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**Subject: TransAlta Comments on the June 29 BP/TC-24 Workshop**

Matt:

In response to BPA's June 29, 2022 BP/TC-24 workshop and presentation<sup>1</sup>, TransAlta Energy Marketing (U.S.) Inc.'s ("TEMUS") provides the following comments on two topics.

Unauthorized Increase Charge (UIC) – Transmission

TEMUS has always believed that the UIC penalty rate is excessively punitive and much higher than is necessary to do its job—compelling customers to reserve sufficient transmission capacity and schedule accurately. The industry scan described on slides 38 and 39 confirms that the penalty is grossly outsized.

TEMUS is particularly concerned because UIC can be unintentional and caused by simple mathematical errors. TEMUS has also observed that more often, technical reasons are the cause, like when e-Tag validation fails to identify overscheduling. This failure can occur when transmission service requests are being submitted, approved, and tagged quickly. BPA identified this as an issue back in 2010. It still presents a validation challenge for customers and OASIS/tagging systems alike, and it can contribute to unintentional UIC.

The UIC penalty should be *dramatically* reduced, such as aligned with the just and reasonable industry standards that were found, and BPA should maintain existing methods for customers to seek UIC relief under appropriate circumstances via waivers or reductions.

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<sup>1</sup> [https://www.bpa.gov/-/media/Aep/rates-tariff/bp-24/6-29-22-workshop/BP\\_TC-24-Workshop-June29-2022.pdf](https://www.bpa.gov/-/media/Aep/rates-tariff/bp-24/6-29-22-workshop/BP_TC-24-Workshop-June29-2022.pdf)

Monthly Loss Factors on the Network Segment

During BP/TC-22, TEMUS was a proponent of adopting a two-season loss factor structure for two reasons. It is not burdensome for customers who calculate all-in costs (to ensure their transactions are economic) and it differentiated June, July, and August, which varied sufficiently from the annual average (from BPA's perspective, "granularity" and "accuracy" were improved). It appears from the BP/TC-24 analysis that monthly differentiation is not uniform nor is it significant. TEMUS believes the variance between months and seasons does not warrant the trouble of requiring monthly loss factors. We suggest that BPA and its customers reconsider adopting an annual loss factor.

**TRANSALTA ENERGY MARKETING (US) INC.**

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