

June 2, 2020

*Submitted via email to techforum@bpa.gov*

**RE: NRU Comments in Response to 5/19/2020 BPA Rate Case Workshop on Proposed Workshop Topics and Schedule**

NRU submits the following comments in response to the proposed BP-22 rate case workshop topics and schedule discussed in the May 19, 2020, workshop.

*Proposed Schedule*

First, NRU would like clarity on which workshop schedule is accurate – the schedule on slide 13 or the one on slide 103?

NRU observes the tremendous amount of work BPA and customers need to undertake prior to the release of the Initial Proposal. We value the opportunity to informally engage with BPA and other customers outside of the formal proceeding requirements (such as *ex parte*) and want to ensure there is sufficient opportunity for us to understand, analyze and comment on BPA staff's proposals, and then for BPA staff to modify their proposals in response to our comments. For some of these topics, such as generation inputs and pricing of transmission losses, the comment and response iterations may need to occur several times in order to develop a well-vetted BPA staff proposal that will serve as the basis of the Initial Proposal.

Given the timing, we request that the issues that require the most engagement and iterative comment process be first on the workshop agendas. Additionally, we ask that BPA be willing to add additional time to the workshop schedule if needed to ensure sufficient time to discuss these important issues. NRU's higher priority topics include:

- Generation inputs – all aspects, including allocation of EIM charges and benefits
- Losses – all aspects, including transmission losses, pricing of transmission losses, EIM losses
- EIM transmission usage for Network
- 7(f) rate options
- EIM requirements for small, non-participating resources

### *EIM Charge Code Allocation*

NRU is unable to sufficiently analyze BPA staff's proposal to partially sub-allocate EIM charge codes without understanding how those charge codes would be allocated to customers and how they would relate to, replace, or add to the existing ancillary service charges. NRU observes that BPA and customers have invested years in developing the existing ancillary services rate designs to allocate costs and ensure proper price signals. Before deciding if, how and where EIM charge codes should be allocated, it seems prudent to ask whether BPA's existing cost allocations and price signals are sufficient in an EIM world. The next question would be whether the EIM charge codes should be sub-allocated to the existing cost buckets or somewhere else.

Specifically, NRU asks that no policy decision is made on whether EIM charge codes are allocated until we understand how those EIM charge codes would be allocated. For example, will they be allocated directly to a customer? What will the billing determinant be? Will the charge codes be allocated to existing ancillary service rates, such as Energy Imbalance or Generation Imbalance? Is it more practical for BPA to allocate EIM charge codes to existing rates until it acquires experience as an EIM Entity? How will the current ancillary services rate structures be modified, or not, once BPA joins the EIM?

Additionally, NRU would like information on how BPA plans to forecast and allocate EIM benefits.

### *Requirements for Small, Non-Participating Resources*

NRU would like clarity on what the requirements will be for small, non-participating non-federal resources located in BPA's BAA once BPA becomes an EIM Entity.

### *Discussion of 200 kW Threshold for Small Generator Interconnection Process*

NRU supports Snohomish PUD's request to discuss at a rate case workshop BPA's current 200 kW threshold for BPA's Small Generator Interconnection Process and whether changes are warranted.

### *Seller's Choice*

NRU will separately submit comments in response to the Seller's Choice discussions.

## 7(f) Rate

Below, NRU reiterates the comments it has previously submitted to BPA regarding potential revision to the NR rate.

- Any revised NR rate must provide load following services for the NLSL.
- Any revised NR rate must be available over time and not limited only to BPA having forecasted firm surplus power.
- There should be limits applied to the quantity of power sold at a revised NR rate. Those limits should be applied on a per-utility or per-NLSL basis to ensure the revised NR rate is available to future NLSLs and to multiple utilities.
- Consistent with Exhibit H of the Regional Dialogue contract, environmental attributes associated with power used to the serve the revised NR rate should be allocated to the utility as applicable.
- BPA Transmission should work to ensure it can timely respond to interconnection requests for the NLSLs so the revised NR rate can truly be available to Load Following customers.

## *Crosswalk of Changes to the T1SFCO and Resulting Impact to the Tier 1 Rate*

Consistent with our request in the BP-22 RHWM Process, please provide a detailed crosswalk of the changes to the Tier 1 system and the Tier 1 rate due to changes in fish operations, starting in FY 2016 through the current BP-22 RHWM Process. Please provide both impacts to the Tier 1 System Firm Critical Output (T1SFCO) and the Tier 1 rates. BPA updates its hydro models at various points in time, including the RHWM Process, Initial Proposal and Final Proposal for each rate case, so there is sometimes a lag or mismatch in the Tier 1 operations assumed at certain points in time in different venues. This affects the size of the T1SFCO, the amount of secondary sales and revenues, and the resulting Tier 1 rate. A crosswalk of when and where each modification to fish operations impacted the size and/or rate of the Tier 1 system will help customers understand the aggregate impacts since FY 2016.

Thank you for the opportunity to submit these comments. We look forward to continued engagement with BPA and other customers.

Sincerely,



Megan Stratman  
Rates and Policy Director