Response to Comments – Requesting Transmission Service

BPA Transmission Business Practice

Version 48
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Version 48

This document contains comments and BPA responses regarding Version 48 of the Requesting Transmission Service Business Practice posted for comment from Jan. 8 to Feb. 18, 2025.

This is Bonneville's final agency action in regard to this version of the business practice.

For more information on business practices out for comment, visit the BPA <u>Proposed Business</u> <u>Practices webpage</u>.

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A. Seattle City Light

Comments Concerning Requesting Transmission Service BP v48

TSR Deposit and Non-Refundable Processing Fee

Seattle City Light (SCL) supports BPA recovering costs in accordance with cost causation principles. SCL suggests BPA consider if the proposed increase in the Non-Refundable Processing Fee recovers all costs associated with initial consideration of new TSRs.

Data Exhibit Submittal and Validation for LTF TSRs 5.a

SCL suggests that BPA consider providing customers with 10 business days from the receipt of BPA's notice to rectify deficiencies. Additionally, SCL requests BPA allow and support customers listing multiple parties for all notifications regarding new TSR request deficiencies. Allowing multiple notifications should alleviate business need for an extended period for customer response.

SCL recommends limiting the length of time for evaluating TSR Data Exhibits to 30 days if BPA cannot support a longer time frame for customer response.

SCL thanks BPA for accepting and considering these comments.

BPA Response 1

Bonneville appreciates SCL's support in regard to the adjustment to the Non-Refundable TSR Processing Fee.

The 5-Business Day cure period for data exhibit deficiencies identified in Section F.5.a has been in place since the Requesting Transmission Service V44 went into effect in March of 2023. Under Section 17.4 of Bonneville's Tariff, Bonneville is required to "...notify the entity requesting service within fifteen (15) days of receipt of the reasons for..." a deficient TSR application. The data exhibit validation is just one element of that process and must be carried out in a timeframe that allows for completion of other business activities required within those 15 days.

Deficiency notifications are distributed to the identified party(ies) on the data exhibit with the expectation that customers will ensure the contact information provided to Bonneville is accurate and that customers will update the contact information as needed. Bonneville anticipates that the listed contacts are able to forward a deficiency notice in a timely and efficient manner to enable the customer to address the issue within the provided timeframe. For new TSR submittals status notifications, OASIS notifications are sent to the TSR submitter. To add additional parties to status notifications, please refer to Section A of the Supplemental OASIS User Guide for the steps to subscribe to OASIS email notifications.

Bonneville endeavors to meet the 15-day notification period; however, there are many factors that may delay completion of review. Bonneville cannot move forward under an incomplete application and would not decline a TSR when additional time is needed to complete a review.

B. Northwest & Intermountain Power Producers Coalition (NIPPC)

NIPPC Comments on BPA Proposed Business Practice related to Requesting Transmission Service V.48

The Northwest & Intermountain Power Producers Coalition submits the following comments in response to the BPA proposed changes to the Requesting Transmission Service Business Practice. The Northwest & Intermountain Power Producers Coalition ("NIPPC") is a membership-based advocacy group representing competitive electricity market participants in the Pacific Northwest and Intermountain region. NIPPC has a diverse membership including independent power producers and developers, electricity service suppliers, transmission companies, marketers, storage providers, and others. Most of NIPPC's members are transmission customers of BPA and will be impacted by this business practice.

Comments

NIPPC members generally support the proposed changes. While there were initial concerns about the proposed increase in the processing fee, based on the representations by BPA staff that \$10,000 represents the actual cost of processing customers' requests for transmission service, NIPPC does not object to the increase in the non-refundable processing fee. NIPPC agrees that the costs of processing a customer's request for transmission service should be borne by the customer making the request and not recovered from existing transmission customers through BPA's rates.

Section F.3.

NIPPC has no objection to a requirement that customers provide BPA with information using the current data exhibit form. We do suggest, however, that BPA include a crossreference to the location of the "current" data exhibit form and specify the effective date of the "current" version of the data exhibit form in the business practice. Alternatively, BPA could attach the current data exhibit form to the business practice as an appendix.

Thank you for the opportunity to provide these comments.

BPA Response 2

Bonneville appreciates NIPPC's support in regard to the adjustment to the Non-Refundable TSR Processing Fee.

Bonneville's Business Practice Process is utilized to consider any proposed change to an existing transmission business practice. Section F.2 of the Business Practice has a link to Bonneville's Forms webpage where current NT and PTP Data Exhibit forms are located. The NT and PTP Data Exhibit forms are both dated, allowing customers to easily determine that they are using the current version. Bonneville believes this is the most efficient method to enable confirmation of the current Data Exhibit forms.

C. Portland General Electric and Pacificorp

Thank you for holding a customer call on Jan. 17, 2025 to discuss the redline edits to the existing Requesting Transmission Services BP.

1. Can you please explain the motivation/justification for raising the TSR non-refundable deposit by 400%?

As you stated on the call, the reason BPA is raising the processing fee is because it hasn't changed it since it put it in place in 1996. PGE understands the need to raise fees to coincide with inflation but raising it by 400% on top of proposing to raise PTP charges by 26% is a real hardship on PTP customers. PGE proposes that BPA move to a more modest increase like \$4,000.

You stated on the call that according to your benchmarking, BPA is the only company who charges a non-refundable processing fee. PGE would like to point out that other transmission providers across WECC are also facing huge spikes in Transmission requests and they are able to absorb the staff review time of such requests within existing staffing costs. This is another example of how this increased deposit is punitive to entities just trying to serve load growth. The magnitude is much too large for customer to absorb.

BPA Response 3

Bonneville appreciates PGE's and PacifiCorp's concern regarding the adjustment to the Non-Refundable TSR Processing Fee and understands that customers are facing increasing challenges regarding increasing transmission costs.

Bonneville manages the largest queue in the Pacific Northwest region at cost. Bonneville needs to increase the fee because of two primary factors: 1) a significant increase in the number of labor hours required for processing transmission service requests, and 2) increased wages relative to when the fee was initially implemented.

Bonneville understands that a lower fee would be less of a financial burden to requesting customers, but the number proposed (\$4,000) would not cover the cost of an average TSR being processed; this means that ratepayers would need to subsidize the cost of processing TSRs. The \$10,000 fee proposed by Bonneville was a result of extensive analysis that took into consideration significantly increased labor hours, labor costs, volume of requests, complexity of requests, and inflation. Recovering the cost through the non-refundable processing fee was previously approved by FERC and is consistent with Bonneville's cost causation principles.

2. Can you please break down how the \$10,000 is spent to cover staff time?

Typically, in setting fees the rate making company proposing new fees/rates has underlying detail like the time and cost to support the process. The proposed new rate of \$10,000 has no supporting underlying analysis to justify the amount. Absent any specific details, PAC and PGE recommend that the fee should be something lower, cost + inflation, or some middle ground.

As stated on the conference call, reviewing TSRs is becoming more challenging for BPA to process. We can support modest increases but it's hard to understand how a 400% increase is needed to review TSRs regardless of if they touch several organizations. PGE and PAC encourage BPA to consider having a sliding scale for processing fees, i.e. more complex request have a higher non-refundable deposit. For example, a TSR request only crossing 1-2 flow gate would be considered an easy request to process, but a TSR request touching multiple flow gates, would be considered complex. In addition, PGE encourages BPA to review your processes and look for efficiencies.

While none of us like TSR queues with volumes that will never materialize. A higher entrance fee might reduce the volume. However, the fee should still be based on some specifics and not some arbitrary number.

BPA Response 4

Bonneville exclusively used time and cost to develop the proposed fee. Bonneville considered merely adjusting for inflation, but such an adjustment would not have accounted for increased labor hours required. The current fee, which was adopted in 1997, was based on estimates of the number of labor hours spent processing TSRs and the average staff wage rate at the time. For the updated fee, Bonneville considered a range of options based on updated estimates of the labor hours involved in processing TSRs and current average staff wage rates. BPA also considered that some TSRs are more difficult to process than others and was careful not to base the fee on the most complicated requests that utilize the highest number of labor hours. The resulting number was \$10,000 per TSR.

3. Can you please tell us about benchmarking that was done with other Transmission Providers and where this new rate falls in line with others?

The presenters were not aware if other transmission providers requiring a one-month deposit for the service being requested. For the record, PGE Transmission does also require a one-month deposit, that is the industry norm. I would encourage BPA to conduct more benchmarking with TPs that have large queues such as CAISO, PAC, etc. and see how they handle TSR requests both from a process and a fee standpoint.

Thank you for the opportunity to provide comments!

BPA Response 5

As far as Bonneville is aware, Bonneville is the only transmission service provider that charges a non-refundable processing fee for TSRs, which was approved by FERC in 1997. Additional benchmarking will not change the average cost to Bonneville of processing TSRs today.