

*Submitted to BPA via techforum@bpa.gov – June 22, 2018*

### **Comments on May 31, 2018 TC-20 Transmission Terms and Conditions Workshop**

Thank you for the opportunity to comment on the May 31<sup>th</sup> prehearing workshop for the TC-20 Transmission Terms and Conditions proceeding. The new terms and conditions that the agency will adopt for its transmission service in TC-20 are of great concern to PPC’s members. The ability to serve load and move resources on firm, reliable, and affordable transmission is essential to the preference customers and to the value that BPA provides to the Northwest region.

#### *TC-20 Tariff Development Pre-Hearing Process*

PPC urges BPA to consider the following suggestions for future workshops. It is imperative that the workshops and subsequent discussions are as productive as possible and allow for sufficient regional collaboration prior to the beginning of the formal TC-20 process in November.

First, BPA should revise its principles for deviating from *pro forma* language in response to comments submitted by its customers. That there was little support for many of the principles BPA is using should give BPA pause on moving forward on applying these principles without changes; BPA should review and revise the principles it is using in response to the comments it received.

Second, BPA should clarify areas where it is or is not willing to receive and respond to input from customers. On April 23<sup>rd</sup> customers were asked to provide input on materials about “Tariff development” and “Aligned with *pro forma*,” which most customers understood to include BPA’s proposed principles for deviation from *pro forma*. PPC, its members, and other customers put significant time and effort into developing suggestions on these principles to help guide BPA’s strategic direction. Then at the May 31<sup>st</sup> workshop, BPA staff indicated that they may not consider this input. BPA should make it clear if there are areas where it is not open to customer comment so that customers can prioritize their time and effort.

Third, PPC appreciated BPA sharing additional information on the process for addressing rates and business practice changes that are needed to implement proposed changes in TC-20. PPC would like additional information on whether proposed tariff changes will result in associated rate or business practice changes for each of the topics BPA is planning on addressing in TC-20. BPA shared some of this information during the Pro Forma Gap Analysis process, and PPC would appreciate any updated information as BPA’s thinking evolves.

Finally, PPC requests that proposed tariff language associated with the issues being discussed at the pre-hearing workshop be posted prior to the meeting so that customers can more fully understand BPA's proposal, ask questions associated with the proposed language, and provide more complete input on the proposal. Red-lined language for some of the issues discussed on May 31<sup>st</sup> was posted *after* the workshop, which resulted in a missed opportunity to discuss the language at the meeting.

#### *Losses*

It is difficult to provide BPA with feedback on its proposal to capture the loss factor in a business practice due to a lack of information on other aspects of BPA's loss policy. BPA has identified other areas where it may change its policy regarding losses including the calculation of the loss factor, the method for returning losses, and reviewing the price at which BPA financially settles losses. BPA indicated possible changes in these areas during the Pro Forma Gap Analysis workshops but has not provided further information on what changes it will propose in TC-20. PPC would like more information on BPA's direction in these other areas before commenting on where BPA should capture its loss factor and what the process should be for updating that information.

Whether or not the loss factor is moved out of the tariff, BPA should provide customers with more transparent information on how the loss factor is calculated. BPA should publish the methodology used to calculate the loss factor, as well as data that was used in the study. While PPC understands that BPA might not be able to make all the data available, we would appreciate some additional information on the inputs to the loss study. Making such information available to customers would also help with future discussions regarding whether a more granular loss factor calculation should be adopted.

BPA should provide customers with more information on its proposed direction with losses before removing the loss factor from the tariff. We would like to see a project plan and schedule for when BPA will be discussing the outstanding losses issues including the loss factor methodology and any proposed changes to the method of returning losses. Better understanding the other aspects of BPA's proposed loss policies is needed before PPC can comment on BPA's proposal to remove the loss factor from the tariff.

#### *Long Term Available Transfer Capacity (ATC)*

PPC appreciated the update on ATC given on May 31<sup>st</sup>. The proposed changes seem logical and we look forward to more information on how these changes will impact the amount of ATC available to BPA's customers.

#### *June 26<sup>th</sup> and Future Workshops*

PPC continues to stress the importance of BPA sticking to its proposed TC-20 workshop schedule to ensure that customers are given sufficient time to review and comment on BPA's proposals prior to the start of the TC-20 process. As we stated in our previous comments, having more information available will allow customers to evaluate BPA's tariff proposal holistically

and understand how they would be impacted by service under the new tariff. This is the only way PPC's members can provide feedback to BPA.

We appreciate BPA making the June 26th meeting materials available a week prior to the workshop so that customers have time to review them prior to the meeting. We look forward to more discussion about the materials at the June 26<sup>th</sup> workshop, but have concerns that the time allotted at the June 26<sup>th</sup> workshop along with the planned follow up at the August 21<sup>st</sup> workshop may not be sufficient to fully vet some of the issues prior to development of BPA's Initial Proposal. PPC encourages BPA to hold additional workshops if necessary between the June and August workshops to more fully discuss and develop its proposals.

### *Conclusion*

Thank you for the opportunity to comment. We appreciate the chance to work with BPA and its customers during the TC-20 pre-hearing workshops. We look forward to continued discussion and collaboration as BPA prepares for its Initial Proposal to update the terms and conditions of its service. The outcome of this process will greatly impact PPC's members and we appreciate BPA's continued effort to work with customers in advance of its Initial Proposal.