



# Concurrent Loss Return Service Implementation Plan

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Appendix: Concurrent Loss Return Service Project Timeline

## Introduction

Real power losses refer to the loss of power that occurs over the transmission system when power moves between the point of generation and the load. Sections 15.7 and 28.5 of Bonneville's Open Access Transmission Tariff (Tariff) require Point-to-Point (PTP) and Network Integration (NT) customers to replace real power losses associated with their transmission service. Bonneville calculates a customer's real power loss obligation based on the real power loss factors set in Schedule 11 of the Tariff.

Bonneville currently offers transmission customers three loss return settlement options to return their loss obligation: delayed in-kind (168 hour delayed return), financial settlement (customer purchases real power losses from Bonneville Power), and slice output. Slice output loss return services is only available to Bonneville's Power Slice customers. The Real Power Loss Return Business Practice specifies these loss return service options, as well as the procedural and technical requirements associated with the return of losses. The Power Rate Schedules and General Rate Schedule Provisions (GRSPs) set the rate for customers who purchase real power losses from Bonneville Power.

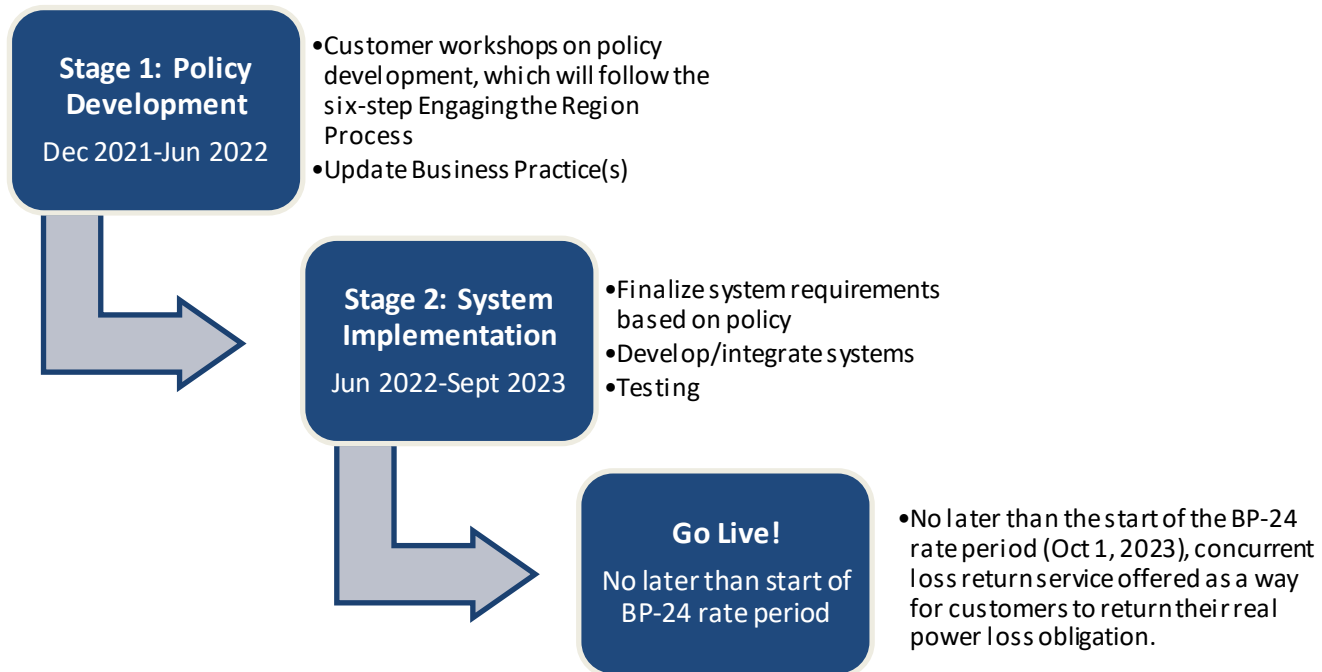
As part of the BP-22 Rates Settlement, Bonneville agreed to implement a new concurrent loss return service for customers who wish to return their real power losses with a physical in-kind return:

"Bonneville will work toward implementing a concurrent loss-return service by the start of the BP-24 rate period or sooner, including development of an implementation plan. The implementation plan will include a timeline for engaging customers through workshops as well as opportunities for customers to provide feedback. The plan will also account for the potential need to make business practice changes according to Bonneville's Business Practice Process. Bonneville will share the implementation plan with customers no later than the end of the first quarter of FY 2022."

BP-22 Administrator's Final Record of Decision, BP-22-A-02, Appendix A, p. 6.

This document includes the Concurrent Loss Return Service Implementation Plan ("Implementation Plan") called for in the BP-22 Rates Settlement and describes the policy items and proposals related to the plan. Bonneville will have a two-stage approach to the implementation of a new concurrent loss return service. First, Bonneville will focus on developing its policies for the service with input from customers during workshops and the Business Practice Process (see the Policy Development section for more detail). Second, Bonneville will develop and implement the systems and business processes necessary to support the new service. As part of the second phase, Bonneville will determine the necessary technical requirements for the service based on the policies set in the first phase.

## Two-Stage Approach to Implementation



## Policy Proposal and Specific Policy Items

### Policy Proposal

Under Bonneville's proposal for concurrent loss return service, customers would schedule e-Tags for returning their loss obligation to flow the same hour their transmission service flows. Customers would schedule their aggregated loss obligation(s) for each Transmission Contract per hour using separate e-Tag(s) submitted prior to the start of flow. Bonneville would calculate the hourly aggregated loss obligation for each Transmission Contract and make it available in time for customers to submit a loss schedule within the scheduling timeframe.

As part of the implementation of a concurrent loss return service, Bonneville will retire delayed in-kind loss return service except for returns under legacy transmission contracts that specify the return of losses in that manner. Financial settlement will continue to be an option for all transmission customers to return their loss obligation. Bonneville will evaluate how concurrent loss return service will impact Slice Output returns as part of this process and through discussions with customers in the Slice Implementation Group (SIG) meetings.

## **Specific Policy Items**

1. **Managing kW Remainders:** When Bonneville implements the concurrent loss return service, it must determine how to manage kilowatt (kW) remainders in the calculated loss obligation since transmission service must be delivered in whole megawatts (MWs).
2. **Managing Loss Return Imbalance:** When Bonneville implements the concurrent loss return service, it must decide what to do about both over and under deliveries of loss return obligations, which may include reliability adjustments, after-the-fact adjustments, and/or customer defaults.

## **Principles**

Bonneville will evaluate options for implementing the concurrent loss-return service using the following principles:

1. Meet Bonneville's commitment in the BP-22 settlement.
2. Informed by what has been implemented by other utilities.
3. As simple as possible and minimizes administrative burden for Bonneville and customers, where possible.
4. Cost efficient implementation for Bonneville through minimization of custom changes to systems.
5. Losses returned the same hour as the schedule.
6. Minimizes unintended impacts on other policies and is auditable.

## **Industry Scan**

Bonneville reviewed the Open Access Transmission Tariffs and Business Practices of several Transmission Providers (TPs) that offer concurrent loss return service. The industry scan suggests that these TPs have implemented concurrent loss return service in different ways, rather than following a single industry standard. Bonneville will look to what other TPs have implemented for guidance when considering its policy options.

## **Policy Development (Stage 1)**

Bonneville will discuss policy options and proposals for implementing a concurrent loss return service using the process described below. The policy proposals will then be established through the Business Practice Process.

## **Customer Engagement**

Bonneville will hold a series of customer workshops from December 2021 through April 2022 to discuss its options and proposals for implementing a concurrent loss return service. Items discussed in the workshops will follow the six-step process described below, which mirrors the engagement process Bonneville used during the BP-22, TC-22 and EIM Phase III customer workshops. Workshop materials will be posted at least two business days in advance on the BP-22 Rates Settlement Implementation website.

Due to the expected technical nature of these workshops, Bonneville strongly suggests customers have a technical subject matter expert participate. In particular, someone who is familiar with transmission scheduling.

### **Six-Step Customer Engagement Process**

Step 1: Introduction and education

Step 2: Description of the issue

Step 3: Data and/or analysis that supports the issue

Step 4: Discussions on possible alternatives to solve the issue

Step 5: Discussion of customer feedback to alternatives and Bonneville's response

Step 6: Staff proposal for solution

### **Workshop Timeline**

- Workshop 1: December 8, 2021
  - Kick-off
  - Overview of Implementation Plan
  - Steps 1 & 2 for Managing kW Remainders and Managing Loss Return Imbalance
- Workshop 2: January 26, 2022
  - Discuss customer feedback on the Implementation Plan
  - Steps 3 & 4 for Managing kW Remainders and Managing Loss Return Imbalance
- Workshop 3: March 30, 2022
  - Discuss customer feedback from Workshop 2
  - Inform: Data update on kW reminders
  - Policy decisions (steps 5 & 6):
    - Pseudo Ties and Dynamic Transfers
    - Invalid loss returns
    - Real-time and after-the-fact loss return imbalance
- Workshop 4: April 26, 2022
  - Steps 5 & 6 for Managing kW Remainders
  - Early draft business practice(s) updates shared

### **Customer Feedback**

After each workshop, customers will have at least two weeks to provide feedback on the content presented. In particular, Bonneville is interested in hearing how the policy proposal and options discussed in the specific policy items will impact customers' processes and systems. Bonneville also intends to give customers a preliminary comment period for any initial draft of business practice(s).

### **Business Practice Process**

Bonneville anticipates initiating the Business Practice Process in June 2022 to establish the new concurrent loss return service policies discussed during the workshops. As mentioned, Bonneville

intends to share an early draft of the business practice(s) for customer feedback prior to initiating the formal Business Practice Process.

### **Rate Proceeding**

Should Bonneville need a new or revised rate to implement concurrent loss return service policies, the development of such would be included in the BP-24 pre-proceeding workshops and proposed in the BP-24 rate proceeding.

## **System Implementation (Stage 2)**

Bonneville expects to begin system implementation (Stage 2) in June 2022, following the initiation of the Business Practice Process to establish the concurrent loss return service policies. During this stage, Bonneville will identify the technical requirements necessary to implement the concurrent loss return service, work with internal groups and the vendor to develop and/or integrate the necessary systems, and conduct testing prior to go live. The policy decisions made in Stage 1 may affect the complexity of system implementation and could affect timelines, particularly related to testing; however, the new system functionalities will be made available in development environment for all customers to test prior to go-live.

### **Customer Engagement**

Following the completion of the policy discussions, Bonneville will use the Commercial Business Process Improvement (CBPI) meetings to share quarterly updates on system implementation. At least three months prior to the go-live of the new concurrent loss return service, Bonneville will share implementation updates monthly at the CBPI forum. Customers will receive notifications via Tech Forum and Bonneville will also include materials on Bonneville's CBPI website. Bonneville will use this forum to address any customer or stakeholder questions on the technical implementation and/or offer any necessary training or testing.

Depending on customer feedback and any outstanding implementation questions, Bonneville may hold a workshop separate from the CBPI meetings to discuss the transition to concurrent loss return service prior to go-live.

### **Additional Business Practice Changes**

If Bonneville identifies the need to include any new technical or implementation requirements in the Real Power Loss Return Business Practice or any other impacted business practice, Bonneville will notify customers in the CBPI forum prior to initiating the Business Practice Process to make any changes. Customers will have the opportunity to review any proposals and provide feedback in the Business Practice Process.

# Appendix: Concurrent Loss Return Service Project Timeline

