

BPA Decision – Variable Energy Resource Balancing Service (VERBS)

BPA Transmission Business Practice

Version 3

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This document contains Bonneville’s decision regarding the Variable Energy Resource Balancing Service (VERBS) Business Practice Version 3 proposal submitted to Bonneville by Shell Energy North America (US) L.P. (Shell) and posted for comment from May 3, 2024, through June 11, 2024.

This is Bonneville’s final agency action in regard to this business practice proposal.

For more information on business practices out for comment, visit the BPA [Proposed Business Practices webpage](#).

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A. Bonneville’s Decision

Shell proposed a modification to the Variable Energy Resource Balancing Service (VERBS) Business Practice to include language from the rate schedules exempting EIM participating resources that receive a Market Operator dispatch order from the Intentional Deviation Penalty Charge. Specifically, Shell proposed the following edits:

F. Application of Intentional Deviation Penalty Charge

1. VERs are subject to the Intentional Deviation Penalty Charge as defined in the BPA ACS Rate Schedules, except as provided below:
2. A VER that elects to self-supply their Balancing Reserve Capacity must comply with the requirements in the self-supply of Balancing Services Business Practice.
3. For schedule Intervals with no Curtailments or with Curtailments issued prior to the close of the Western Electricity Coordinating Council (WECC) scheduling window at T-20:
 - a. Intentional Deviation applies, in accordance with the ACS Rate Schedules, when the resource schedules to a value other than the BPA-provided schedule value (Intentional Deviation Measurement Value), except:
 - i. When the resource schedules to another value and the imbalance from a different schedule value meets or beats the imbalance that would

have otherwise occurred had the resource scheduled to the BPA-provided schedule value, as defined in Section D.

4. For schedule periods with Curtailments issued after the close of the WECC scheduling window at T-20, for each scheduling period Intentional Deviation will not apply.
5. The Intentional Deviation Penalty Charge will not apply in any interval in which a Variable Energy Resource that is a Participating Resource in the EIM receives an instructed dispatch from the Market Operator.

Shell provided during the business practice stakeholder meeting held May 13, 2024, that the modification they proposed would “conform the business practice to the existing transmission rates” and remove an “artificial barrier to competition in the EIM.”

No comments were submitted to Bonneville during the comment period regarding this proposal.

BPA Response to Proposal

BPA will not adopt Shell’s proposed modification to the Variable Energy Resource Balancing Service Business Practice. Shell’s proposed Business Practice modification largely repeats the same language that is in BPA’s Rate Schedules, and does not provide any additional information about application of the Intentional Deviation exemption for EIM Participating Resources. Moreover, section F.1 already makes clear that “VERs are subject to the Intentional Deviation Penalty Charge as defined in the BPA ACS Rate Schedules.” The definition of Intentional Deviation under Section II.L.4 of the General Rate Schedule Provisions includes the exemption for EIM Participating Resources.

BPA does not need to repeat language from its Rate Schedules in a Business Practice in order to implement the Rate Schedules. BPA’s Rate Schedules identify the rate and any exceptions or exemptions. Although certain Business Practices may provide additional information about application of the Rate Schedules, BPA endeavors not to repeat provisions of the BPA OATT or Rate Schedules in the Business Practices. Doing so would not provide additional information and would risk confusion if the Business Practice language is not identical.