



Transmission Services

Requesting Transmission Service, Version 29 and Simultaneous Submission Window, Version 2

Response to Customer Comments

Posted: September 1, 2016

This document contains the Transmission Customer comments and BPA Transmission Services' response to those comments for proposed edits related to implementation of a new Fixed Monthly product in the following Transmission Services Business Practices: the Requesting Transmission Service (V29) and the Simultaneous Submission Window (V2). In publishing the final versions of the proposed edits, BPA Transmission Services is making a change to the original proposed language for the new Fixed Monthly product in response to those comments (as articulated below).

Based on customer comments, BPA Transmission Services has revisited that decision and will not implement the new Fixed Monthly product. Instead, BPA is implementing an extension of the reservation submission window of the Existing Monthly Product for both NT and PTP service.

The final versions for tables in Section G of the Requesting Transmission Service Business Practices (V29) and Section C of the Simultaneous Submission Window Processing (V2) will retain the language proposed, but that language will be applied to the Existing Monthly Product rather than the Fixed Monthly Product. Additionally, all language referring to the Fixed Monthly Product has been removed. Those final versions of the Business Practices will be published here.

Thank you for your comments.

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Powerex

- A. Firstly, Powerex would like to better understand Bonneville's proposal for the new "Fixed" monthly product. Additional information regarding the reasoning and objectives for the proposal would assist customers in providing more substantive comments. Powerex would therefore appreciate if BPA explained the reasoning and objectives for the new "Fixed" monthly product.

Transmission Services' Response:

BPA proposed the "Fixed" monthly product to extend the reservation submission windows for NT customers to designate Network Resources and for PTP customers to request short-term monthly PTP service. The driver for implementing an extension of the reservation submission window for both NT and PTP service is to increase NT customer flexibility in designating Network Resources to serve Network Load and to increase PTP customer flexibility in reserving short-term PTP service. Based on the comments from customers, BPA Transmission Services revisited implementing the extension of the reservation window for the Extended Monthly product. After further analysis and testing, BPA Transmission Services has determined that we will implement extending the reservation window for the Existing Monthly product and BPA will not implement the proposed Fixed Monthly product.

- B. Secondly, the introduction of a new "Fixed" monthly product in addition to retaining the existing "Extended" monthly product appears to introduce a number of potential issues:
1. Powerex assumes that a customer requiring six months of service starting 90 days from the time of submission will be required to submit six separate TSRs under the new "Fixed" monthly product, each with a conditional period of up to one month prior to the start of service. Please clarify and confirm.
 2. Powerex is not clear on how a duration competition would work between a Fixed monthly product and an Extended monthly product. Using the example of a customer requiring 6-months of service starting 90 days from the time of submission and requiring 6 separate TSRs, assume the requested path is constrained and a competing customer submits a seven and one-half monthly extended request for the same capacity 45 days prior to the start of service. In such a case:
 - a. How would a duration competition take place between the extended monthly and fixed monthly requests?
 - b. Can a Fixed monthly product match the duration of an Extended monthly product that ends mid-month?
 - c. Would all six existing single month requests be flagged as competing simultaneously as all of them would need to be displaced at the same time to award the longer duration Extended monthly Service?
- C. Given these concerns, Powerex suggests that Bonneville explore alternatives to the proposal. Bonneville could consider modifying the purchase window for the existing Extended Monthly product by changing the no-earlier submission time from 60 days to 11 months and introduce a new restriction requiring the stop time

of the TSR to be no later than 13 months from the time of submission rather than producing a new Fixed monthly PTP product that may only be purchased for a single, fixed month at a time. This should accomplish the same goal of permitting customers to request transmission earlier while also keeping those requests within the short-term ATC calculation timelines for Bonneville. It also eliminates the inefficiency of requiring multiple TSRs for longer service durations and the complications with the competition process against numerous conditional requests.

Transmission Services' Response

As stated above, based on the comments from customers, BPA Transmission Services revisited and will implement the extension of the reservation window for the Extended Monthly product. BPA will not implement the proposed Fixed Monthly product.

As a result of this decision, the final versions for tables in Section G of the Requesting Transmission Service Business Practices (v 29) and Section C of the Simultaneous Submission Window Processing (v 2) will retain the language proposed, but that language will be applied to the Existing Monthly Product rather than the Fixed Monthly Product. Additionally, all language referring to the Fixed Monthly Product has been removed. Finally, as suggested in Powerex's comments, we have added language limiting the duration for Monthly PTP products and monthly designated Network Resources to not extend past "14 months from the TSR queue date."

Portland General Electric

- A. The change in the reservation window (increased from 60 days to 365 days) without a corresponding change to the conditional timeframe (30 days and no Right of First Refusal for Monthly NT challengers and 35 days and Right of First Refusal for Monthly PTP challengers) makes it increasingly difficult for potential defenders to count on the necessary transmission service to transmit power and serve load. PGE is concerned that the difference in financial and timing requirements between the classes of transmission customers creates a potential incentive for one class of customers to acquire more transmission than is needed under the guise of "planning." This potential outcome would negatively impact other customers, as well as the liquidity of the region.

Transmission Service's Response

Extending the reservation submission windows will not create incentives for NT customers to acquire more transmission than is needed under the guise of "planning." First, NT service may only be used to serve the NT customer's designated Network Load. Second, BPA's OATT and NT service business practice requires NT customers to submit an attestation with the designated Network Resource request. The attestation states that the Network Resource satisfies the following conditions:

- a. Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and,
- b. The Network Resource does not include any resources, or any portions thereof, that are committed for a sale of one year or more to non-designated third party load or otherwise cannot be called upon to meet

the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

The load service requirement and attestation prevent NT customers from acquiring more transmission than is needed.

- B. Additionally, PGE is concerned that under such an outcome, there could be negative impacts to the secondary revenue BPA currently receives from the short-term transmission market that could potentially result in longer-term cost implications for BPA and its customers.

Transmission Service's Response

BPA will review to see if extending the reservation submission will have an effect on the short-term PTP service.

- C. PGE is also concerned about the drivers for the proposed changes. During the March 31, 2016, Transmission Load Service (TLS) Workshop, customers asked BPA Staff to elaborate on the drivers for this new monthly product with a longer reservation window. BPA Staff stated only that customers had requested a product of this type to meet their needs. As an entity with remote resources that is responsible for serving load, PGE understands and commends BPA on its efforts to design a product that meets its customers' load serving needs. However, PGE is concerned that this product is only a temporary solution for some customers and ignores the larger problem of much needed reliability enforcements and expansion of the BPA transmission system. PGE understands that BPA is exploring multiple solutions and new processes, but encourages BPA to focus on solutions that offer a lasting, more permanent fix.

Transmission Service's Response

BPA Transmission Services is exploring other options including non-wires options to address reliability concerns on South of Allston. Here is a webpage to where more non-wires information can be found: [Non-Wires Measures for South of Allston – RFP page](#).

- D. Does BPA Staff plan to propose or adopt any additional actions or processes to review the ultimate use of the new product to ensure that liquidity in the short-term market and the associated revenues are not being negatively impacted? What metrics is BPA Staff considering to accomplish this goal? If BPA Staff has no plan at this time, why does Staff believe there is no need for action?

Transmission Service's Response

At this time, BPA Transmission Services does not intend to conduct such an analysis. In making this decision, BPA considered requirements under BPA's OATT and FERC guidance, staffing needs, required system updates, costs of implementing changes to existing systems, customer satisfaction, impact on changes to ATC methodology, and compatibility with existing preemption and completion business practices. The driver for implementing an extension of the reservation submission window for both NT and PTP service is to increase NT customer flexibility in designating Network Resources to serve Network Load and to increase PTP customer flexibility in reserving short-term PTP service

- E. PGE would appreciate if, in its reply to these comments, BPA Staff could elaborate on the rationale for not considering any changes to the weekly or daily products at this time. Is BPA Staff considering changes to the weekly or daily

products in the near-term (2016-2017) timeframe? If so, will these proposals go through the TLS process?

Transmission Service's Response

BPA Transmission Services determined that extending the reservation submission windows for weekly and daily service at this time would increase the complexity of system changes and costs to implement those changes. BPA Transmission Services will explore whether and how to extend the reservation submission windows for weekly and daily service next year.