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Submitted via email: techforum@bpa.gov

Comments on BPA April 24th BP TC-26 Workshop Topics

Seattle City Light (City Light) appreciates BPA's efforts to actively engage and be responsive to customers regarding BP-26 Rate Case and TC-26 Workshop topics. City Light would like to offer the following comments for BPA's consideration.

Segmentation

City Light supports BPA's proposal maintaining the current methodology and segment definitions. City Light recognizes and thanks BPA for the resources and effort BPA expended on the last segmentation study.

Gen Inputs (Area Control Service (ACS) design for Energy Storage Devices (ESD))

City Light supports the BPA objectives and criteria for evaluation for the ACS for ESDs. Specifically, City Light applauds BPA emphasizing equitable treatment and following cost causation principles. City Light additionally supports BPA's intent to develop an Energy Storage Device Balancing Service (ESDBS) like the existing DERBS to capture the cost of Balancing Capacity for energy storage devices that can be applied to both discharging and charging.

Generator Interconnection Withdrawal Penalties

City Light supports BPA developing and implementing Generator Interconnection withdrawal penalties to reduce delays and costs associated with restudy. City Light has the following suggestions regarding the questions BPA posed in the workshop:

How should penalties be calculated? When should the penalty apply? – City Light suggests BPA follow the principle that withdrawal penalties are meant to deter non-viable projects from entering or remaining in the interconnection queue and to mitigate potential harm to other interconnection customers in the queue. City Light recommends BPA consider multiplying the study deposit for each phase of the process to calculate the withdrawal penalty for withdrawing from that phase. City Light believes this is the most transparent and easily implementable way to calculate penalties. Penalties for phase 1 should be equal to the study deposit with late phases being a higher multiple.

When does the penalty apply? During the Transition Process? – City Light recommends that withdrawal penalties should apply to each phase of the Transition Process and after.

Should there be exceptions to when a penalty applies? City Light recommends limiting exemptions from withdrawal penalties to the following:

-Withdrawal does not have a material impact on the cost or timing of any interconnection requests.

-Withdrawal follows an unanticipated increase in network upgrade cost estimates and the network upgrade costs assigned to the interconnection customer's requests have increased by 100% compared to the costs identified in the previous cluster study report.

How should Withdrawal Penalty funds be allocated? City Light recommends the following for allocating Withdrawal Penalty funds:

-First, to cover the costs of mitigating potential harm to other interconnection customers in the queue by applying penalty amount to the costs of the affected study phase.

-Next, any remaining funds are used to offset any remaining customer's net increases in network upgrade costs caused by the customer's withdrawal (due to a previous shared funding obligation); and

-Next, any remaining funds are used to offset network upgrade costs of customers participating in the cluster study; and

-Finally, any remaining funds are returned to the withdrawal customer.

Are there other elements we should consider? City Light recommends BPA consider the ramifications of requiring a withdrawal penalty greater than the amount of a requesting customer's deposits. Some type of deposit, bond, and or other credit requirements may need to be met for withdrawal penalties to be effective in each phase of the process.

GI Reform – Affected Systems (Attachment L)

City Light supports BPA developing an efficient, consistent, and sustainable process for performing Affected System studies in parallel with TSEP and interconnection studies that coordinates with neighboring Transmission Providers' processes. City Light has the following suggestions regarding the questions BPA posed in the workshop:

What visibility of Affected System Studies do customers need? Customers whose requests cause an Affected System Study need should have the same visibility into the study process as customers whose requests are directly being studied in the process. This should be true regardless of what process the Affected System Studies need is being studied by BPA. City Light suggests that BPA could include an Affected System Study segment in the needed network upgrade portion of each phase of the generator interconnection process as well as the TSEP cluster study process.

What is the most efficient, consistent, and sustainable process for performing Affected System studies in parallel with the new two-phase cluster study process for requests in BPAs interconnection queue? City Light recommends BPA cluster Affected System Studies needs and include those needs in the next BPA study process accessing network impacts and needs. This could be part of each phase of interconnection study as well as the TSEP cluster study.

How will BPA coordinate better with other Transmission Providers' processes? Following the above, BPA should be assessing network needs and upgrades once a year. This should be sufficient to coordinate with other Transmission Providers' processes. Anything less, is likely to be seen as insufficient by both customers and neighboring Transmission Providers.

GI Reform – LGIA (Attachment L)

City Light supports efforts to align BPA's Tariff LGIA template with TC-25 reforms and/or the *pro forma* Tariff.

City Light thanks BPA for consideration of these comments.

Sincerely,

Michael Watkins
Strategic Advisor
Seattle City Light