Designated Network Resource on OASIS.
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BPA Response

BPA concurs with the proposed submission of TSRs and will add a new paragraph (iv) to Section F.1.d as follows: "iv. The NT Customer may submit TSRs from more than one POR (as identified in F.1.d.i) to be associated with a single Seller's Choice contract."

Behind the Meter Resources

In Section F.7, we recommend that BPA provide references to the Small Generation Interconnection and Large Generation Interconnection procedures. Otherwise, NT customers who rely solely on the NT Business Practice may be unaware of the standards and requirements that must be met in order to integrate a resource into their service territory.

BPA Response

BPA concurs with this recommendation and will add to Section F.7 in the final Business Practice as follows: "c. Refer to the Small Generator Interconnection Business Practice or the Large Generator Interconnection Business Practice for additional procedures."

Conclusion

Again, the NT Customer Group appreciates that the proposed NT BP attempts to capture several of the products and services that were committed to in the TC-20 Settlement Agreement. We believe the intent of BPA's draft proposal is sound and that it will meet the intended outcomes that were agreed upon in the TC-20 process with the inclusion of the modifications that are outlined in these comments.

BPA Response

BPA appreciates the NT Customer Group's participation in this process and looks forward to working with customers on these efforts.