

## FY 2023 Q4 QBR Follow up Questions

To view the QBR and QBR Technical Workshop’s slide presentations, please see BPA’s [Quarterly Business Review](#) webpage.

Submitter:

Eric Espenhorst, Seattle City Light  
206-684-3612 | [Eric.Espenhorst@seattle.gov](mailto:Eric.Espenhorst@seattle.gov)

1. Transmission revenue, slide 9 of the supplemental materials makes this statement: “Increased Long Term Point-to-Point revenues resulting from Conditional Firm (CF) Service offers accepted during FY 2022.” Will you please provide the number of MW and the annual revenue from those offers? In FY 2023, did customers accept CF offers? If so, how many MW and dollars are associated with that?

**BPA response:** The CF that has an impact for FY 22 is 790 MW or approximately \$14 million. In FY 23 was an additional 370 MW added which was about 1,162 MW in total for FY23 impact, which is approximately \$36 million for FY23.

CF Sales and Revenue					
FY 2022		FY 2023		Total	
MW	Revenue	MW	Revenue	MW	Revenue
792	\$ 14,510,640	370	\$ 21,109,472	<b>1,162</b>	<b>\$35,620,112</b>

2. Transmission expenses and RDC, slide 21 of the supplemental materials makes this statement: “For the remaining \$50.4M, staff proposes to hold for costs not included in the IPR process. If these costs don’t materialize these funds will increase the likelihood of an RDC in FY 2024.” What are the categories of costs and what are the dollar amounts for each line item? If this detail is not available, please provide the information BPA used to arrive at the \$50.4 million.

**BPA Response:** The proposal is to hold additional reserves. BPA is not proposing a funding decision or applying the RDC Amount to specific costs. As discussed in the QBRTW, BPA is now forecasting costs above rate-case forecasts and proposes holding funds back to be more agile in responding to increased and unforeseen customer and regional transmission needs, such as GI reform and new markets. Since BPA does not intend to earmark these funds to particular programs but hold them in reserves, BPA does not believe it is necessary to develop an itemized cost increase list.

3. EIM. This touches on both Power and Transmission in the supplemental materials.
  - a. On page 7, BPA makes this statement: “EIM Scheduling Coordinator charges of \$7M were not forecast in the Rate Case or the Target. Higher EIM revenues offset some of these charges.” Will you provide the EIM revenues that Power received in FY 2023?

**BPA Response:** The EIM charges and revenues from the California Independent System Operator (CAISO) received by the Participating Resource Scheduling

Coordinator (PRSC) are included in the overall sales for the Power Business line and are not broken out as an individual line item. This \$7 million is the PRSC's share of sub-allocated charges and revenues from BPA Transmission in its role as the EIM Entity Scheduling Coordinator (EESC) and is reported quarterly on row 77 of Power Detailed Revenue and Expenses Report.

- b. Also on page 7, BPA states "3rd Party GTA Wheeling came in \$13M target due to credits BPA received from the CAISO Energy Imbalance Market (EIM) for our providers." Please clarify the \$13 million is above or below the target. Is this a credit to Power revenue requirements?

**BPA Response:** 3rd Party GTA Wheeling was \$13 million below the target, according to the posted quarterly financial report. The EIM charges and credits from the other EIM Entities received by BPA Power are included in the overall sales for the Power Business line and are not broken out as an individual line item.

- c. On page 10, "\$21M increase in Commercial Activities Non-IPR driven by increased external reimbursable work being completed and EIM Entity Scheduling Coordinator (EESC) Settlements charges that were not forecasted in the BP-22 rate case." What is the EIM-component of this total?

**BPA Response:** The EIM Component of the \$21 million increase in Non-IPR Program Commercial Activities is \$9.6 million. BPA Transmission paid this amount to the California Independent System Operator (CAISO) for EIM Entity Scheduling Coordinator (EESC) charges and revenues. This value is reported quarterly on row 73 of the Transmission Services Detailed Statement of Revenue and Expenses. BPA Transmission's rate structure provides for the sub-allocation to Transmission Customers of nearly all charges and revenues from the CAISO to BPA's EIM Entity Scheduling Coordinator (EESC). This provides an offsetting revenue or charge.

- d. Can BPA provide information already available the actual EIM credits and revenues by Business Line in FY 2023?

**BPA Response:** For the Power Business Line, in FY 23, the \$7 million is the PRSC's share of sub-allocated charges and revenues from BPA Transmission in its role as the EIM Entity Scheduling Coordinator (EESC). This value is reported quarterly on row 77 of Power Detailed Revenue and Expenses Report. The EIM charges and revenues from the California Independent System Operator (CAISO) received by the Participating Resource Scheduling Coordinator (PRSC) are included in the overall sales for the Power Business Line and are not broken out as an individual line item.

For the Transmission Business Line, in FY 23, the \$9.6 million is what BPA Transmission paid to the California Independent System Operator (CAISO) for EIM Entity Scheduling Coordinator (EESC) charges and revenues. This value is reported quarterly on row 73 of the Transmission Services Detailed Statement of Revenue and Expenses. BPA Transmission's rate structure provides for the sub-allocation to Transmission Customers of nearly all charges and revenues from the CAISO to BPA's EIM Entity Scheduling Coordinator (EESC). This provides

an offsetting revenue or charge. For BP-24, BPA Transmission adopted transmission rates that sub-allocate 6 additional EESC charge codes from the CAISO which are colloquially referred to as the flex ramp charge codes.