

February 8, 2023

Re: Bonneville's Redispatch and Curtailment Business Practice - 1:1 Path Curtailments

Powerex appreciates the opportunity to provide comments on this important topic. On January 18, 2023, Bonneville staff provided an update on its planned implementation of curtailments on 1:1 paths.¹ Bonneville previously proposed revisions to the Redispatch and Curtailment Procedures Business Practice to provide clarity to how Bonneville conducts curtailments on 1:1 paths. Bonneville subsequently withdrew those proposed revisions following comments from NT customers and committed to evaluating the customer input and sharing the results at a customer workshop.

During the workshop, Bonneville indicated its preference for an alternative (Alternative 1), which would change how Bonneville conducts curtailments on 1:1 paths. Powerex is highly concerned there would be unintended outcomes if Bonneville were to implement the recommended alternative and raised various concerns with the proposal. Changing Bonneville's curtailment practices to curtail on schedules alone raises numerous material concerns, but most importantly, the shift would significantly erode the certainty of deliveries from Bonneville's system to load serving entities, who require a high degree of certainty of energy deliveries when a derate is known in advance. A shift to curtailments based on schedules only, without recognizing each customer's underlying rights, would increase the load-serving entities' uncertainty in the deliverability of energy from Bonneville's transmission system. This, in turn, would lead to market inefficiencies and seams, while also creating an undesirable incentive for customers to schedule to the maximum share of their transmission rights to secure a higher proportion of flow. Moreover, Powerex believes that Bonneville's preferred alternative would result in NT customers' schedules being curtailed to a greater extent than under the current methodology when such schedules are less than the customers' reserved transmission. Ultimately, both NT and PTP customers will be subject to more unexpected and uncertain curtailments than before.

Powerex recognizes that Bonneville is trying to address a scenario that may occur if an NT customer has scheduled beyond its reserved transmission. This is because any schedules exceeding reserved transmission rights may be curtailed ahead of the pro rata curtailments (relative to held transmission rights). While Alternative 1 may address some NT customers concerns in that particular scenario, it is likely that this would detrimentally impact NT schedules when they are scheduled at less than their

¹ Bonneville Power Admin., Redispatch and Curtailment BP - 1:1 Path Curtailments – (Jan. 18, 2023), available at <https://www.bpa.gov/-/media/Aep/transmission/nt-service/rand-cbp-1-1path-customer-meeting.pdf>. Bonneville staff subsequently posted a revised "Pros and Cons" presentation on January 31, 2022, available at <https://www.bpa.gov/-/media/Aep/transmission/nt-service/rand-cbp-1-1path-customer-meeting-pros-cons.pdf>. Bonneville also extended the comment deadline on the January 18 presentation from February 2 to February 8, 2023.

reserved transmission rights. Consider the following example showing a 1:1 path with a total capacity of 500 MW that experiences a 60% decrease in capacity, leaving only 200 MW available.

Path Total Transfer Capacity	500																		
Operating Transfer Capacity	200	accounting for path derate due to known outage																	
Transfer Capacity Decrease	300	60% derate																	

	NERC Priority 7 Transmission Rights			Transmission % Share	OASIS Reliability Limit	eTagged Energy Profile		Scheduling % Share		eTag Energy Profile after Curtailments				Energy flowing relative to Transmission Share
	7 Transmission Rights	Transmission % Share	OASIS Reliability Limit			eTagged Energy Profile	Scheduling % Share	Industry Standard OATI Curtailment to Max Utilization	BPA Alternative 1 Schedules Curtailed Pro-Rata	Industry Standard OATI Curtailment to Max Utilization	BPA Alternative 1 Schedules Curtailed Pro-Rata			
Customer A	200	40.0%	80	200	62.5%	80	125	80	125	62.5%				
Customer B	100	20.0%	40	40	12.5%	40	25	40	25	12.5%				
Customer C	60	12.0%	24	24	7.5%	24	15	24	15	7.5%				
Customer D	20	4.0%	8	8	2.5%	8	5	8	5	2.5%				
Customer E	20	4.0%	8	8	2.5%	8	5	8	5	2.5%				
Network Customer 1	100	20.0%	40	40	12.5%	40	25	40	25	12.5%				
Totals	500	100%	200	320	100%	200	200	200	200					

Under the current industry standard, the curtailment process honors customers’ investments in transmission rights and establishes reliability limits whenever a reduction in path capacity is known ahead of the delivery period. The reliability limit identifies the ‘protected’ amount of transmission a customer (NT and PTP) can depend on during a derate (with the exception of when the transfer capacity for the path is unexpectedly further reduced). In the example above, the curtailments that would occur with Alternative 1 will render all customers in a worse position except for the customer that scheduled to their max rights despite a known 60% path derate. Customers will lose their ability to know the portion of their rights that they can safely schedule on. Under Alternative 1, whenever any schedule is curtailed within the same NERC priority, **every** schedule will be curtailed.

Powerex believes that the current curtailment practices, as established through the OATI curtailment manager, are consistent with Bonneville’s OATT, its Redispatch and Curtailment Business Practice, and FERC precedent. Section 13.6 of Bonneville’s OATT requires non-discriminatory, pro rata curtailments and that curtailments of PTP and NT customers will occur “on a basis comparable to the curtailment of service to the Transmission Provider’s Native Load Customers.” Similarly, the Redispatch and Curtailment Business Practice states only that “BPA Transmission Services will curtail schedules pro-rata according to NERC Curtailment priority.” The current OATI curtailment manager respects these obligations because it curtails all firm (7-F) schedules pro rata and without undue discrimination, while respecting the capacity rights defined in Bonneville’s OATT and paid for by customers, all while maximizing flow on the line and without adding undue complexity.

Powerex also believes that Order No. 890 supports BPA’s current approach and the OATI methodology. At most, FERC’s discussion in Order Nos. 890 and 890-A stands for: (1) curtailments must be sufficient so as to not impact reliability (Order No. 890 at P 1629); and (2) the curtailment mechanism must not be too complex too close to real-time operations to jeopardize reliability (Order No. 890-A at P 977). Importantly, Powerex’s comments on the Order No. 890 proposed rulemaking did *not* propose a reservation-only curtailment methodology. Powerex explained this fact on

rehearing, which FERC acknowledged.² With that initial concern addressed, FERC's Order No. 890-A objection was entirely different – an implementation concern, namely that the process would be too complicated during or close to real-time operations and therefore pose a threat to reliability. Such concerns, to the extent they were valid, have been addressed through the automation provided by OATI and because real-time curtailments are based only on schedules, as Powerex supported in the Order No. 890 proceeding.

During the workshop, Bonneville stated that they would give further consideration to Powerex's concerns, hold another workshop on this issue, and pause any implementation changes until that process is completed. Powerex strongly supports Bonneville continuing a dialogue with customers on this important issue through at least one or more additional workshops and customer engagement. Powerex hopes to continue to work with Bonneville and all customers collaboratively to address the concerns while minimizing disruption to system operations and protecting customers' firm rights.

Respectfully,



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² Order No. 890-A at P 977 ("Powerex addresses in its request for rehearing the Commission's initial concern regarding the proposal....").