

174 Power Global  
3Degrees  
7Skyline, LLC

American Wind Energy Association  
Avangrid Renewables  
Bonneville Environmental Foundation  
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Climate Solutions

Columbia Gorge Community College  
Community Renewable  
Energy Association

Cypress Creek Renewables  
Davis Wright Tremaine LLP  
DNV GL

EDF Renewable Energy  
EDP Renewables

Environment Oregon  
Environment Washington

Erwin Legal

Eurus Energy America

Geothermal Resources Council

Green Mountain Energy  
HDR Engineering, Inc.

Idaho Conservation League  
Invenergy

K&L Gates

Kapla Law PLLC

Latitude45 Associates  
MAP

Montana Environmental  
Information Center

MontPIRG

National Grid

Natural Resources Defense Council  
Neoen U.S. Inc.

NextEra Energy Resources

Northwest Environmental  
Business Council

NRG Energy, Inc

NW Energy Coalition

OneEnergy Renewables

Oregon Citizens' Utility Board

Oregon Solar Energy  
Industries Association

OSPIRG

Oregon Tech

Orion Renewable Energy Group  
Pattern Energy

Scout Clean Energy

Sempra Renewables

Solar Oregon

Spark Northwest

Stoel Rives, LLP

Sulus Solar

SunPower Corporation

SWCA Environmental Consultants  
Tetra Tech

Vestas Americas

Warm Springs Power &  
Water Enterprises

Washington Environmental Council  
WashPIRG

Western Resource Advocates



August 28, 2018

**To:** Bonneville Power Administration  
U.S. Department of Energy  
Delivered Via Email at [techforum@bpa.gov](mailto:techforum@bpa.gov)

**RE:** Comments of Renewable Northwest on BP-20 and TC-20 Proposals  
Regarding Hourly Firm, Ancillary and Control Area Services, Projected  
Increase to BPA's Solar Integration Rate, and the Transmission Services  
Business Practice Review Process.

Renewable Northwest thanks Bonneville Power Administration ("BPA") Staff for this opportunity to comment. These comments build upon our previously submitted comments and respond to BPA Staff's request for feedback in the August 21, 2018 TC-20 workshop and the August 22, 2018 BP-20 workshop. These comments discuss BPA's proposed 1) elimination of its Hourly Firm product, 2) approach to the Ancillary and Control Area Services ("ACS") issues identified in TC-20 and BP-20, 3) projected increase to BPA's solar integration rate, and 4) Transmission Services Business Practice Review Process.

### **I. BPA should not eliminate its Hourly Firm product.**

At the August 21, 2018 TC-20 workshop, BPA Staff unveiled its proposal to remove Hourly Firm from its product portfolio on the BPA network and interties. According to BPA Staff, eliminating the Hourly Firm product will promote better planning, more closely align with reservations and expected usage patterns, and incent customers to secure transmission further in advance.<sup>1</sup>

From a renewables perspective, and looking toward a future with increasing amounts of variable energy resources on the system, Renewable Northwest anticipates increasing benefits from hourly and short-term firm products as load serving entities try to optimize their dispatch under changing circumstances. If BPA calculates the availability of firm transmission capacity going into an hour, BPA should offer it as firm. Relying on non-firm transmission products requires the receiving balancing area to hold costly and duplicative reserves and for many use cases is not a sufficient alternative to firm products.

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<sup>1</sup> TC-20 Workshop Presentation at slide 48 (Aug. 21, 2018) available at <https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/Tariff-Proceeding/August%2021,%202018/TC-20%20Customer%20Workshop%20Presentation%20for%20August%2021%202018.pdf>.

Renewable Northwest recognizes the transmission planning complexities associated with offering an unlimited Hourly Firm product. However, rather than completely eliminating Hourly Firm, Renewable Northwest encourages BPA to first consider the benefits of moving from an *unlimited* Hourly Firm product to a *limited* Hourly Firm product. BPA should then clearly articulate any remaining issues not solved by limiting Hourly Firm and work with customers to consider all available options for meeting the rest of BPA’s objectives, such as, aligning reservations with expected usage and incenting customers to secure transmission further in advance.

BPA’s August 21, 2018 presentation revealed that BPA has explored at least two alternatives to eliminating the Hourly Firm product entirely. The discussion that followed BPA’s presentation also revealed that customers have constructive suggestions on how to design a limited Hourly Firm product that helps address BPA’s desire to improve its planning practices while also complying with BPA’s principle to “prevent significant harm . . . [to] BPA’s customers.”<sup>2</sup> We encourage BPA to work with its customers to identify a transitional proposal that aligns with BPA’s objectives and also has a lower risk of negatively impacting transmission customers or the region’s wholesale spot market.

## **II. The quality of service standard of BPA’s VERBS should be defined in the OATT**

Renewable Northwest appreciates the multiple opportunities that BPA Staff has provided stakeholders to comment on the ACS issues as part of the business practice discussion and the TC-20 and BP-20 processes. From our prior comments, we reiterate that the quality of service for BPA’s Variable Energy Resource Balancing Service (“VERBS”) should be explicit in the OATT because the quality of service is a fundamental term and condition of the Schedule 9 and Schedule 10 services. The actual service provided by Schedules 9 and 10 would be unclear without a quality of service clearly identified in BPA’s OATT.

## **III. The proposed 300% rate increase to the solar integration rate is unjustified.**

At the August 22, 2018 ratecase workshop, BPA abruptly updated its solar integration rate forecast to a 300% increase above the status quo. BPA has not yet released the data and calculations necessary for customers to fully review BPA’s assumptions. However, based on the discussion at the workshop, it appears that BPA may have overestimated the variability associated with modern solar facilities. We understand that new solar facilities now routinely employ large DC-to-AC inverter ratios which significantly reduce variability, especially during the hours of peak production. Renewable Northwest is also concerned that BPA is not considering options to use longer term (daily, weekly, monthly) solar forecasts to guide more

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<sup>2</sup> *Id.* at slide 3.

efficient balancing reserve commitments. Lastly, the treatment of solar generation in BPA's Incremental Standard Deviation methodology deserves additional review.

Additionally, and from a process perspective, Renewable Northwest is concerned about the limited amount of remaining "workshop time" to discuss with BPA Staff these complex technical issues and to ensure that BPA Staff has the best available information available. Renewable Northwest suggests that targeted conference calls with BPA Staff and solar industry stakeholders in order to work through these complex issues and make the best use of the remaining time.

#### **IV. BPA's proposed Transmission Services Business Practice Review Process does not provide sufficient certainty or clarity.**

Renewable Northwest appreciates BPA Staff's efforts to clarify and standardize the BPA Transmission Services Business Practice Review Process. The proposal that Staff presented at the August 21, 2018 TC-20 workshop (the "Proposed Review Process") represents an attempt to create a more rigorous review process that offers customers and stakeholders greater clarity and certainty on business practice review timelines and opportunities for engagement. However, ambiguity in the Proposed Review Process, along with the seemingly high degree of discretion that BPA would have to shorten or eliminate comment timelines, appear inconsistent with those goals.<sup>3</sup> This is particularly concerning in instances when changes to business practice could impact the terms and conditions of BPA transmission services.

Throughout the TC-20 and BP-20 processes, various stakeholders raised concerns with the limited process and opportunities for customer and stakeholder involvement as part of BPA's current process for the adoption and amendment of its own business practices. As outlined below, the Proposed Review Process does not appear to address those concerns as 1) it does not appear to grant customers a meaningful opportunity to impact the business practice language, and 2) it would grant BPA high degree of discretion to limit opportunities for review and comment.

The Proposed Review Process appears to offer limited opportunities for customers and stakeholders to impact proposed business practices and grants BPA a seemingly high degree of discretion. Indeed, Section 1(d) of the Proposed Review Process outlines the circumstances that would give BPA the discretion to take a number of measures to expedite the comment period. Section 1(e) outlines the measures available to BPA. However, the Proposed Review Process would not offer guidance on what would justify selecting one measure to expedite the process

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<sup>3</sup> For example, "minor significance" in Section 1(a) of the Proposed Review Process is not defined, yet what may be seem of minor significance of Staff could be considered otherwise by a customer or stakeholder. Similarly, the different grounds for BPA exercising its discretion to expedite the comment period under Section 1(d) are not sufficiently defined.

over another (i.e. opening no preceding comment period vs. having a reduced comment period). Importantly, it is also not clear from the Proposed Review Process document whether and how a customer could challenge BPA's decision to expedite the process under Section 1(d) or BPA's selection of a measure to expedite the process under Section 1(e). Finally, it does not appear that the Proposed Review Process would allow stakeholders or customers to react to BPA's response to comments contemplated under Section 3(b). In fact, the only instance where it appears that customers or stakeholders could react to BPA's response to comments is if 1) BPA decides to exercise its discretion, under Section 4(a), to revise a proposed business practice in response to comments, and 2) if that revision is substantive. In that case, under Section 4 (a), BPA "*may* post the business practice for a subsequent 10 business day comment period." In summary, the Proposed Review Process would benefit from greater clarity and increased opportunities for customer and stakeholder participation.

The limited process and opportunities for customer and stakeholder engagement in the Proposed Review Process are especially concerning to us in light of current proposals to specify material terms and conditions of BPA transmission services, like the quality of service standard for BPA's VERBS, in a business practice and not in the OATT. We reiterate our previously stated opposition that inclusion of material terms and conditions of BPA transmission services only in a business practice is inappropriate. Indeed, BPA's transmission customers should not be subject to changes in the terms and conditions of their transmission service as part of the limited process and involvement opportunities under either the current business practice review process or the Proposed Review Process.

Finally, Renewable Northwest again thanks BPA Staff for their interest in creating a more rigorous business practice review process and recommends that BPA Staff continues to work with customer to develop a more robust process for adopting or amending business practices.